

2017 Corn, Conventional Tillage, Non-Irrigated Budget

	<u>Unit</u>	<u>Quantity</u>	<u>Price</u>	<u>Total</u>	<u>Your Farm</u>
Revenue					
	Gross Revenue (\$/Acre)				
Corn ¹	Bu	150	\$3.65	\$547.50	_____
			Total Revenue	\$547.50	_____
Variable Expenses					
Seed ^{2,3}	Thous.	32	\$3.56	\$114.00	_____
Fertilizer & Lime (Table 1)	Acre	1	\$121.14	\$121.14	_____
Chemical (Table 2) ^{3,4}	Acre	1	\$32.73	\$32.73	_____
Crop Scout or Consultant	Acre	1	\$6.00	\$6.00	_____
Repair & Maintenance (Table 3)	Acre	1	\$28.12	\$28.12	_____
Fuel, Oil, & Filter (Table 3)	Acre	1	\$13.15	\$13.15	_____
Operator Labor (Table 3)	Acre	1	\$8.09	\$8.09	_____
Machinery Rental	Acre	1	\$0.00	\$0.00	_____
Custom Work	Acre	1	\$0.00	\$0.00	_____
Drying (Fuel/Electric)	Bu	150	\$0.00	\$0.00	_____
Cash Rent ⁵	Acre	1	\$94.00	\$94.00	_____
Crop Insurance ⁶	Acre	1	\$12.85	\$12.85	_____
Operating Interest ⁷	%	\$430.07	6.00%	\$12.90	_____
Other Variable Costs	Acre	1	\$0.00	\$0.00	_____
			Total Variable Expenses	\$442.98	_____
			Return above Variable Expenses	\$104.52	_____
Fixed Expenses					
Machinery ⁸					
Capital Recovery (Table 3)	Acre	1	\$45.75	\$45.75	_____
Other Fixed Machinery Costs	Acre	1	\$0.00	\$0.00	_____
Property Taxes	Acre	1	\$0.00	\$0.00	_____
Insurance (Non-Machinery)	Acre	1	\$0.00	\$0.00	_____
Management Labor	Acre	1	\$15.00	\$15.00	_____
Other Fixed Costs	Acre	1	\$0.00	\$0.00	_____
			Total Fixed Expenses	\$60.75	_____
			Return Above All Specified Expenses	\$43.77	_____

Breakeven Price for Selected Yield

Yield (bu)	Variable Cost (\$/bu)	Total Specified Cost (\$/bu)
100	\$4.43	\$5.04
110	\$4.03	\$4.58
120	\$3.69	\$4.20
130	\$3.41	\$3.87
140	\$3.16	\$3.60
150	\$2.95	\$3.36
160	\$2.77	\$3.15
170	\$2.61	\$2.96
180	\$2.46	\$2.80
190	\$2.33	\$2.65
200	\$2.21	\$2.52

Breakeven Yield for Selected Price

Price (\$/bu)	Variable Cost (bu)	Total Specified Cost (bu)
\$2.40	185	210
\$2.65	167	190
\$2.90	153	174
\$3.15	141	160
\$3.40	130	148
\$3.65	121	138
\$3.90	114	129
\$4.15	107	121
\$4.40	101	114
\$4.65	95	108
\$4.90	90	103

FOOTNOTES

- 1) Corn price was estimated using weighted average futures prices from September 2017 to July 2018 on December 30, 2016, adjusted by average monthly basis in Tennessee.
- 2) Assumes a bag of seed costs \$285 and contains 80,000 seeds (\$3.56/thousand seeds). Seeding rate of 32,000 seeds/acre. Seed treatment is included in the price.
- 3) Check with farm suppliers for rebates, discounts, and incentives for seed and chemicals. Substantial cost savings may be available.
- 4) A foliar fungicide application may be used in some cropping systems at a cost of \$15/acre plus application cost. Cost will vary depending on the fungicide used and the application rate.
- 5) Cash rental rates are the 2016 USDA-NASS reported cash rental rates for cropland in Tennessee. Substantial differences may exist in cash rental rates reported by NASS and the prevailing rate in your location.
- 6) Crop insurance is an estimate and will vary by policy, county, and coverage election. The estimate provided is the average premium paid per insured acre of corn in Tennessee for the previous production year as reported by USDA RMA's Summary of Business Report.
- 7) Operating interest is assumed to be charged on half of all variable expenses.
- 8) Machinery expenses will vary dramatically by operation, financial resources, and land base. The machinery cost estimates provided in Table 3 are provided as an estimate of cost of ownership and operation for specified pieces of machinery that would be available to a "representative" row-crop farm in Tennessee. To estimate machinery costs for a specific set of equipment, interested parties can utilize the Excel version of the budgets and modify the Machinery Assumptions Table.