

PROJECT END-OF-YEAR/FINAL REPORT
ARKANSAS CORN/GRAIN SORGHUM PROMOTION BOARD 2014-2015 CROP YEAR

Title: Corn and Grain Sorghum Production Economics for Optimal Farm Management

Investigator: Dr. Archie Flanders
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Status: Year 1 of 3 Years

Stated Goal: The goal of this project is to provide crop enterprise budgets for corn and grain sorghum that are flexible for representing alternative production practices of Arkansas producers. Crop enterprise budgets are developed with methods that are consistent over all field crops.

Accomplishments for Current Year:

- 1) Crop enterprise budgets for 2015 were released in December 2014.
- 2) The budget program was utilized for economic analysis of the 2014 corn and grain sorghum research verification data.
- 3) Table 1 presents 2015 costs and returns for Arkansas corn and grain sorghum production.

Table 1. 2015 Cost and Returns, Surface Irrigation

Receipts	Corn	Sorghum
Yield (bu.)	220	110
Price (\$/bu.)	4.00	3.80
Total Crop Revenue	880.00	418.00
Operating Expenses		
Production Inputs	469.54	236.84
Crop Insurance	0.00	0.00
Other Operating Expenses	49.68	40.90
Total Operating Expenses	519.22	277.74
Post-harvest Expenses	99.00	28.60
Net Operating Expenses	618.22	306.34
Returns to Operating Expenses	261.78	111.66
Capital Recovery & Fixed Costs	84.98	78.11
Total Specified Expenses¹	703.20	384.45
Returns to Specified Expenses	176.80	33.55
Operating Expenses/bu.	2.81	2.78
Total Expenses/bu.	3.20	3.50

¹Does not include land costs.

- 4) A new aspect of the budget program presents percentages of expected revenue for costs categories to assist in crop insurance decisions. Producers may change APH Yield and Projected Price to determine the desired insurance level to cover selected expenses.

Corn, Furrow Irrigated			Crop Insurance Information	
Revenue	Per Acre	Farm		Per Acre
Acres	1	1,000		
Yield (bu)	220.0	220,000	APH Yield	198.0
Price (\$/bu)	4.00	4.00	Projected Price	4.00
Grower Share	100%	100%		
Total Crop Revenue	880.00	880,000	Revenue	792.00
			Percent of Revenue	
Expenses				
Seed	125.73	125,730		16%
Fertilizers & Nutrients	241.70	241,698		31%
Chemicals	23.80	23,800		3%
Custom Applications	7.00	7,000		1%
Diesel Fuel, Field Activities	20.74	20,735		3%
Irrigation Energy Costs	47.13	47,127		6%
Other Inputs	3.45	3,450		0%
Input Costs	469.54	469,540		59%
Fees	0.00	0		0%
Crop Insurance	0.00	0		0%
Repairs & Maintenance, Includes Employee Labor	25.82	25,819		3%
Labor, Field Activities	11.82	11,818		1%
Production Expenses	507.18	507,177		64%
Interest	12.05	12,045		2%
Post-harvest Expenses	99.00	99,000		13%
Custom Harvest	0.00	0		
Total Operating Expenses	618.22	618,222		
Returns to Operating Expenses	261.78	261,778		
Cash Land Rent	0.00	0		0%
Capital Recovery & Fixed Costs	84.98	84,978		11%
Total Specified Expenses	703.20	703,200		
Returns to Specified Expenses	176.80	176,800		

- 5) Work is continuing to release conventional (non-GMO) corn furrow irrigated and center pivot irrigated budgets in January 2015 for producer consideration in spring 2015 planting.