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## 2016 Nebraska Crop Budgets

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# Cornhusker Economics

## 2016 Nebraska Crop Budgets

Market Report	Year Ago	4 Wks Ago	1-8-16
<b>Livestock and Products,</b>			
<b>Weekly Average</b>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight. . . . .	169.71	116.36	132.00
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. . . . .	297.23	181.56	198.24
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. . . . .	233.56	153.11	165.76
Choice Boxed Beef, 600-750 lb. Carcass. . . . .	252.76	203.13	226.24
Western Corn Belt Base Hog Price Carcass, Negotiated. . . . .	72.67	51.32	51.55
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean. . . . .	82.80	72.81	69.65
Slaughter Lambs, woolled and shorn, 135-165 lb. National. . . . .	*	146.22	143.71
National Carcass Lamb Cutout FOB. . . . .	379.18	360.03	359.79
<b>Crops,</b>			
<b>Daily Spot Prices</b>			
Wheat, No. 1, H.W. Imperial, bu. . . . .	5.42	3.98	3.93
Corn, No. 2, Yellow Nebraska City, bu. . . . .	3.72	3.51	3.33
Soybeans, No. 1, Yellow Nebraska City, bu. . . . .	9.92	8.28	8.21
Grain Sorghum, No.2, Yellow Dorchester, cwt. . . . .	7.32	5.73	5.48
Oats, No. 2, Heavy Minneapolis, Mn, bu. . . . .	3.36	2.87	2.66
<b>Feed</b>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton. . . . .	222.50	177.50	250.00
Alfalfa, Large Rounds, Good Platte Valley, ton. . . . .	75.00	77.50	82.50
Grass Hay, Large Rounds, Good Nebraska, ton. . . . .	82.50	85.00	85.00
Dried Distillers Grains, 10% Moisture Nebraska Average. . . . .	179.00	132.00	134.50
Wet Distillers Grains, 65-70% Moisture Nebraska Average. . . . .	59.50	51.00	51.50
* No Market			

The 2016 Nebraska Crop Budgets are complete and available online at several websites:

1. <http://extensionpublications.unl.edu/assets/pdf/ec872.pdf>,
2. <http://cropwatch.unl.edu/economics/budgets>
3. <http://farm.unl.edu/crops>.

Four new budgets have been added. They are dryland corn production budgets for eastern Nebraska. (Budgets 16, 18, 20 & 22)

The breakeven prices for 2016 are lower than they were in 2015 for every budget. The average decline in breakeven prices of the irrigated corn budgets is almost 24 cents per bushel; \$4.42 in 2015 compared to \$4.19 in 2016. (The apparent discrepancy in the math is because of rounding errors.) The breakeven price for irrigated soybean budgets was 44 cents per bushel lower; \$10.62 in 2015 compared to \$10.18 in 2016.

Lower fuel cost is one reason for the decline in breakeven prices. The price used for fuel in 2015 was \$3.25 per gallon compared to \$2.25 per gallon in 2016. The fuel price for 2016 appears a little high now because it was obtained in October, 2015; but what it will be in the spring remains to be seen.

Fertilizer is another expense category where prices are lower in 2016 than they were in 2015. Nitrogen price is the main driver for this. The per-pound cost of nitrogen used in the budgets dropped from \$0.55 per pound in 2015 to \$0.47 per pound in 2016. Monoammonium phosphate has a lower proportion of nitrogen than any of the other fertilizers used in formulating the budgets and its price has changed the least over the past two years.

Prices for Herbicides used in the budgets were mixed. Some of the prices for the products used in the budgets were higher and some lower. Some changed substantially, the changes in other price were more modest, and the prices used for some products were unchanged.

The prices for Fungicides and Insecticides used in the budgets either remained constant or increased modestly.

Land charges on the budgets are calculated by multiplying prices from University of Nebraska Department of Agricultural Economic's *Farm Real Estate Report* (<http://agecon.unl.edu/realestate>) times 5% for opportunity cost

plus 2% for an estimation of real estate taxes. The 2014-2015 report estimates of farmland prices decreased from a year earlier and these decreases showed up in the lower breakeven prices.

While decreased production costs are good news, they will not completely cover the reduced revenues from decreased crop prices. They do mitigate these revenue losses somewhat and may provide some optimism for the farm economy going forward.

The following is a list of some selected budgets and their estimated breakeven prices.

<b><u>Budget Name</u></b>	<b><u>Breakeven</u></b>	<b><u>Per unit</u></b>
9-Alfalfa, Large Round Bale, Dryland	77	per ton
10-Alfalfa, Large and Small Square Bale, Pivot Irrigated	113	per ton
11-Alfalfa, Roundup Ready®, Large and Small Square Bale, Pivot Irrigated	114	per ton
12-Alfalfa, Large and Small Square Bale, Pivot Irrigated	83	per ton
13-Alfalfa, Large Square Bale, Canal Irrigated	103	per ton
14-Alfalfa, Roundup Ready®, Large Square Bale, Canal Irrigated	103	per ton
15-Corn, Conventional Tillage, Continuous, 90 bu Yield Goal, Dryland	5.89	per bushel
16-Corn, Eastern Nebraska Conventional Tillage, Continuous, 155 bu Yield Goal, Dryland	5.10	per bushel
17-Corn, No-Till, Bt, ECB, RW & RR2, Continuous, 125 bu Yield Goal, Dryland	4.21	per bushel
18-Corn, Eastern Nebraska, No-Till, Bt, ECB, RW & RR2, Continuous, 170 bu Yield Goal, Dryland	4.22	per bushel
19-Corn, No-Till, SmartStax RIB Complete, Continuous, 130 bu Yield Goal, Dryland	4.11	per bushel
20-Corn, Eastern Nebraska No-Till, SmartStax RIB Complete, Continuous, 175 bu Yield Goal, Dryland	4.18	per bushel
21-Corn, No-Till, Bt & ECB, after Soybeans, 135 bu Yield Goal, Dryland	3.80	per bushel
22-Corn, Eastern Nebraska No-Till, Bt & ECB, after Soybeans, 180 bu Yield Goal, Dryland	3.91	per bushel
23-Corn, Ecofallow, Follows Wheat, Two Crops in Three Years, RR2, Bt & ECB, 125 bu Yield Goal, Dryland	3.75	per bushel
24-Corn, Ridge Till, Bt, ECB & RW, Continuous, 230 bu Yield Goal, Gravity Irrigated	4.16	per bushel
25-Corn, Ridge Till, SmartStax RIB Complete, Continuous, 240 bu Yield Goal, Gravity Irrigated	4.17	per bushel
26-Corn, Panhandle Continuous, SmartStax RIB Complete, 190 bu Yield Goal, Canal Irrigated	3.98	per bushel
27-Corn, No-Till, Bt, ECB & RW, Continuous, 240 bu Yield Goal, Pivot Irrigated	4.10	per bushel
28-Corn, No-Till, SmartStax RIB Complete, Continuous, 250 bu Yield Goal, Pivot Irrigated	4.04	per bushel
29-Corn, Bt, ECB & RW, Continuous, 230 bu Yield Goal, Pivot Irrigated	4.43	per bushel
30-Corn, Panhandle, SmartStax RIB Complete, 190 bu Yield Goal, Pivot Irrigated	4.57	per bushel
31-Corn, SmartStax RIB Complete, Continuous 240 bu Yield Goal, Pivot Irrigated	4.41	per bushel
32-Corn, No-Till, Bt & ECB, after Beans, 240 bu Yield Goal, Pivot Irrigated	3.84	per bushel
34-Dry Beans, Reduced Till with Wheat Cover Crop after Harvest, Pivot Irrigated	24	per cwt
35-Dry Beans, Conventional Tillage, Canal Irrigated	24	per cwt
36-Dry Beans, Conventional Tillage Using Pumped Water, Pivot Irrigated	25	per cwt
37-Dry Beans, Direct Harvest, Conventional Tillage Using Pumped Water, Pivot Irrigated	26	per cwt

<b><u>Budget Name</u></b>	<b><u>Breakeven</u></b>	<b><u>Per unit</u></b>
38-Grain Sorghum, Conventional Tillage, 105 bu Yield Goal, Dryland	3.63	per bushel
39-Grain Sorghum, No-Till, 125 bu Yield Goal, Dryland	3.37	per bushel
40-Grain Sorghum, Ecofallow, After Wheat, Two Crops in Three Years, 115 bu Yield Goal, Dryland	3.25	per bushel
41-Grain Sorghum, No-Till, Limited Irrigation, 165 bu Yield Goal, Pivot Irrigated	3.58	per bushel
50-Soybeans, Tilled Seed Bed, Roundup Ready® after Corn, Dryland	9.14	per bushel
51-Soybeans, No-Till, Roundup Ready® after Corn, Dryland	8.13	per bushel
52-Soybeans, No-Till, Roundup Ready®, Continuous, Dryland	8.83	per bushel
53-Soybeans, Tilled Seedbed, Roundup Ready® after Corn, Pivot Irrigated	10.72	per bushel
54-Soybeans, Ridge Till, Roundup Ready® after Corn, Gravity Irrigated	10.18	per bushel
55-Soybeans, No-Till 15-inch Row, Roundup Ready® after Corn, Pivot Irrigated	9.65	per bushel
56-Soybeans, Roundup Ready®, No-Till Narrow Row, Continuous, Pivot Irrigated	10.76	per bushel
57-Soybeans, No-Till Drilled 7.5-inch Rows, Roundup Ready® after Corn, Pivot Irrigated	9.61	per bushel
58-Sugarbeet, Panhandle, Roundup Ready®, One Pass Zone-Tillage, Canal Irrigated	35	per ton
59-Sugarbeet, Panhandle, Roundup Ready®, Conventional Tillage, Gravity Irrigated, Canal	35	per ton
60-Sugarbeet, Panhandle, Roundup Ready®, One Pass Zone-Tillage, Pivot Irrigated	38	per ton
61-Sugarbeet, Panhandle, Roundup Ready®, Conventional Tillage, Pivot Irrigated	38	per ton
62-Sunflower, Panhandle, No-Till, Following Corn or Grain Sorghum, Dryland	16.63	per cwt
63-Sunflower, Panhandle, Ecofallow, after Wheat, Two Crops in Three Years, Dryland	15.34	per cwt
64-Sunflower, Panhandle, No-Till, Pivot Irrigated	15.62	per cwt
65-Wheat, No-Till, Wheat after Row Crop, 50 bu Yield Goal, Dryland	6.08	per bushel
66-Wheat, No-Till Fallow, One Crop in Two Years, 60 bu Yield Goal, Dryland	6.72	per bushel
67-Wheat, Stubble Mulch Fallow, One Crop in Two Years, 55 bu Yield Goal, Dryland	7.13	per bushel
68-Wheat, Clean Till Fallow, One Crop in Two Years, 50 bu Yield Goal, Dryland	7.73	per bushel
69-Wheat, No-Till Wheat before Corn, Two Crops in Three Years, 65 bu Yield Goal, Dryland	6.03	per bushel
70-Wheat, No-Till after Beans, 100 bu Yield Goal, Pivot Irrigated	5.13	per bushel
71-Wheat, No-Till, in Rotation, Pivot Irrigated	5.72	per bushel

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