

Corn, Rice Production Costs Up In 2011, Give Edge To Cotton

KEISER, ARK.

Higher fuel and fertilizer costs may prompt producers to skip rice and corn in favor of soybeans and cotton in 2011, according to Archie Flanders, assistant professor of agricultural economist for the University of Arkansas Division of Agriculture.

However, though crops will cost more to grow, the "most important news is that prices farmers receive for all crops are favorable," he said.

Flanders keeps a close eye on production costs as part of his job advising producers and updating tools that help farmers budget their costs for growing a crop.

What he's found so far means producers will see their wallets emptying faster this season as:

- Nitrogen prices are 25 percent higher this year than last. Nitrogen is used as a fertilizer.
- Phosphate and potash, also essential for

growth, are more than 40 percent higher this year than last, and

- Diesel prices are 20 percent higher this year.

Flanders said corn fertilizer costs will be \$45 per acre higher this year than last year. For rice growers, who need to irrigate, increased diesel prices will add \$17 per acre.

"Increased cotton prices have led to talk of Arkansas cotton acreage increasing after years of decline," Flanders said. The expected prices will have to be attractive, since cotton fertilizer costs will be \$25 per acre higher this year than last year.

The cost of diesel for field work will be \$6 higher per acre this year than last year, as well.

There was some good news for farm profits, though. Flanders said prices for seed have held steady from last year, and many chemicals have lower prices this year than last year. Δ



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