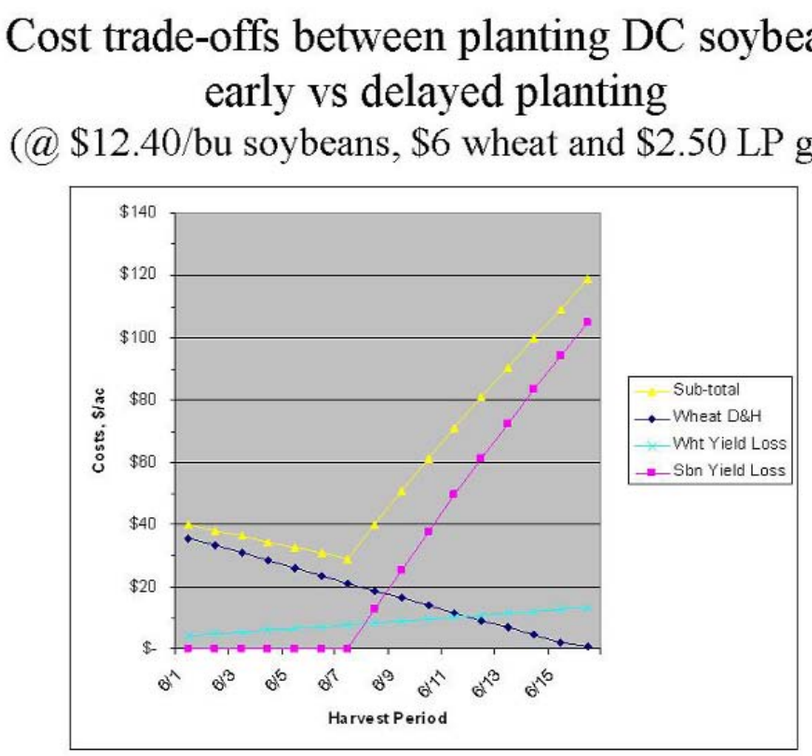
Double Crop Farmers Face Good News, Bad News Scenario

PRINCETON, KY.

Wheat and soybean prices are at record high levels this year. On the other hand, so are energy prices. Double crop farmers must consider both those facts when deciding when to harvest wheat and plant soybeans.



Sam McNeill, extension agricultural engineer with University of Kentucky College of Agriculture, said farmers will begin to harvest wheat in the next few days in several areas of the state. Wheat prices at $6 per bushel, soybeans at $12.40 per bushel and the cost of fuel to dry the crop will be factors they need to consider when deciding whether it's better to harvest wheat early and dry it with LP gas or let the crop dry in the field. An earlier wheat harvest means soybeans can be planted sooner to achieve their maximum yield potential, but it also means using fuel that is now running around $2.50 per gallon. On the other hand, a delayed harvest means delaying sowing soybeans for a few days.

"Of course, towards the end of the harvest season, wheat will be dry enough to avoid a drying charge altogether, but by that time soybean yields will have fallen off dramatically," said McNeill, who is based out of UK Research and Education Center in Princeton.

Pre-harvest estimates predict average wheat yields near 70 bushels per acre in Kentucky this spring. Each day the harvest is delayed could result in a wheat yield loss of 0.1 bushel. Conversely, the average yield for double crop soybeans of 43 bushels per acre could drop by 1 bushel per day for planting past the optimum date. Considering a wheat moisture level of 25 percent, the drying and handling cost would be about $28 per acre. If harvest begins a few days early, the gross returns would be $414 per acre for wheat and $533 per acre for soybeans. After drying costs, the combined returns would be approximately $919 per acre. This compares to $580 per acre at this time last year when prices were much lower.

Of course, farmers must pay for other inputs such as fertilizer, seed, diesel fuel, crop protection chemicals and labor, which all have risen substantially, but the above scenario provides a means to focus on the items used to figure cost trade-offs of timely planting for double crop soybeans.

"So the bottom line is that higher grain prices trump higher energy prices this spring," he said. "In fact, farmers can net about $1.80 per acre for each day they harvest wheat before the target and lose about $10 per acre for each day soybean planting is delayed afterward. For this reason I look for more farmers to be drying wheat this spring to boost their soybean yield and net profits."

More information on wheat drying and a spreadsheet to help calculate gross profits from soybean and wheat enterprises after subtracting drying costs are available at the local Cooperative Extension county office or online at http://www.bae.uky.edu/ext/Grain_Storage. Δ