

# Wide Margins For 2008 Corn Profits

URBANA, ILL.

Corn appears to be more profitable than soybeans in 2008 by wider margins than in recent years, according to a new University of Illinois Extension study.

"Projections for 2008 indicate that the differences between corn and soybeans may be even wider than in 2006 and 2007," said Gary Schnitkey, U of I Extension farm financial management specialist who prepared the study with colleague Dale Lattz. "Corn is projected to be more profitable in all regions of Illinois.

"If farmers have acres that could swing to other crop, corn currently looks like the more attractive alternative."

The report, "Historic and Projected Corn versus Soybean Returns: Release of FBFM Corn and Soybean Results" ([http://www.farmdoc.uiuc.edu/manage/newsletters/fefo08\\_07/fefo08\\_07.html](http://www.farmdoc.uiuc.edu/manage/newsletters/fefo08_07/fefo08_07.html)), is available on U of I Extension's farmdoc website.

Summaries of financial data for 2007 from farms enrolled in the Illinois Farm Business Farm Management (FBFM) program allow the calculations of actual 2007 returns for corn and soybeans, Schnitkey said. Using that data, the report identifies historical trends and operator and farmland returns for grain farms.

"As acreage decisions are made, the difference between corn and soybean returns are of particular interest," he said. "In recent years, the difference between corn and soybean returns has increased, indicating that corn has become more profitable than soybeans.

"In northern Illinois, for example, our projections indicate corn may be \$289 per acre more profitable than soybeans in 2008." Δ