

Estimated Costs of Crop Production in Iowa - 2007

Ag Decision Maker

File A1-20

The estimated costs of corn, corn silage, soybeans, alfalfa, and pasture maintenance in this report are based on data from several sources. They include the annual Iowa Farm Business Association record summaries, production and costs data from the Departments 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.

These costs estimates are representative of average costs for farms in Iowa. Very large or small farms may have lower or higher fixed costs per acre.

Due to differences in soil potentials, quantity of inputs used and other factors, production costs will vary from farm to farm. Price shifts of inputs can change production costs in both the short and long run. The attached data reflect average cost of purchased inputs and a return to land and labor resources, but do not provide a margin for profit or a return to management. They reflect production costs only, and do not include costs of storage.

Labor has been treated as a fixed cost, since most labor on Iowa farms is supplied by the operator, family or permanent hired labor. However, when deciding among alternative crops, labor should be considered a variable cost. The wage rate used here is \$11.00 per hour. The hours assumed per crop are presented in the budgets. The hours per crop acre includes not only the field work but also time for maintenance, travel, and other activities related to crop production. The land charge is based on rent equivalent. Owned land may require a greater or lesser cash outlay.

In the short run, cash income must be sufficient to pay cash costs, including seed, fertilizer, chemicals, insurance, cash rent and hired labor, as well as machinery fuel and repairs and interest on operating capital. In the long run, income should be sufficient to pay all costs of production for resources to be used in their most profitable alternative.

Corn yields reflect rotation effects. Fertilizer rates have been adjusted to reflect current data on removal and application rates. Crop insurance costs reflect the mix of multiple peril, revenue and hail insurance, as well as noninsured acres.

Machinery costs reflect both new and used equipment. The machine operations assumed are based on the 2000 Crop Production Practices Survey conducted by the Iowa Agricultural Statistics Service. Further information on this survey can be obtained by contacting the authors. The Estimated Machinery Costs table can be used to budget other tillage and harvesting systems.

Estimates represent typical costs and are only intended to be guidelines. Actual costs will vary considerably and can be entered in the column for "Your Estimates." Electronic spreadsheets for developing crop production budgets are available on the Ag Decision Maker web site, www.extension.iastate.edu/agdm.

Budgets for alfalfa hay establishment with an oat companion crop and by direct seeding are included in this publication. Annual production costs for established alfalfa or alfalfa-grass hay as well as a budget for maintaining grass pastures are included as well. Additional pasture establishment budgets are published in Iowa State University Extension publication AG-96, *Estimated Costs of Pasture and Hay Production*.

Two low-till budgets, one for corn and one for soybeans, are included. The major differences between the low-till and conventional budgets are the preharvest machinery, labor, herbicide, and seeding costs. Beginning in 2005, primary soybean budgets are for herbicide tolerant varieties. Budgets for non-herbicide tolerant soybeans are also included. One budget is based on conventional tillage practices and one on drilled soybeans.

Corn following Corn

	125 bu. per acre		145 bu. per acre		165 bu. per acre		Your Estimate
	Fixed	Variable	Fixed	Variable	Fixed	Variable	
Preharvest Machinery ^{1/}	\$20.30	\$17.10	\$20.30	\$17.10	\$20.30	\$17.10	\$ _____
Seed, Chemical, etc.	Units		Units		Units		
Seed @ \$1.82 per 1000 k.	25,000	\$45.40	30,000	\$54.50	35,000	\$63.50	\$ _____
Nitrogen @\$0.31 per lb.	190	58.90	190	58.90	190	58.90	_____
Phosphate @\$0.37 per lb.	45	16.65	55	20.35	60	22.20	_____
Potash @\$0.23 per lb.	40	9.20	45	10.35	50	11.50	_____
Lime (yearly cost)		7.00		7.00		7.00	_____
Herbicide		24.00		24.00		24.00	_____
Insecticide		17.00		17.00		17.00	_____
Crop Insurance		9.00		9.00		9.00	_____
Miscellaneous		8.00		9.00		10.00	_____
Interest on preharvest variable costs (8 months @ 8%)		<u>11.32</u>		<u>12.12</u>		<u>12.81</u>	_____
Total		\$206.47		\$222.22		\$235.91	\$ _____
Harvest Machinery							
Combine	\$13.90	\$12.20	\$13.90	\$12.20	\$13.90	\$12.20	\$ _____
Haul	2.76	2.62	3.20	3.04	3.64	3.46	_____
Dry (LP Gas @ \$1.45/gal.)	5.00	21.75	5.80	25.23	6.60	28.71	_____
Handle	1.25	0.62	1.45	0.72	1.65	0.82	_____
Total	\$22.91	\$37.19	\$24.35	\$41.19	\$25.79	\$45.19	\$ _____
Labor							
2.85 hours @ \$11.00	\$31.35		\$31.35		\$31.35		\$ _____
Land							
Cash rent equivalent	\$125.00		\$155.00		\$180.00		\$ _____
Total fixed, variable							
Per acre	\$199.56	\$260.76	\$231.00	\$280.51	\$257.44	\$298.20	Yield:
Per bushel	\$1.60	\$2.09	\$1.59	\$1.93	\$1.56	\$1.81	bu./acre _____
Total cost per acre	\$460.32		\$511.51		\$555.64		\$ _____
Total cost per bushel	\$3.68		\$3.53		\$3.37		\$ _____

^{1/}Chisel plow, tandem disk, apply N, field cultivate, plant, cultivate, and spray. See the Estimated Machinery Costs table.

Corn following Soybeans

	140 bu. per acre		160 bu. per acre		180 bu. per acre		Your Estimate
	Fixed	Variable	Fixed	Variable	Fixed	Variable	
Preharvest Machinery ^{1/}	\$16.80	\$13.70	\$16.80	\$13.70	\$16.80	\$13.70	\$ _____
Seed, Chemical, etc.	Units		Units		Units		
Seed @ \$1.82 per 1000 k.	25,000	\$45.40	30,000	\$54.50	35,000	\$63.50	\$ _____
Nitrogen @\$0.31 per lb.	135	41.85	135	41.85	135	41.85	_____
Phosphate @\$0.37 per lb.	55	20.35	60	22.20	70	25.90	_____
Potash @\$0.23 per lb.	40	9.20	50	11.50	55	12.65	_____
Lime (yearly cost)		7.00		7.00		7.00	_____
Herbicide		24.00		24.00		24.00	_____
Crop Insurance		9.00		9.00		9.00	_____
Miscellaneous		8.00		9.00		10.00	_____
Interest on preharvest variable costs (8 months @ 8%)		9.52		10.28		11.07	_____
Total		\$174.32		\$189.33		\$204.97	\$ _____
Harvest Machinery							
Combine	\$13.90	\$12.20	\$13.90	\$12.20	\$13.90	\$12.20	\$ _____
Haul	3.08	2.94	3.52	3.36	3.96	3.78	_____
Dry (LP Gas @ \$1.45/gal.)	5.60	24.36	6.40	27.84	7.20	31.32	_____
Handle	1.40	0.70	1.60	0.80	1.80	0.90	_____
Total	\$23.98	\$40.20	\$25.42	\$44.20	\$26.86	\$48.20	\$ _____
Labor							
2.6 hours @ \$11.00	\$28.60		\$28.60		\$28.60		\$ _____
Land							
Cash rent equivalent	\$125.00		\$155.00		\$180.00		\$ _____
Total fixed, variable							
Per acre	\$194.38	\$228.22	\$225.82	\$247.23	\$252.26	\$266.87	Yield:
Per bushel	\$1.39	\$1.63	\$1.41	\$1.55	\$1.40	\$1.48	bu./acre _____
Total cost per acre	\$422.60		\$473.05		\$519.13		\$ _____
Total cost per bushel	\$3.02		\$2.96		\$2.88		\$ _____

^{1/}Apply N, tandem disk, field cultivate, plant, cultivate, and spray. See the Estimated Machinery Costs table.

Corn Silage following Corn

	15		18		23		Your Estimate
	tons per acre		tons per acre		tons per acre		
	Fixed	Variable	Fixed	Variable	Fixed	Variable	
Preharvest Machinery ^{1/}	\$20.30	\$17.10	\$20.30	\$17.10	\$20.30	\$17.10	\$ _____
Seed, Chemical, etc.	Units		Units		Units		
Seed @ \$1.82 per 1000 k.	23,000	\$41.70	27,000	\$49.00	31,000	\$56.30	\$ _____
Nitrogen @\$0.31 per lb.	150	46.50	150	46.50	150	46.50	_____
Phosphate @\$0.37 per lb.	55	20.35	65	24.05	80	29.60	_____
Potash @\$0.23 per lb.	120	27.60	145	33.35	185	42.55	_____
Lime (yearly cost)		8.50		8.50		8.50	_____
Herbicide		24.00		24.00		24.00	_____
Insecticide		17.00		17.00		17.00	_____
Crop Insurance		9.00		9.00		9.00	_____
Miscellaneous		8.00		9.00		10.00	_____
Interest on preharvest variable costs (8 months @ 8%)		<u>11.72</u>		<u>12.67</u>		<u>13.90</u>	_____
Total		\$214.37		\$233.07		\$257.35	\$ _____
Harvest Machinery							
Silage Harvester	\$28.80	\$12.50	\$28.80	\$15.10	\$28.80	\$18.90	\$ _____
Haul	16.80	15.30	20.20	18.40	25.30	23.00	_____
Blower	12.20	10.70	14.70	12.90	18.40	16.10	_____
Total	\$57.80	\$38.50	\$63.70	\$46.40	\$72.50	\$58.00	\$ _____
Labor							
5.0 hours @ \$11.00	\$55.00		\$55.00		\$55.00		\$ _____
Land							
Cash rent equivalent	\$125.00		\$155.00		\$180.00		\$ _____
Total fixed, variable							
Per acre	\$258.10	\$269.97	\$294.00	\$296.57	\$327.80	\$332.45	Yield:
Per ton	\$16.91	\$17.69	\$16.00	\$16.14	\$14.27	\$14.47	bu./acre _____
Total cost per acre	\$528.07		\$590.57		\$660.25		\$ _____
Total cost per ton	\$34.60		\$32.15		\$28.75		\$ _____

^{1/}Chisel plow, tandem disk, apply N, field cultivate, plant, cultivate, and spray. See the Estimated Machinery Costs table.

Herbicide Tolerant Soybeans following Corn

	45 bu. per acre		50 bu. per acre		55 bu. per acre		Your Estimate
	Fixed	Variable	Fixed	Variable	Fixed	Variable	
Preharvest Machinery ^{1/}	\$13.90	\$11.50	\$13.90	\$11.50	\$13.90	\$11.50	\$ _____
Seed, Chemical, etc.	Units		Units		Units		
Seed @ \$28.00 per 50 lb.	1.2	\$32.00	1.2	\$32.00	1.2	\$32.00	\$ _____
Phosphate @\$0.37 per lb.	35	12.95	40	14.80	45	16.65	_____
Potash @\$0.23 per lb.	70	16.10	75	17.25	85	19.55	_____
Lime (yearly cost)		7.00		7.00		7.00	_____
Herbicide ^{2/}		15.00		15.00		15.00	_____
Crop Insurance		6.50		6.50		6.50	_____
Miscellaneous		8.00		9.00		10.00	_____
Interest on preharvest variable costs (8 months @ 8%)		5.82		6.03		6.30	_____
Total		\$103.37		\$107.58		\$113.00	\$ _____
Harvest Machinery							
Combine	\$10.40	\$8.00	\$10.40	\$8.00	\$10.40	\$8.00	\$ _____
Haul	1.00	0.94	1.10	1.06	1.22	1.16	_____
Handle	0.45	0.20	0.55	0.25	0.65	0.30	_____
Total	\$11.85	\$9.14	\$12.05	\$9.31	\$12.27	\$9.46	\$ _____
Labor							
2.45 hours @ \$11.00	\$26.95		\$26.95		\$26.95		\$ _____
Land							
Cash rent equivalent	\$125.00		\$155.00		\$180.00		\$ _____
Total fixed, variable							
Per acre	\$177.70	\$124.01	\$207.90	\$128.39	\$233.12	\$133.96	Yield:
Per bushel	\$3.95	\$2.76	\$4.16	\$2.57	\$4.24	\$2.44	bu./acre _____
Total cost per acre	\$301.71		\$336.29		\$367.08		\$ _____
Total cost per bushel	\$6.70		\$6.73		\$6.67		\$ _____

^{1/}Chisel plow, tandem disk, field cultivate, plant, and spray. See the Estimated Machinery Costs table.

^{2/}Estimates do not include any insecticide or fungicide costs.

Non-herbicide Tolerant Soybeans following Corn

	<u>Soybeans Following Corn</u>			<u>Drilled Soybeans Following Corn</u>		
	50		Your	50		Your
	bu. per acre			bu. per acre		
	Fixed	Variable	Estimate	Fixed	Variable	Estimate
Preharvest Machinery ^{1/}	\$16.10	\$13.40	\$ _____	\$12.20	\$9.30	\$ _____
Seed, Chemical, etc.	Units			Units		
Seed @ \$18.90 per 50 lb.	1.2	\$22.00	\$ _____	1.4	\$25.80	\$ _____
Phosphate @\$0.37 per lb.	40	14.80	_____	40	14.80	_____
Potash @\$0.23 per lb.	75	17.25	_____	75	17.25	_____
Lime (yearly cost)		7.00	_____		7.00	_____
Herbicide ^{2/}		25.00	_____		29.00	_____
Crop Insurance		6.50	_____		6.50	_____
Miscellaneous		9.00	_____		9.00	_____
Interest on preharvest variable costs (8 months @ 8%)		6.13	_____		6.33	_____
Total		\$107.68	\$ _____		\$115.68	\$ _____
Harvest Machinery						
Combine	\$10.40	\$8.00	\$ _____	\$10.40	\$8.00	\$ _____
Haul	1.10	1.06	_____	1.10	1.06	_____
Handle	0.55	0.25	_____	0.55	0.25	_____
Total	\$12.05	\$9.31	\$ _____	\$12.05	\$9.31	\$ _____
Labor						
2.25 hours @ \$11.00	\$24.75		\$ _____			
1.75 hours @ \$11.00				\$19.25		\$ _____
Land						
Cash rent equivalent	\$155.00		\$ _____	\$155.00		\$ _____
Total fixed, variable						
Per acre	\$207.90	\$130.39	Yield: _____	\$198.50	\$134.29	Yield: _____
Per bushel	\$4.16	\$2.61	bu./acre_____	\$3.97	\$2.69	bu./acre_____
Total cost per acre	\$338.29		\$ _____	\$332.79		\$ _____
Total cost per bushel	\$6.77		\$ _____	\$6.66		\$ _____

^{1/}Chisel plow, tandem disk, field cultivate, plant, cultivate, and spray.

Tandem disk, field cultivate, drill and spray for drilled soybeans. See the Estimated Machinery Costs table.

^{2/}Estimates do not include any insecticide or fungicide costs.

Low-till Corn and Soybeans

	<u>Corn Following Soybeans</u>			<u>Herbicide Tolerant Drilled Soybeans Following Corn</u>		
	160 bu. per acre		Your Estimate	50 bu. per acre		Your Estimate
	Fixed	Variable		Fixed	Variable	
Preharvest Machinery ^{1/}	\$12.30	\$10.00	\$ _____	\$10.20	\$7.50	\$ _____
Seed, Chemical, etc.	Units			Units		
Seed @ \$1.82 per 1000 k.	26,000	\$47.19	\$ _____			
Seed @ \$28.00 per 50 lb.				1.4	\$37.33	\$ _____
Nitrogen @ \$0.31 per lb.	135	41.85	_____			
Phosphate @ \$0.37 per lb.	60	22.20	_____	40	14.80	_____
Potash @ \$0.23 per lb.	50	11.50	_____	75	17.25	_____
Lime (yearly cost)		7.00	_____		7.00	_____
Herbicide ^{2/}		34.70	_____		29.20	_____
Crop Insurance		9.00	_____		6.50	_____
Miscellaneous		9.00	_____		9.00	_____
Interest on preharvest variable costs (8 months @ 8%)		10.26	_____		6.86	_____
Total		\$192.70	\$ _____		\$127.94	\$ _____
Harvest Machinery						
Combine	\$13.90	\$12.20	\$ _____	\$10.40	\$8.00	\$ _____
Haul	3.52	3.36	_____	1.10	1.06	_____
Dry (LP Gas @ \$1.45/gal.)	6.40	27.84	_____			
Handle	1.70	0.75	_____	0.55	0.25	_____
Total	\$25.52	\$44.15	\$ _____	\$12.05	\$9.31	\$ _____
Labor						
2.3 hours @ \$11.00	\$25.30		\$ _____			
1.75 hours @ \$11.00				\$19.25		\$ _____
Land						
Cash rent equivalent	\$155.00		\$ _____	\$155.00		\$ _____
Total fixed, variable						
Per acre	\$218.12	\$246.85	Yield: _____	\$196.50	\$144.75	Yield: _____
Per bushel	\$1.36	\$1.54	bu./acre _____	\$3.93	\$2.89	bu./acre _____
Total cost per acre	\$464.97		\$ _____	\$341.25		\$ _____
Total cost per bushel	\$2.91		\$ _____	\$6.82		\$ _____

^{1/}Apply N, plant, cultivate, and spray for corn. Tandem disk, drill and spray for soybeans. See the Estimated Machinery Costs table.

^{2/}Estimates do not include any insecticide or fungicide costs.

Oats and Hay Production - Seeding Year Costs

Establishment Costs	Alfalfa-Grass Seeded with Oat Companion Crop ^{1/}		Alfalfa Seeded with Herbicide ^{2/}		Your Estimate
	Fixed	Variable	Fixed	Variable	
Preharvest Machinery					
Spray herbicide			\$0.90	\$0.80	\$ _____
Tandem disk (2 times)	\$6.20	\$4.20	6.20	4.20	_____
Spread fertilizer	1.70	1.10	1.70	1.10	_____
Harrow	1.60	0.90	1.60	0.90	_____
Seed (drill)	3.70	2.90	3.70	2.90	_____
Total Preharvest Machinery	\$13.20	\$9.10	\$14.10	\$9.90	\$ _____
Seed ^{3/}					
Oats	2 bu.	\$12.00			\$ _____
Alfalfa	8 lb.	24.00	15 lb.	45.00	_____
Bromegrass	6 lb.	9.00			_____
Orchardgrass	3 lb.	4.50			_____
Total Seed Cost		\$49.50		\$45.00	\$ _____
Herbicide				11.83	_____
Lime (total cost for hay lifetime)		29.00		29.00	_____
Labor @ \$11.00	1 hr.	\$11.00	1 hr.	\$11.00	\$ _____
Total Establishment Costs		\$24.20		\$25.10	\$ _____
Annual Costs	Fixed	Variable	Fixed	Variable	
One-Third of Est. Costs (for establishment year)	\$8.07	\$29.20	\$8.37	\$31.91	\$ _____
Fertilizer					
Nitrogen	60 lb.	\$18.60			\$ _____
Phosphorus	45 lb.	16.65	35 lb.	\$12.95	_____
Potash	130 lb.	29.90	125 lb.	28.75	_____
Total Fertilizer		\$65.15		\$41.70	\$ _____
Labor @ \$11.00	4 hr.	\$44.00	3 hr.	\$33.00	\$ _____
Land Cash rent equivalent		\$80.00		\$80.00	\$ _____
Harvest Machinery					
Oats: combine	\$9.60	\$7.10			\$ _____
rake, bale, and haul straw	\$9.70	\$5.80			\$ _____
Alfalfa: mower-conditioner, rake, bale, and haul hay	\$12.50	\$9.10	\$25.00	\$18.20	\$ _____
Total Harvest Cost	\$31.80	\$22.00	\$25.00	\$18.20	\$ _____
Total fixed and variable costs	\$163.87	\$116.35	\$146.37	\$91.81	\$ _____
Total cost per acre		\$280.22		\$238.18	\$ _____

^{1/}Assumes 80 bushels oat yield, one ton straw yield and one ton per acre alfalfa yield from one cutting.

^{2/}Assumes two and a half tons per acre from two alfalfa cuttings with a herbicide-assisted seeding.

^{3/}Omit oats from August seedings. Higher priced seed varieties or different seed mixtures could vary these costs by 1.2 to 2.0 times.

Annual Production Costs for Established Alfalfa or Alfalfa-Grass Hay

	Hay Production Level				Your Estimate
	4 tons per acre ^{1/}		6 tons per acre		
	Fixed	Variable	Fixed	Variable	
One-third of establishment costs Machinery, seed, lime, labor, and herbicide ^{2/}	\$8.07	\$29.20	\$8.07	\$29.20	\$ _____
Annual fertilizer ^{3/} 0-13-50 lbs/ton removed plus spreading	\$1.70	\$66.34	\$3.40	\$100.06	\$ _____
Harvesting Costs: Large Round Bales ^{4/}					
Mower-conditioner, rake, baling, and hauling	\$38.40	\$28.40	\$51.80	\$38.60	\$ _____
Labor Costs: 1.33 hr./cutting @ \$11.00 per hour	\$44.00		\$58.67		\$ _____
Land Cash rent equivalent	\$80.00		\$100.00		\$ _____
Total fixed and variable cost using large round bales	\$172.17	\$123.94	\$221.93	\$167.86	\$ _____
Fixed and variable cost per ton	\$43.04	\$30.99	\$36.99	\$27.98	\$ _____
Total cost per acre	\$296.11		\$389.79		\$ _____
Total cost per ton	\$74.03		\$64.97		\$ _____
Harvesting Costs: Small Square Bales ^{4/}					
Mower-conditioner, rake, baling, and hauling	\$48.40	\$33.60	\$62.60	\$43.00	\$ _____
Labor Costs: 1.8 hr./cutting @ \$11.00 per hour	\$59.40		\$79.20		\$ _____
Land Cash rent equivalent	\$80.00		\$100.00		\$ _____
Total fixed and variable cost using small square bales	\$197.57	\$129.14	\$253.27	\$172.26	\$ _____
Fixed and variable cost per ton	\$49.39	\$32.29	\$42.21	\$28.71	\$ _____
Total cost per acre	\$326.71		\$425.53		\$ _____
Total cost per ton	\$81.68		\$70.92		\$ _____

^{1/}For harvest as silage use machine cost estimates from the Estimated Machinery Costs table.

^{2/}Assumes alfalfa-grass seeded with oat companion crop. If alfalfa seeded with preplant herbicide then use other costs (see previous page).

^{3/}For 6-ton yield goal, a split application of fertilizer is assumed.

^{4/}Harvest cost estimates assume 3 cuttings for 4 tons and 4 cuttings for 6 tons.

Maintaining Grass Pastures - Annual Cost per Acre

	<u>Improved Grass</u> ^{2/}		<u>Improved Grass-Legume</u> ^{3/}		Your Estimate
	Fixed	Variable	Fixed	Variable	
Machinery Costs					
Spreading fertilizer	\$1.70	\$1.10	\$1.70	\$1.10	\$ _____
Spraying herbicide	0.90	0.80			_____
Clipping weeds	3.00	1.80	3.00	1.80	_____
Total Machinery Cost	\$5.60	\$3.70	\$4.70	\$2.90	\$ _____
Fertilizer and Herbicide ^{1/}					
Nitrogen @\$0.31 per lb.	80 lb.	\$24.80			\$ _____
Phosphate @\$0.37 per lb.	30 lb.	11.10	30 lb.	\$11.10	_____
Potash @\$0.23 per lb.			40 lb.	9.20	_____
Herbicide		11.67			_____
Total Fertilizer and Herbicide		\$47.57		\$20.30	\$ _____
Labor					
Growing practices .5 hr. @ \$11.00	\$5.50		\$5.50		\$ _____
Fence maintenance 1 hr. @ \$11.00	11.00		11.00		_____
Total Labor	\$16.50		\$16.50		\$ _____
Land					
Cash rent equivalent	\$50.00		\$55.00		\$ _____
Total cost	\$72.10	\$51.27	\$76.20	\$23.20	\$ _____
Total cost per acre		\$123.37		\$99.40	\$ _____

^{1/}These are average rates and may vary with soil test and the level of management on a particular field. Different herbicide alternatives could vary this cost.

^{2/}Improved grass pastures assume a dominance of cool season grasses such as smooth brome grass, orchardgrass, tall fescue, or reed canarygrass.

^{3/}Improved grass-legume pasture assumed one third of the forage is made up of red clover, birdsfoot trefoil, or alfalfa.

Estimated Machinery Costs

The following cost estimates are for on-farm use, excluding labor. Depreciation is based on current replacement cost, interest is based on average market rates. Fixed costs will be greater for newer machinery. If annual machine use is greater than that assumed, fixed costs per acre will be lower, and vice versa. Hauling costs are based on a round trip of one mile. Remember these are estimates and they should not take the place of accurate record-keeping. **Diesel fuel is estimated to cost \$2.05 per gallon, delivered to the farm in bulk.**

Operation	Hours of Use Assumed per Year	Fixed Cost per Acre (depreciation, interest, insurance, housing)	Variable Cost per Acre (fuel, oil, repairs)
Subsoiling (V-ripper)	120	\$5.90	\$6.10
Moldboard plow	120	8.10	7.20
Chisel plow	120	3.50	3.40
Chop stalks	120	4.10	3.40
Tandem disk	120	3.10	2.10
Offset disk	120	4.10	3.20
Peg tooth harrow	60	1.60	0.90
Sprayer/disk	120	3.60	2.40
Field cultivator	120	2.00	1.80
Disk/Field cultivator	120	2.20	2.00
Bulk fertilizer spreader	60	1.70	1.10
NH3 applicator	120	4.20	3.70
Chisel plow, NH3 applic.	120	4.60	4.40
Grain drill	100	3.70	2.90
Broadcast seeder	100	2.00	1.00
Planter	100	4.40	3.40
No-till planter	100	5.00	3.60
No-till drill	100	6.20	4.60
Rotary hoe	60	1.30	0.80
Cultivator	120	2.20	1.90
Sprayer	150	0.90	0.80
Combine corn	180	13.90	12.20
Combine beans	120	10.40	8.00
Combine small grain	120	9.60	7.10
Haul grain (on farm)	300	0.02 /bu.	0.02 /bu.
Grain Cart	300	2.50	1.70
Corn picker	170	17.10	9.20
Silage harvester	200	28.80	15.10
Haul silage	140	1.10 /ton	1.00 /ton
Rotary mower	120	3.00	1.80
Mower-conditioner	120	3.60	2.50
Rake	120	2.20	1.30
Small square baler	120	6.60 /cutting	3.40 /cutting
Round baler	120	5.80	4.20
Stacker	120	7.60	5.60
Large square baler	120	7.60	7.30
Windrower	200	3.10	2.80
Haul hay & straw	120	0.90 /ton	1.10 /ton
Forage chopper	200	13.20	8.70
Forage blower	100	0.80 /ton	0.70 /ton

Estimated Crop Production Costs in Iowa, 2001-2007

	2001	2002	2003 ^{1/}	2004 ^{1/}	2005 ^{2/}	2006 ^{3/}	2007 ^{3/}
Corn following Corn							
Machinery	\$79.96	\$74.62	\$80.99	\$86.78	\$94.55	\$100.07	\$102.94
Seed, Chemicals, etc.	143.49	142.34	146.19	159.57	184.77	201.62	222.22
Labor	22.80	22.80	25.65	27.08	27.08	29.93	31.35
Land	120.00	125.00	135.00	140.00	140.00	145.00	155.00
Total Cost Per Acre	366.25	364.76	387.83	413.43	446.39	476.61	511.51
Assumed Yield	120 bu	120 bu	135 bu	135 bu	135 bu	140 bu	145 bu
Total Cost Per Bushel	\$3.05	\$3.04	\$2.87	\$3.06	\$3.31	\$3.40	\$3.53
Corn following Soybeans							
Machinery	\$78.98	\$73.29	\$79.55	\$85.68	\$93.37	\$97.39	\$100.12
Seed, Chemicals, etc.	126.21	125.15	125.10	135.74	156.03	169.26	189.33
Labor	20.80	20.80	23.40	24.70	24.70	27.30	28.60
Land	120.00	125.00	135.00	140.00	140.00	145.00	155.00
Total Cost Per Acre	345.99	344.23	363.04	386.12	414.10	438.95	473.05
Assumed Yield	135 bu	135 bu	150 bu	150 bu	150 bu	155 bu	160 bu
Total Cost Per Bushel	\$2.56	\$2.55	\$2.42	\$2.57	\$2.76	\$2.83	\$2.96
Soybeans following Corn^{2/}							
Machinery	\$42.84	\$41.39	\$43.38	\$41.51	\$40.53	\$45.90	\$46.76
Seed, Chemicals, etc.	88.95	87.46	84.47	90.76	96.53	106.79	107.58
Labor	19.60	19.60	22.05	23.28	23.28	25.73	26.95
Land	120.00	125.00	135.00	140.00	140.00	145.00	155.00
Total Cost Per Acre	271.39	273.45	284.90	295.54	300.34	323.41	336.29
Assumed Yield	45 bu	45 bu	45 bu	45 bu	45 bu	45 bu	50 bu
Total Cost Per Bushel	\$6.03	\$6.08	\$6.33	\$6.57	\$6.67	\$7.19	\$6.73
Alfalfa Hay, annual production, 6 ton per acre, large round bales							
One-Third of Est. Costs	\$33.63	\$31.90	\$32.84	\$33.84	\$34.45	\$36.83	\$37.27
Annual Fertilizer	68.52	63.82	60.25	71.62	84.74	103.36	103.46
Harvest Machinery	93.20	90.56	103.12	96.24	108.30	107.10	90.40
Labor	42.67	42.67	48.00	50.67	50.67	56.00	58.67
Land	80.00	80.00	85.00	88.00	95.00	95.00	100.00
Total Cost Per Acre	318.02	308.95	329.21	340.36	373.16	398.29	389.79
Assumed Yield	6 ton	6 ton	6 ton	6 ton	6 ton	6 ton	6 ton
Total Cost Per Ton	\$53.00	\$51.49	\$54.87	\$56.73	\$62.19	\$66.38	\$64.97

^{1/}2003-07 land rents, corn yields, and machinery costs were adjusted to reflect recent averages.

^{2/}Beginning in 2005, primary soybean estimates are for herbicide tolerant varieties.

^{3/}Corn drying and fertilizer practices were adjusted in 2006 and 2007 to reflect recent practices.

. . . and justice for all

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Jack M. Payne, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.

File: Economics 1-8

Prepared by Michael Duffy, extension economist
(515) 294-6160, mduffy@iastate.edu
Darnell Smith, extension associate
(515) 294-8122, darnell@iastate.edu

www.extension.iastate.edu/agdm
www.extension.iastate.edu/store