10-9-2006

Early seed discounts don't always pay

Lori Abendroth
Iowa State University, labend@iastate.edu

Roger W. Elmore
Iowa State University, relmore@iastate.edu

Jim R. Rouse
Iowa State University, rouse@iastate.edu

Follow this and additional works at: http://lib.dr.iastate.edu/cropnews

Part of the Agricultural Economics Commons, Agricultural Science Commons, and the Agronomy and Crop Sciences Commons

Recommended Citation
http://lib.dr.iastate.edu/cropnews/1346

The Iowa State University Digital Repository provides access to Integrated Crop Management News for historical purposes only. Users are hereby notified that the content may be inaccurate, out of date, incomplete and/or may not meet the needs and requirements of the user. Users should make their own assessment of the information and whether it is suitable for their intended purpose. For current information on integrated crop management from Iowa State University Extension and Outreach, please visit https://crops.extension.iastate.edu/.
Early seed discounts don't always pay

Abstract
Harvest is in full swing and as we wrap up the 2006 season, many begin to plan for 2007. The 2006 growing season, though, is extremely useful when planning for next year by looking at what did or did not work. One key component is hybrid selection. Seed companies are encouraging producers to purchase 2007 hybrids early by providing cash discounts. Most companies offer the greatest discount (8 to 10%) if hybrids are selected by approximately mid-November. While this discount is a substantial amount of money, especially with increasing seed costs, you do not want to move too hastily when selecting hybrids.

Keywords
Agronomy

Disciplines
Agricultural Economics | Agricultural Science | Agriculture | Agronomy and Crop Sciences
Harvest is in full swing and as we wrap up the 2006 season, many begin to plan for 2007. The 2006 growing season, though, is extremely useful when planning for next year by looking at what did or did not work. One key component is hybrid selection.

Seed companies are encouraging producers to purchase 2007 hybrids early by providing cash discounts. Most companies offer the greatest discount (8 to 10%) if hybrids are selected by approximately mid-November. While this discount is a substantial amount of money, especially with increasing seed costs, you do not want to move too hastily when selecting hybrids.

In the March 13, 2006, ICM article, “Choosing corn hybrids” (www.ipm.iastate.edu/ipm/icm/2006/3-13/hybrids.html), we discussed the huge variation in yield levels of today's hybrids (see Figure 2). Last year, hybrids entered in the Iowa Crop Performance Test—Corn that were on the same field, and therefore had the same management techniques, varied among one another by 30 to 54 bushels per acre (based on location). In other words, the top hybrid in the research trial out-yielded the lowest yielding hybrid by 30 to 54 bushels. At $2.00/bushel corn prices, this equates to a $60 to $108 per acre difference.

Producers and agronomists must spend time studying hybrid research trial data to see which hybrids perform consistently well across numerous locations. Just because a hybrid performs well on a producer's field this year does not mean it will produce high yields next year. That may seem illogical. Consider, though, that no
matter what we do, we can never reproduce the
dynamics of the 2006 growing season. The environment
that the seed is placed into next year will certainly be
different than this year. This is why we must always
look at multiple-location data when looking at hybrid
performance. If a hybrid performs consistently among
the top hybrids at every location it is tested, then it will
likely do well next year. But if it is not consistent across
numerous locations, then we would not necessarily
expect it to do well next year—even if it did well in
one field, in one county, etc.

It is critically important to wait in purchasing
seed until research results are posted and studied.
Iowa State University posts yield results at
www.croptesting.iastate.edu within a few days of the
harvest date. There are more than 380 hybrids in this
year’s research trials. Selecting hybrids using these data
will give you a much greater probability of having good
hybrids next year.

Let’s look at an example of how this pencils out:
If we are purchasing a bag of $200 seed and receive
an early seed discount of 10 percent, this bag of seed
now becomes $180 (savings of $20 per bag). If that bag
of seed has 80,000 seeds it will plant approximately
2.3 acres (at a 35,000 seeding rate).

Therefore, we are saving $8.70 per acre by purchas-
ing our seed early. If we figure that we will receive $2.00
per bushel for our corn, then this equates to a final yield
difference of only 4.3 bushels. One way of looking at
this is if your yield goal is 200 bushels per acre, then
you have paid for seed for 196 bushels of that corn crop,
while the company paid for 4 bushels.

As mentioned above though, 2005 research data
showed that selecting the wrong hybrid could cost you
at least 30, and possibly up to 54, bushels per acre. So
even if we select the low end of this yield loss estimate,
we would have to receive an early cash discount of
nearly 70 percent to account for the loss in overall yield
that a poor hybrid would cause.

The monetary disadvantage from purchasing poor-
performing hybrids is significant. It is far better to use
current yield trial data to select consistently high
performing hybrids than to select one based on hearsay
or company promotions. In the next ICM newsletter,
we will describe how to select proper hybrids based on
examples from 2006 harvest data.

Lori Abendroth is an agronomy specialist with research
and extension responsibilities in corn production.
Roger Elmore is a professor of agronomy with research
and extension responsibilities in corn production.
Jim Rouse is a program manager with research and
extension responsibilities in corn hybrid testing.

---

**Crop Production**

**Grain quality and handling issues for 2006**

by Charles R. Hurburgh, Jr., Iowa Grain Quality Initiative Management Team

The erratic rainfall patterns across Iowa have affected
both yield and quality for corn and soybeans.
Because more corn is likely to be stored for local use
throughout the entire crop year, attention to harvest and
storage management details will be very important.

**Soybean quality**

Soybeans are uneven in maturity, even within the
same field, with many instances of dry seed on green
stalks. Areas that received late August rains will have
fewer small seeds but may still be variable in maturity
(and moisture). Seed beans from long-term drought
areas will be small; otherwise, seed size should be
average with a lot of variation.