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Estimated costs of crop production for 2007

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The 2007 Estimated Costs of Crop Production from Iowa State University Extension are now available. While the total costs did not change a significant amount from 2006, there are some notable changes in specific budgets to better reflect expected input use and crop yields.

The data in this report come from several sources. These include the Iowa Farm Business Association record summaries, production and costs data from the Department of Economics, Agricultural and Biosystems Engineering, and Agronomy at Iowa State University and a survey of selected agricultural cooperatives and other input suppliers around the state. Estimates represent typical average costs for farms in Iowa and are only intended to be guidelines. Actual costs will vary considerably and can be entered in the "Your Estimates" column for individual operations.

2007 Changes

In the 2007 crop budgets, the expected corn and soybean yields were increased 5 bushels per acre. Fuel price was decreased to \$2.05 per gallon. Corn seed costs were increased to \$1.82 per 1,000 kernels and corn seeding rates increased by 5,000 per acre.

Nitrogen cost decreased from \$.37 to \$.31 per pound. While corn nitrogen use increased from 150 to 190 lbs. per acre for corn after corn and

from 100 to 135 lbs. per acre for corn after soybeans. The nitrogen use rate was based on the Maximum Return to N Calculator with \$.27 anhydrous nitrogen and \$3.40 corn. The Corn Nitrogen Rate Calculator is from ISU Extension Agronomy and is available at <http://extension.agron.iastate.edu/soilfertility/nrate.aspx>.

Other input price changes included a decrease of herbicide cost by \$8.00 and insecticide by \$1.00 per acre. For herbicide tolerant soybeans herbicide costs went down \$3.00.

Insurance costs, which reflect the mix of multiple peril, revenue and hail insurance, as well as noninsured acres, increased \$2.00 per acre, and miscellaneous costs increased \$1.00. The interest rate was raised to 8% and labor was increased from \$10.50 to \$11.00 per hour. Cash rent prices increased \$5, \$10, and \$15 per acre for low, medium, and high quality land, respectively.

The 2007 Estimated Costs of Crop Production publication is available through the ISU Extension Store as publication FM 1712 or in Ag Decision Maker File A1-20, <http://www.extension.iastate.edu/agdm/crops/html/a1-20.html>. Decision Tools for developing crop production budgets have been updated to reflect the price changes for 2007. The updated Decision Tools are available with the information file on the Ag Decision Maker web site.