

Managing Input Costs For 2010

BOB KELLY

BUCHANAN COUNTY, MO.

As spring approaches we look forward to all of those "neat" things we do every spring. Just getting out in the open air, planting, spraying, and working the land beats plowing snow. This spring will be no different than the others we have experienced. One thing we have to deal with at this time of year is planning our inputs and developing budgets to help with marketing.

This year we are looking at fertilizer costs that are lower than last year. Nitrogen and phosphate have seen some small reduction in price but potassium has seen a large drop in price, as much as 50 percent.

Chemical prices have been impacted by the cut in the cost of Roundup and the generic glyphosates. There have been reductions in the range of 50 percent. This gets an application of generic glyphosate at a quart rate to around \$4 per acre. Other conventional chemical programs

will see steady to slight increases in price.

Seed prices are on the increase as more traits are injected into the market. We can see seed costs for corn approaching \$100 per acre and soybeans approaching \$50-60 per acre. This maybe one area that you can make seed selections that don't impact yield but save costs by purchasing only the traits that have the potential to increase or maintain yields.

Knowing our costs will allow us to calculate an approximate breakeven cost to aid in marketing our crop. If we know what it costs per bushel to produce the crop we have a target minimum for watching the marketing opportunities throughout the year. If we encounter opportunities to sell above the cost of production we can lock in profits on some of the crop.

Like I said earlier, "just another spring" but with lots of new things to think about. Δ

BOB KELLY: Ag Business Specialist, University of Missouri



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