
2009 Row-Crop Economics Update

Todd D. Davis

Extension Economist



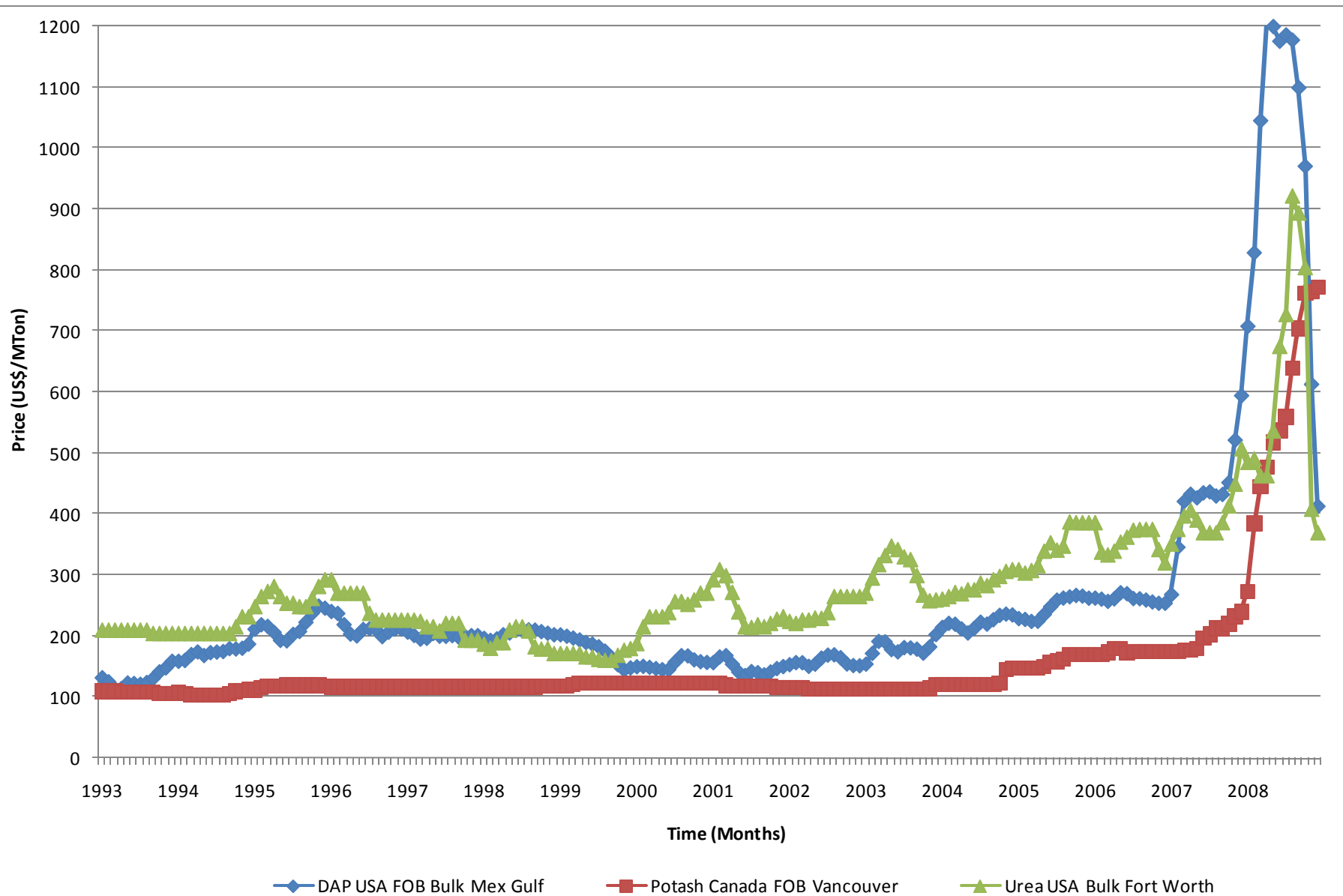
CLEMSON
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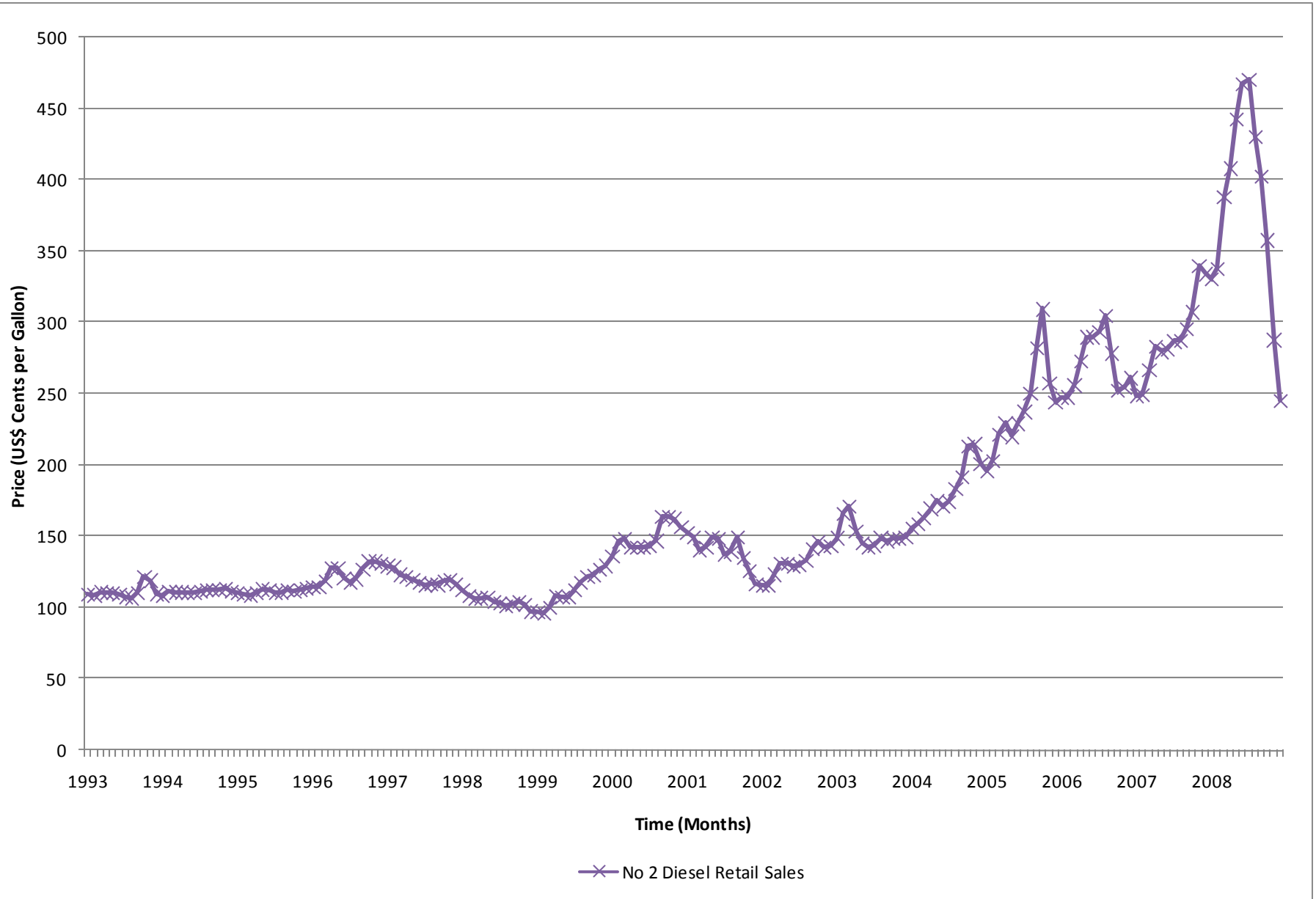
Oil Prices are at Record Levels



Fertilizer Prices from 1993-2008



Diesel Prices from 1993-2008



Relative Profitability Comparison

	Wheat	Corn	Irrigated Corn	Soybeans	Wheat + Double Cropped Soybeans	Cotton	Irrigated Cotton	Peanuts	Irrigated Peanuts
Futures Price (\$/bu)	\$6.02	\$4.27	\$4.27	\$9.31	\$6.02 / \$9.31	\$0.5591	\$0.5591		
Harvest Cash Basis (\$/bu)	-\$0.45	-\$0.10	-\$0.10	-\$0.30	-\$0.45 / -\$0.30	-\$0.03	-\$0.03		
Cash Price (\$/bu)	\$5.57	\$4.17	\$4.17	\$9.01	\$5.57 / \$9.01	\$0.5291	\$0.5291	\$0.2050	\$0.2050
Yield (bu/acre)	65	120	160	35	65 / 30	750	1000	3000	4000
Revenue (\$/acre)	\$362.05	\$500.40	\$667.20	\$315.35	\$632.35	\$509.60	\$679.40	\$615.00	\$820.00
Variable Costs (\$/acre)	<u>\$285.38</u>	<u>\$339.37</u>	<u>\$461.36</u>	<u>\$276.77</u>	<u>285.38 / \$166.16</u>	<u>\$555.16</u>	<u>\$677.63</u>	<u>\$575.10</u>	<u>\$730.23</u>
Return over Variable Costs (\$/acre)	\$76.67	\$161.03	\$205.84	\$38.58	\$180.82	-\$45.56	\$1.77	\$39.90	\$89.77
Fixed Costs (\$/acre)	<u>\$110.63</u>	<u>\$99.41</u>	<u>\$215.06</u>	<u>\$108.40</u>	<u>\$199.84</u>	<u>\$166.24</u>	<u>\$283.43</u>	<u>\$212.45</u>	<u>\$345.27</u>
Return over Total Costs (\$/acre)	-\$33.96	\$61.61	-\$9.22	-\$69.82	-\$19.02	-\$211.81	-\$281.66	-\$172.55	-\$255.50

* Futures closing price on January 29, 2009

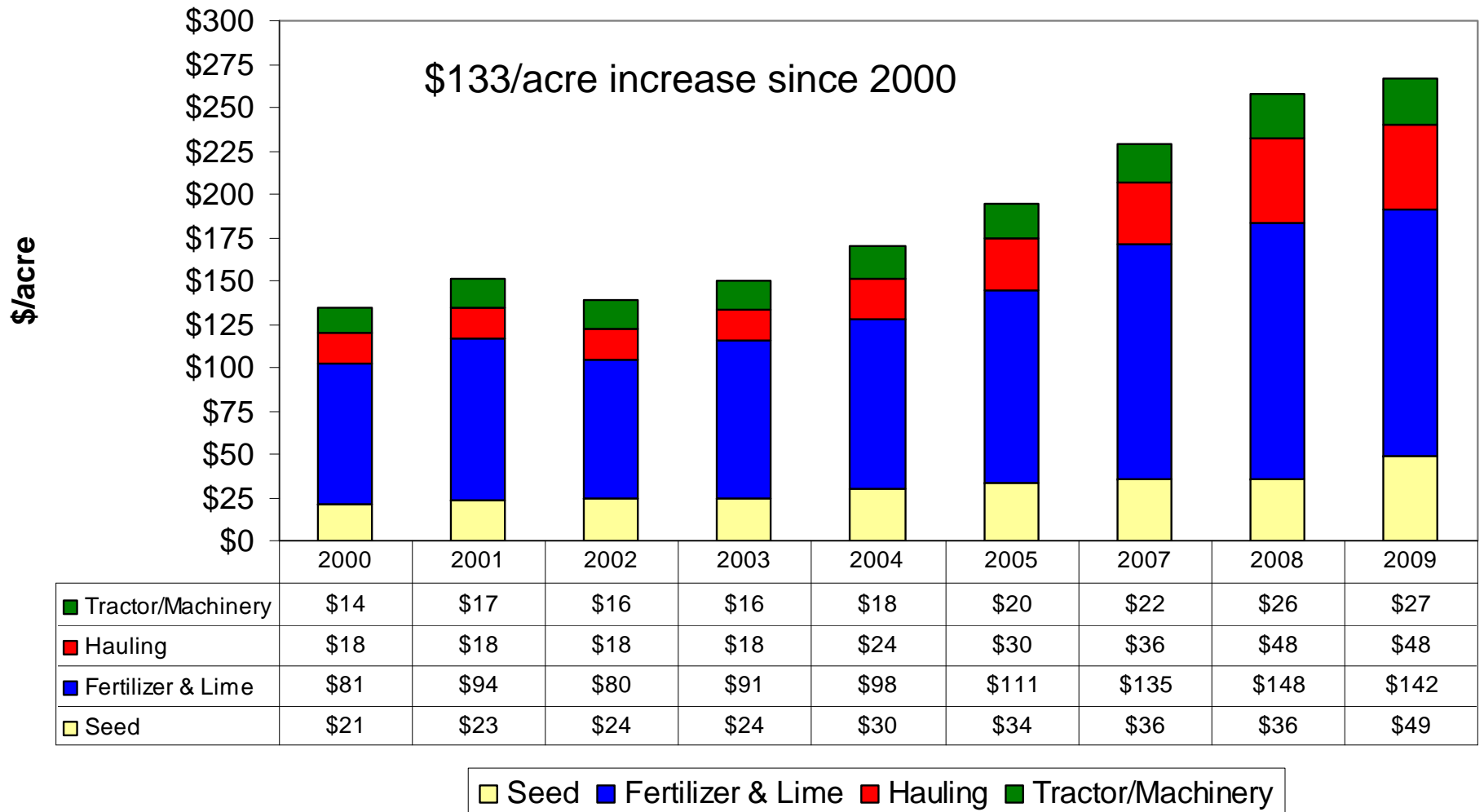
* Production costs are from official Clemson Budgets. Check http://cherokee.agecon.clemson.edu/crop_bud.htm for more information.

NOTE: For Educational Use Only.

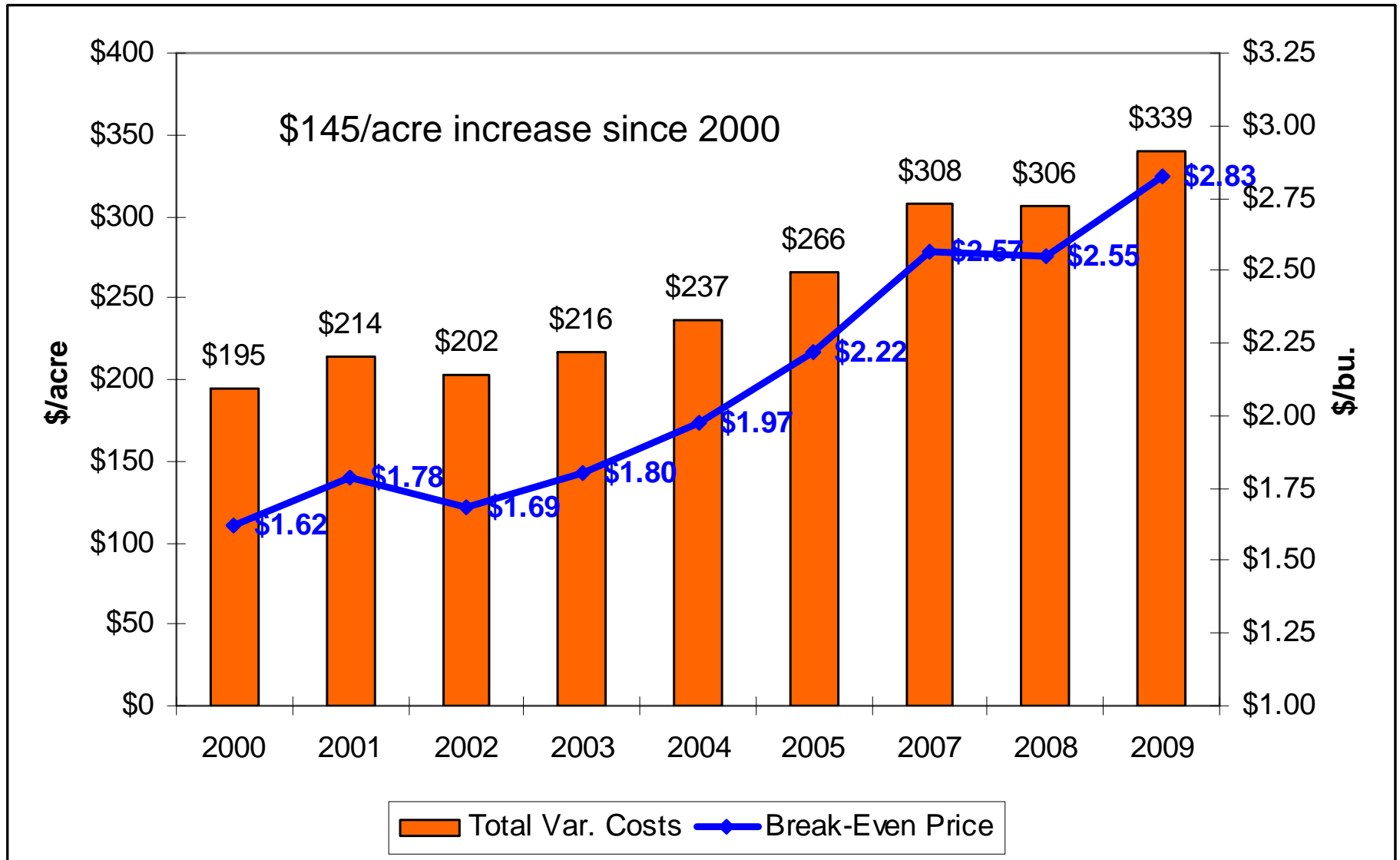
2009 Non-Irrigated Corn Projected Profitability – Conservation Tillage

	<u>Total Per Acre</u>	
Gross Receipts		
Corn (120 bu x \$4.17)	\$500.40	
Total Receipts	\$500.40	
Variable Costs		<u>% of Total</u>
Seed	\$49.44	15%
Fertilizer & Lime	\$142.20	42%
Herbicides	\$19.82	6%
Insecticides	\$11.75	3%
Drying (3 points)	\$19.05	6%
Hauling	\$48.00	14%
Tractor/Machinery	\$27.16	8%
Labor	\$13.59	4%
Interest on Operating Capital	<u>\$8.37</u>	2%
Total Variable Costs	\$339.37	
Return over Variable Costs	\$161.03	
Fixed Costs		
Tractor/Machinery	\$43.87	
Land Rent	\$25.00	
General Overhead	<u>\$30.54</u>	
Total Fixed Costs	\$99.41	
Return over Total Costs	\$61.61	

Changes in Input Costs for Non-Irrigated Corn from 2000 - 2009



Non-Irrigated Corn Total Variable Costs and Break-Even Price @ 120 bu/acre from 2000 - 2009



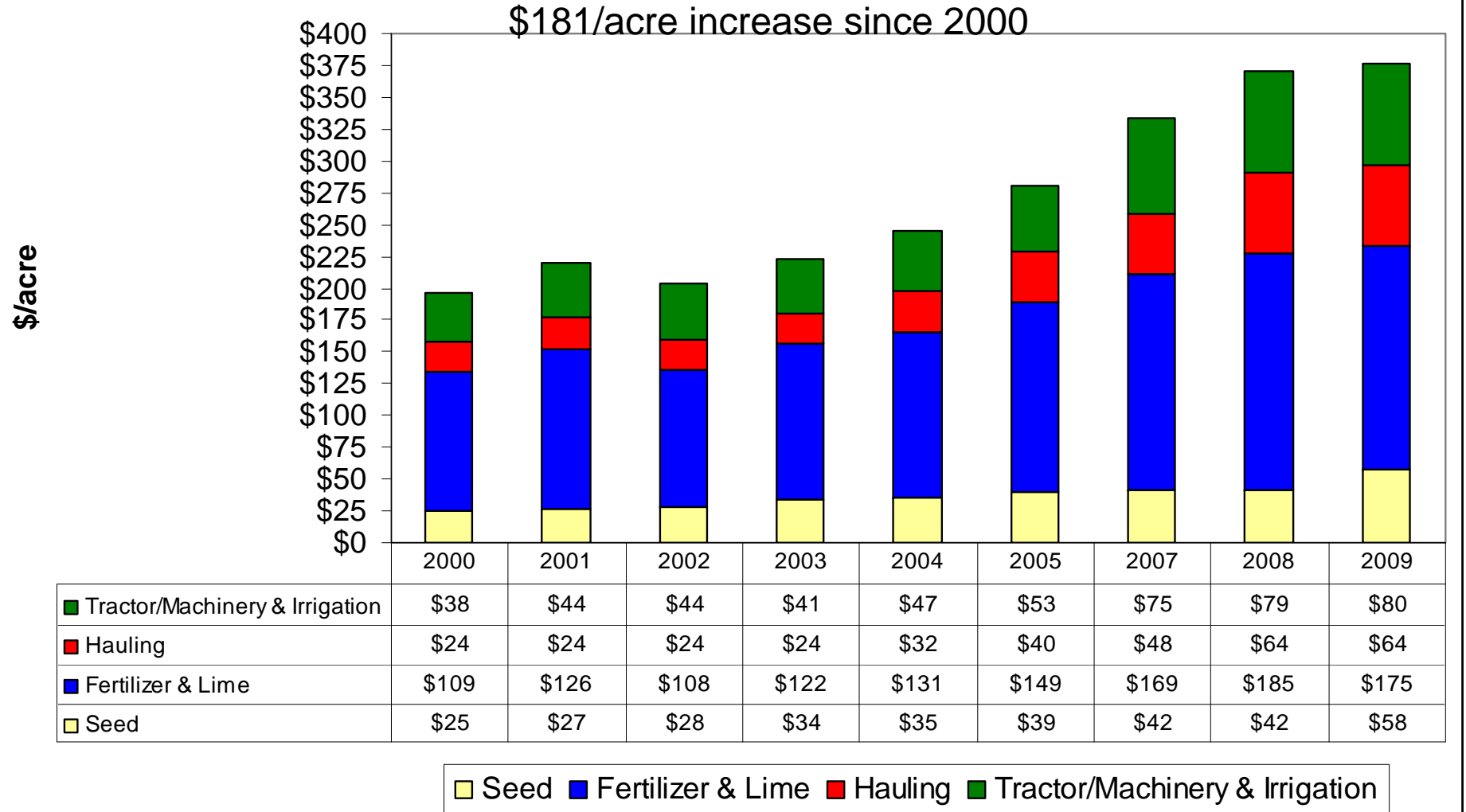
Effect of Price and Yield Risk on ROVC for Non-Irrigated Corn for 2009

Total Variable Cost		\$340.00 /acre						
Harvest Yield	Harvest Cash Price							
	\$3.25	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	
60	(\$145)	(\$130)	(\$115)	(\$100)	(\$85)	(\$70)	(\$55)	
70	(\$113)	(\$95)	(\$78)	(\$60)	(\$43)	(\$25)	(\$8)	
80	(\$80)	(\$60)	(\$40)	(\$20)	\$0	\$20	\$40	
90	(\$48)	(\$25)	(\$3)	\$20	\$43	\$65	\$88	
100	(\$15)	\$10	\$35	\$60	\$85	\$110	\$135	
110	\$18	\$45	\$73	\$100	\$128	\$155	\$183	
120	\$50	\$80	\$110	\$140	\$170	\$200	\$230	

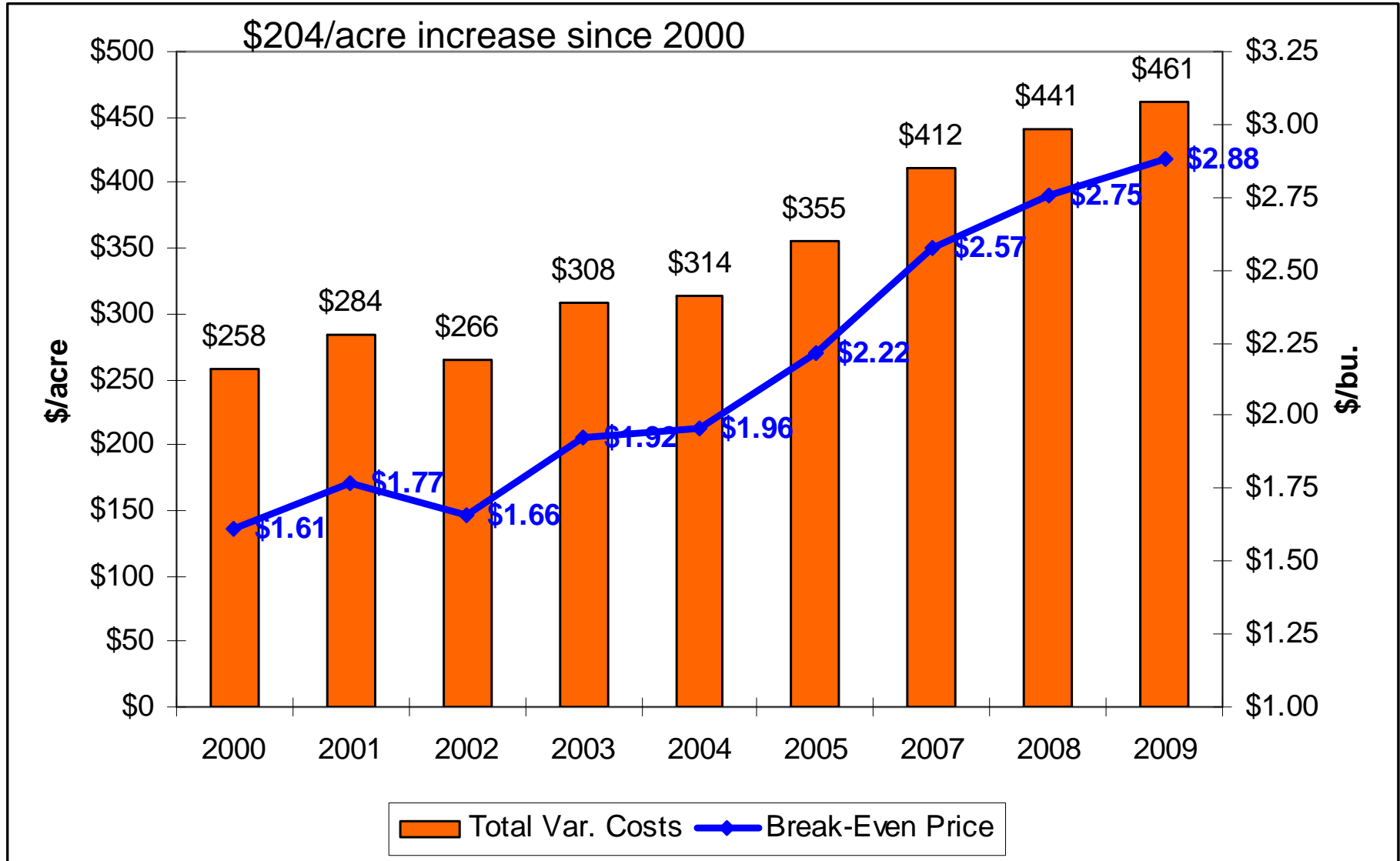
2009 Irrigated Corn Projected Profitability – Conservation Tillage

	<u>Total</u> <u>Per Acre</u>	
Gross Receipts		
Corn (160 bu x \$4.17)	\$667.20	
Total Receipts	\$667.20	
Variable Costs		<u>% of Total</u>
Seed	\$58.10	13%
Fertilizer & Lime	\$175.00	38%
Herbicides	\$19.82	4%
Insecticides	\$11.75	3%
Irrigation Machinery and Labor	\$48.16	10%
Drying (3 points)	\$25.40	6%
Hauling	\$64.00	14%
Tractor/Machinery	\$31.86	7%
Labor	\$16.51	4%
Interest on Operating Capital	\$10.76	2%
Total Variable Costs	\$461.36	
Return over Variable Costs	\$205.84	
Fixed Costs		
Tractor/Machinery	\$49.17	
Irrigation	\$99.37	
Land Rent	\$25.00	
General Overhead	\$41.52	
Total Fixed Costs	\$215.06	
Return over Total Costs	-\$9.22	

Changes in Input Costs for Irrigated Corn from 2000-2009



Irrigated Corn Total Variable Costs and Break-Even Price @ 160 bu/acre from 2000 - 2009



Effect of Price and Yield Risk on ROVC for Irrigated Corn for 2009

Total Variable Cost \$462.00 /acre

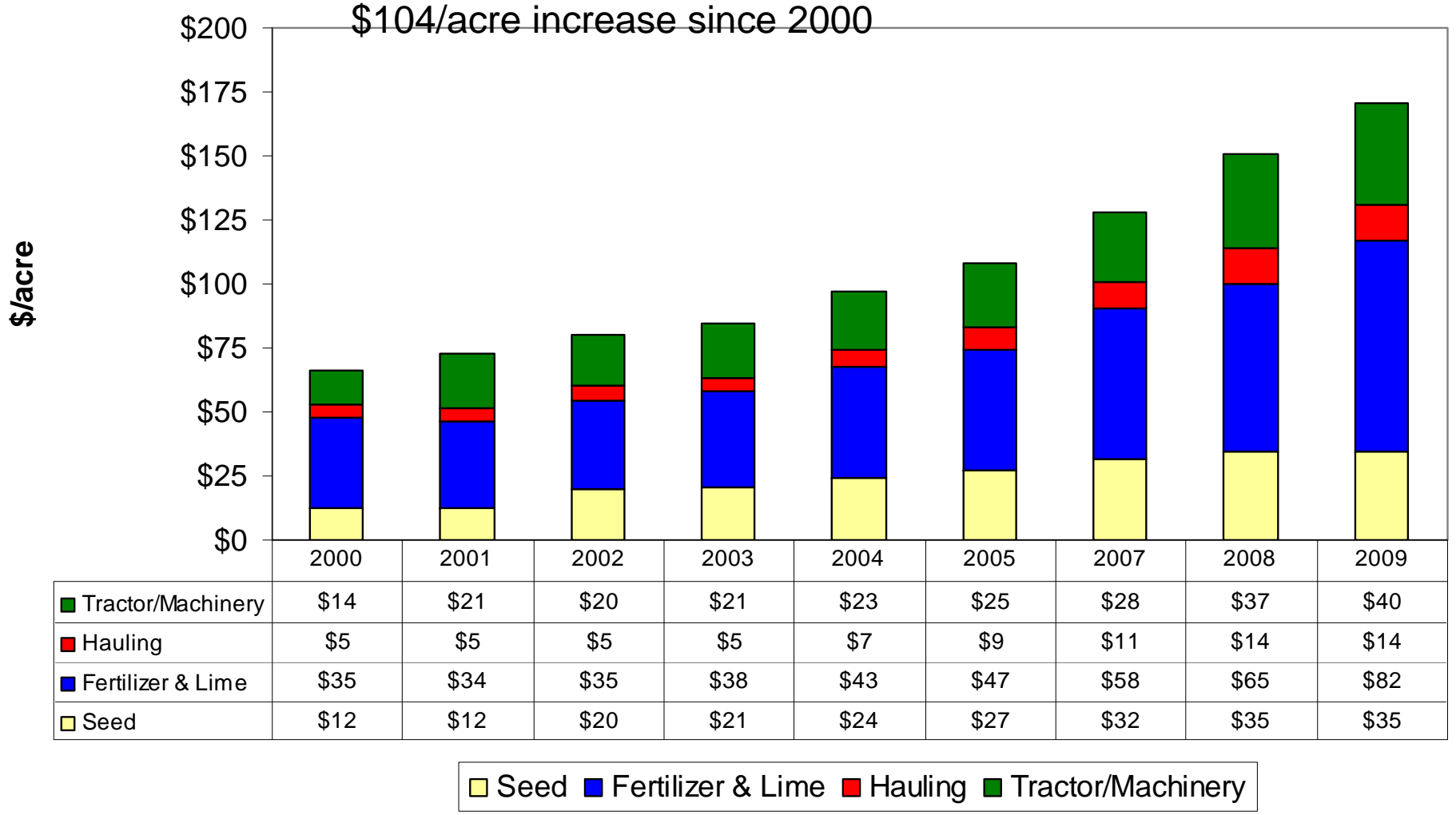
<u>Harvest Yield</u>	<u>Harvest Cash Price</u>						
	\$3.25	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75
100	(\$137)	(\$112)	(\$87)	(\$62)	(\$37)	(\$12)	\$13
110	(\$105)	(\$77)	(\$50)	(\$22)	\$6	\$33	\$61
120	(\$72)	(\$42)	(\$12)	\$18	\$48	\$78	\$108
130	(\$40)	(\$7)	\$26	\$58	\$91	\$123	\$156
140	(\$7)	\$28	\$63	\$98	\$133	\$168	\$203
150	\$26	\$63	\$101	\$138	\$176	\$213	\$251
160	\$58	\$98	\$138	\$178	\$218	\$258	\$298

2009 Soybeans Full Season Projected Profitability – No-Till, Herbicide Tolerant

	<u>Total Per Acre</u>	
Gross Receipts		
Soybeans (35 bu x \$9.01)	\$315.35	
Total Receipts	\$315.35	
Variable Costs		
Seed	\$34.86	<u>% of Total</u> 13%
Fertilizer & Lime	\$82.00	30%
Herbicides	\$28.44	10%
Insecticides	\$18.98	7%
Fungicides	\$20.16	7%
Aerial Application	\$6.00	2%
Hauling	\$14.00	5%
Tractor/Machinery	\$39.52	14%
Labor	\$23.27	8%
Interest on Operating Capital	\$9.54	3%
Total Variable Costs	\$276.77	
Return over Variable Costs	\$38.58	
Fixed Costs		
Tractor/Machinery	\$58.49	
Land Rent	\$25.00	
General Overhead	\$24.91	
Total Fixed Costs	\$108.40	
Return over Total Costs	-\$69.82	

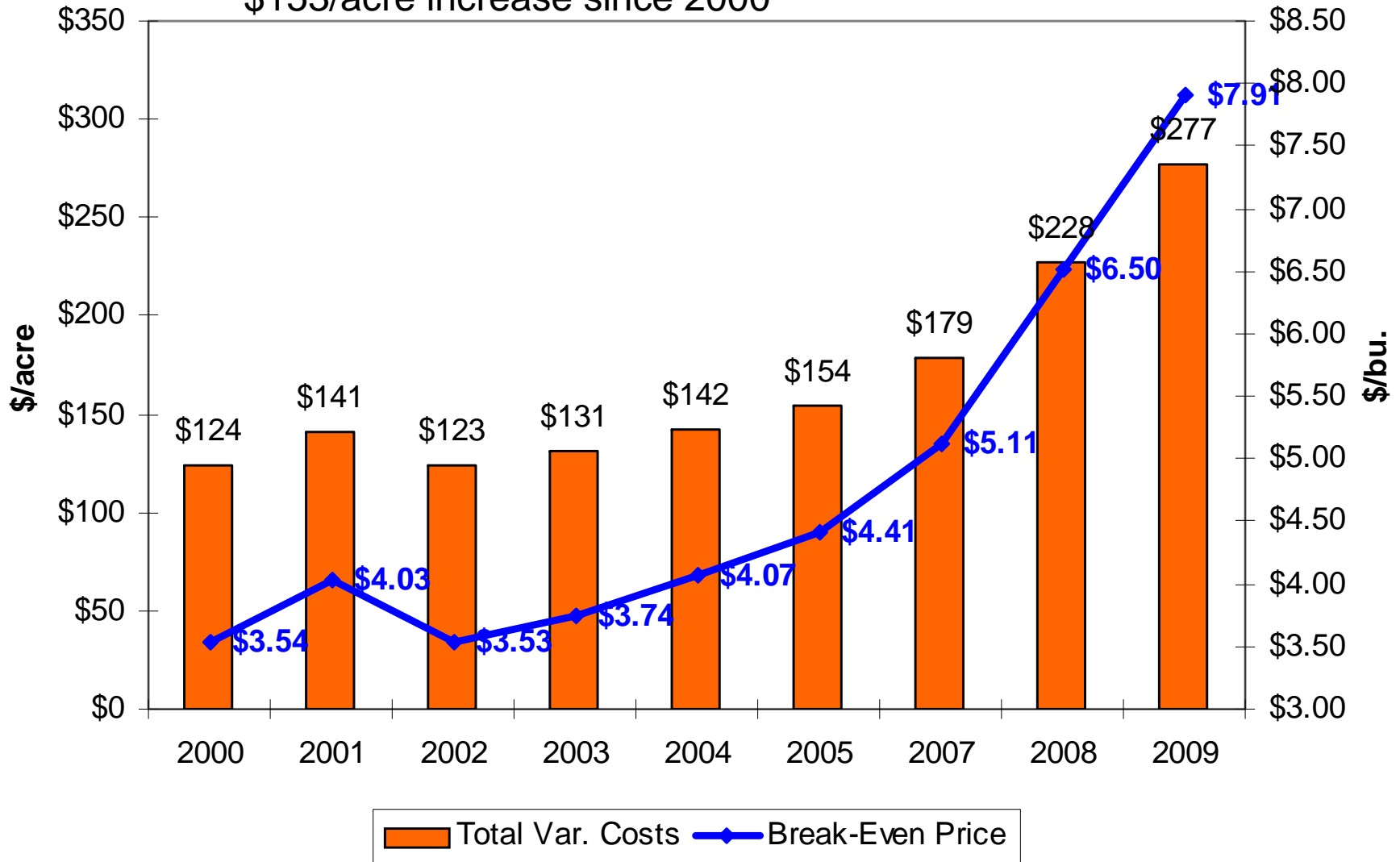
Changes in Input Costs for Full-Season Soybeans from 2000-2009

\$104/acre increase since 2000



Full-Season Soybeans Total Variable Costs and Break-Even Price @ 35 bu/acre from 2000 - 2009

\$153/acre increase since 2000



Effect of Price and Yield Risk on ROVC for Full-Season Soybeans for 2009

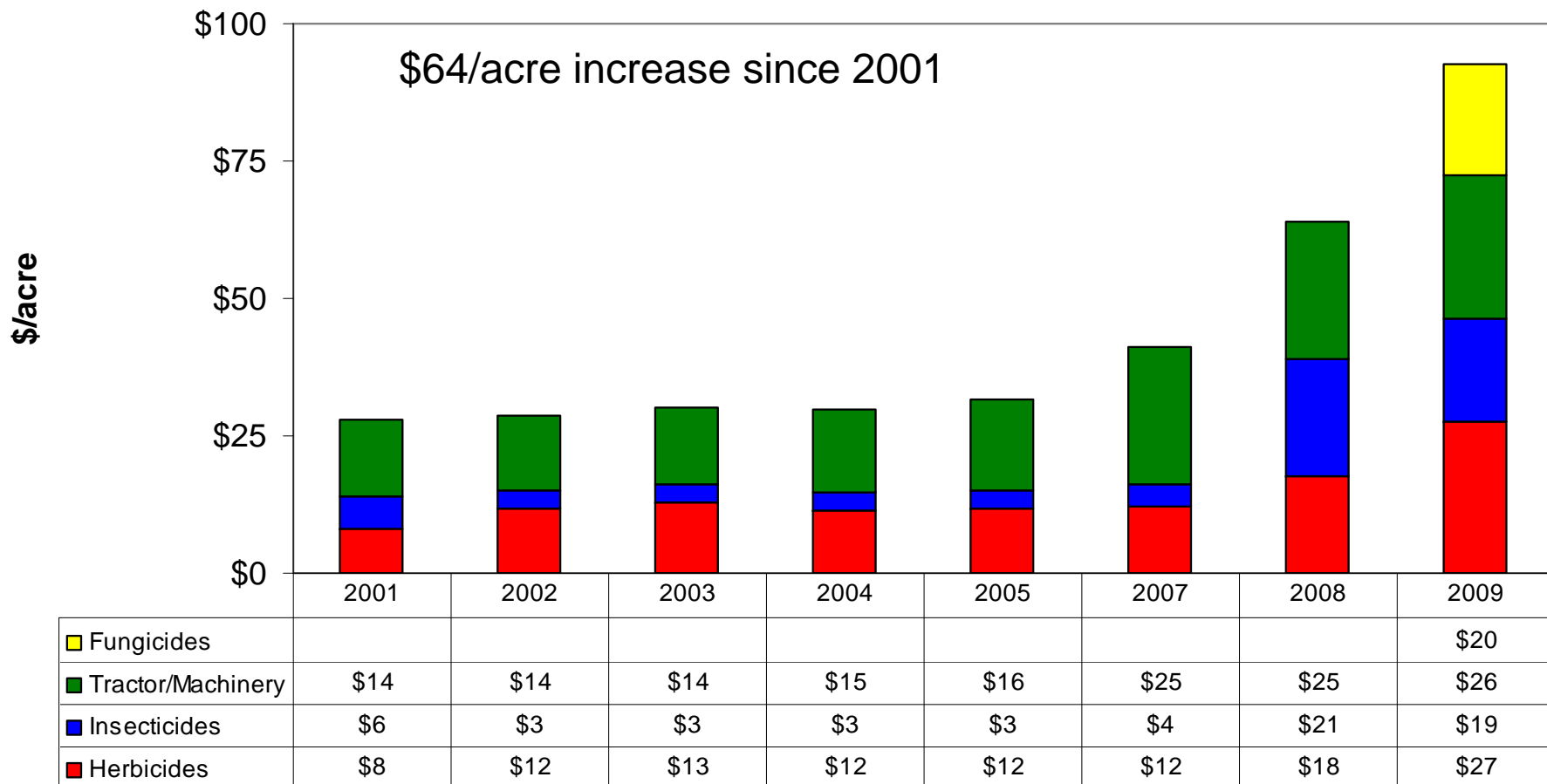
Total Variable Cost \$277.00 /acre

<u>Harvest Yield</u>	<u>Harvest Cash Price</u>						
	\$7.50	\$8.00	\$8.50	\$9.00	\$9.50	\$10.00	\$10.50
20	(\$127)	(\$117)	(\$107)	(\$97)	(\$87)	(\$77)	(\$67)
23	(\$105)	(\$93)	(\$82)	(\$70)	(\$59)	(\$47)	(\$36)
26	(\$82)	(\$69)	(\$56)	(\$43)	(\$30)	(\$17)	(\$4)
29	(\$60)	(\$45)	(\$31)	(\$16)	(\$2)	\$13	\$28
32	(\$37)	(\$21)	(\$5)	\$11	\$27	\$43	\$59
35	(\$15)	\$3	\$21	\$38	\$56	\$73	\$91

2009 Double-Cropped Soybeans Projected Profitability – No-Till, Herbicide Tolerant

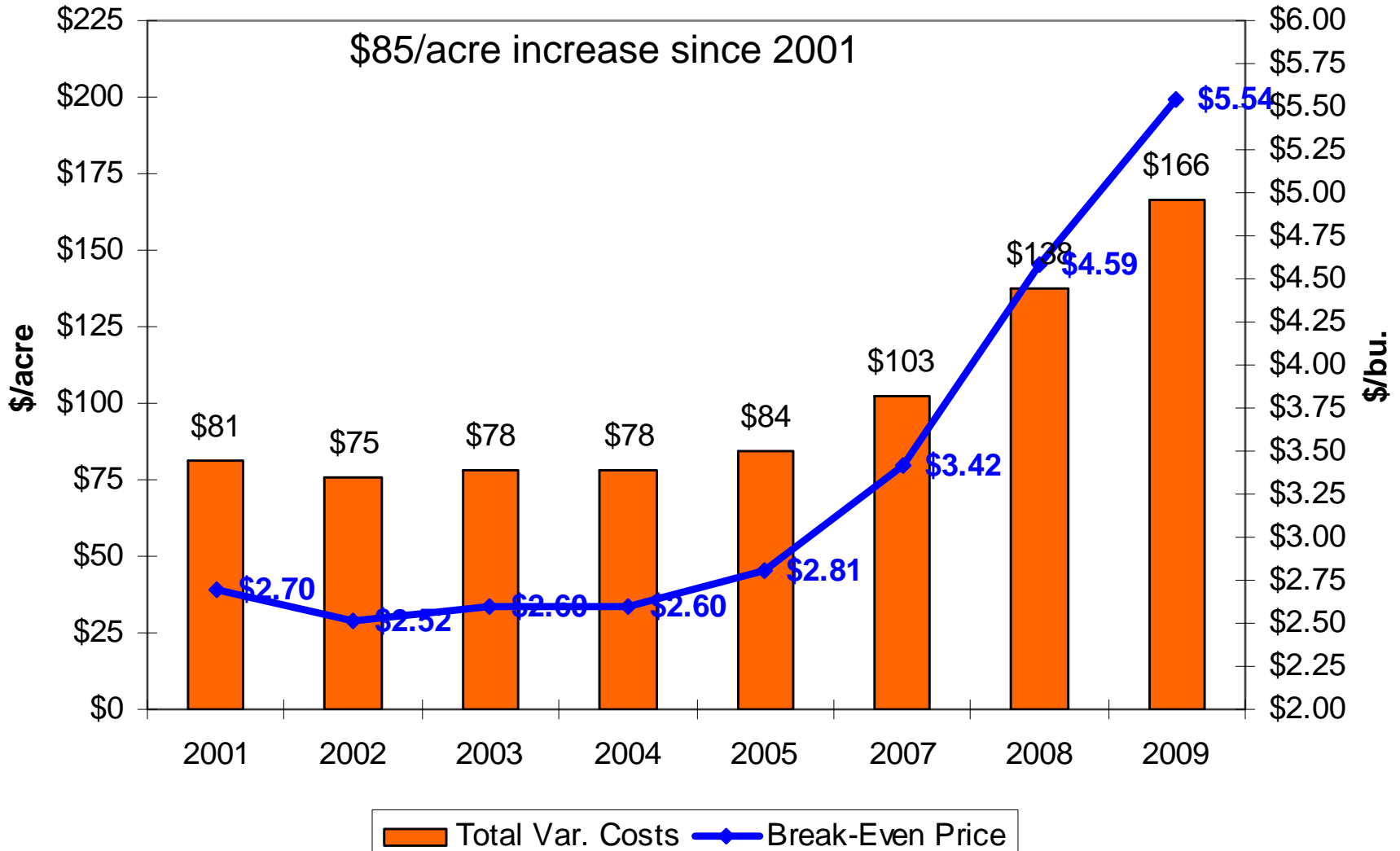
	<u>Total Per Acre</u>	
Gross Receipts		
Soybeans (30 bu x \$9.01)	\$270.30	
Total Receipts	\$270.30	
Variable Costs		
		<u>% of Total</u>
Seed (certified)	\$34.86	21%
Herbicides	\$27.44	17%
Insecticides	\$18.98	11%
Fungicides	\$20.16	12%
Aerial Application	\$6.00	4%
Hauling	\$12.00	7%
Tractor/Machinery	\$25.91	16%
Labor	\$15.93	10%
Interest on Operating Capital	<u>\$4.88</u>	3%
Total Variable Costs	\$166.16	
Return over Variable Costs	\$104.14	
Fixed Costs		
Tractor/Machinery	\$74.25	
General Overhead	<u>\$14.95</u>	
Total Fixed Costs	\$89.20	
Return over Total Costs	\$14.94	

Changes in Input Costs for Double-Crop Soybeans from 2001-2009



■ Herbicides
 ■ Insecticides
 ■ Tractor/Machinery
 ■ Fungicides

Double-Crop Soybeans Total Variable Costs and Break-Even Price @ 30 bu/acre from 2001 - 2009



Effect of Price and Yield Risk on ROVC for Double-Crop Soybeans for 2009

Total Variable Cost

\$167.00 /acre

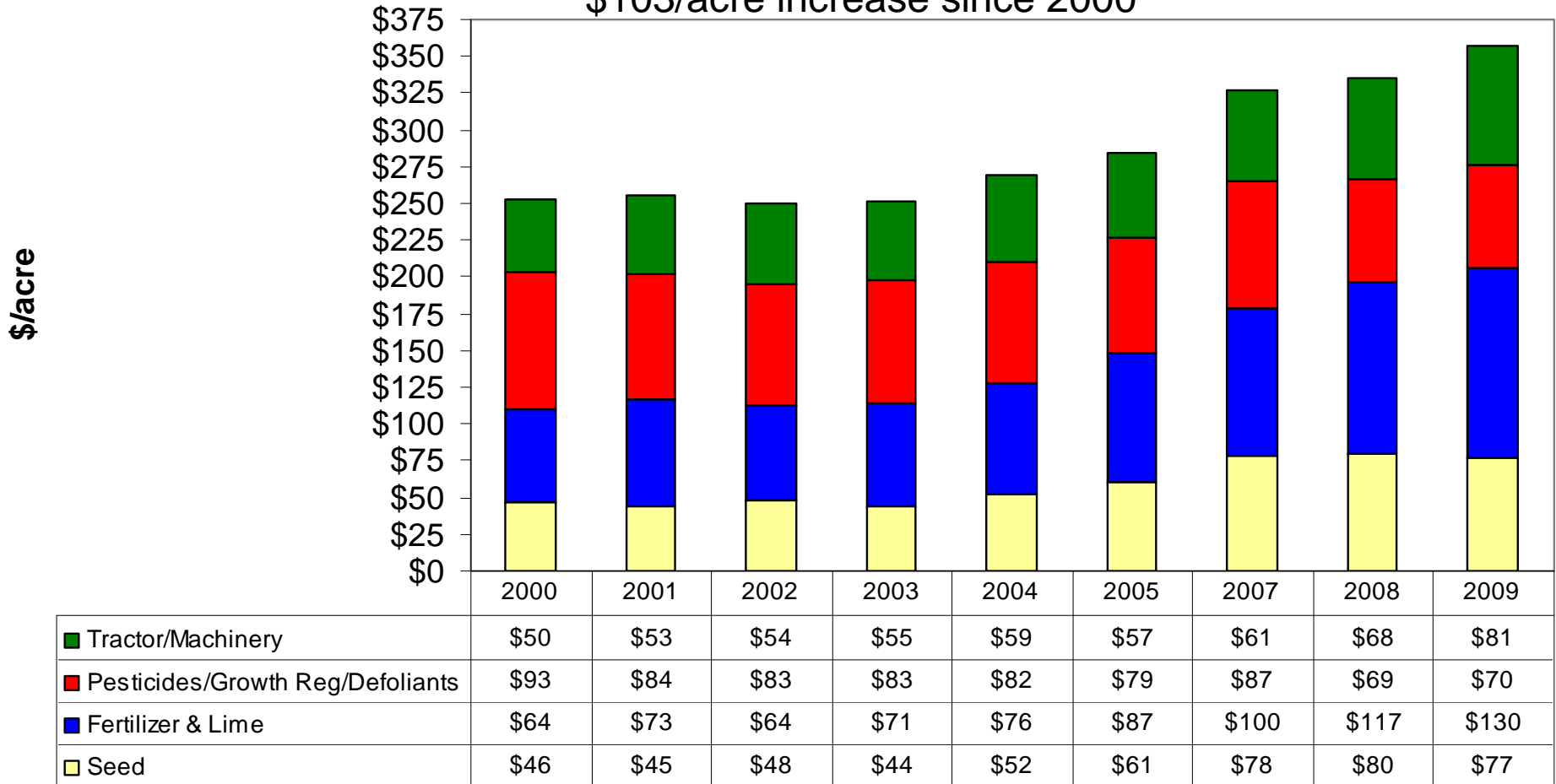
<u>Harvest Yield</u>	<u>Harvest Cash Price</u>						
	\$7.50	\$8.00	\$8.50	\$9.00	\$9.50	\$10.00	\$10.50
10	(\$92)	(\$87)	(\$82)	(\$77)	(\$72)	(\$67)	(\$62)
15	(\$55)	(\$47)	(\$40)	(\$32)	(\$25)	(\$17)	(\$10)
20	(\$17)	(\$7)	\$3	\$13	\$23	\$33	\$43
25	\$21	\$33	\$46	\$58	\$71	\$83	\$96
30	\$58	\$73	\$88	\$103	\$118	\$133	\$148
35	\$96	\$113	\$131	\$148	\$166	\$183	\$201

2009 Cotton Projected Profitability – Non-Irrigated, Stacked (Round-Up Ready and BT)

	<u>Total Per Acre</u>	
Gross Receipts		
Cotton Lint (750 lb x \$0.5291)	\$396.83	
Cotton Seed (1253 lb x \$0.09)	<u>\$112.77</u>	
Total Receipts	\$509.60	
Variable Costs		
Seed	\$76.50	<u>% of Total</u> 14%
Fertilizer & Lime	\$129.66	23%
Herbicides/Insecticides	\$54.79	10%
Growth Reg & Defoliant	\$36.03	6%
Ginning	\$90.00	16%
Hauling	\$6.50	1%
Insurance & Miscellaneous	\$29.49	5%
Tractor/Machinery	\$80.60	15%
Labor	\$36.01	6%
Interest on Operating Capital	<u>\$15.58</u>	3%
Total Variable Costs	\$555.16	
Return over Variable Costs	-\$45.56	
Fixed Costs		
Tractor/Machinery	\$91.28	
Land Rent	\$25.00	
General Overhead	<u>\$49.96</u>	
Total Fixed Costs	\$166.24	
Return over Total Costs	-\$211.81	

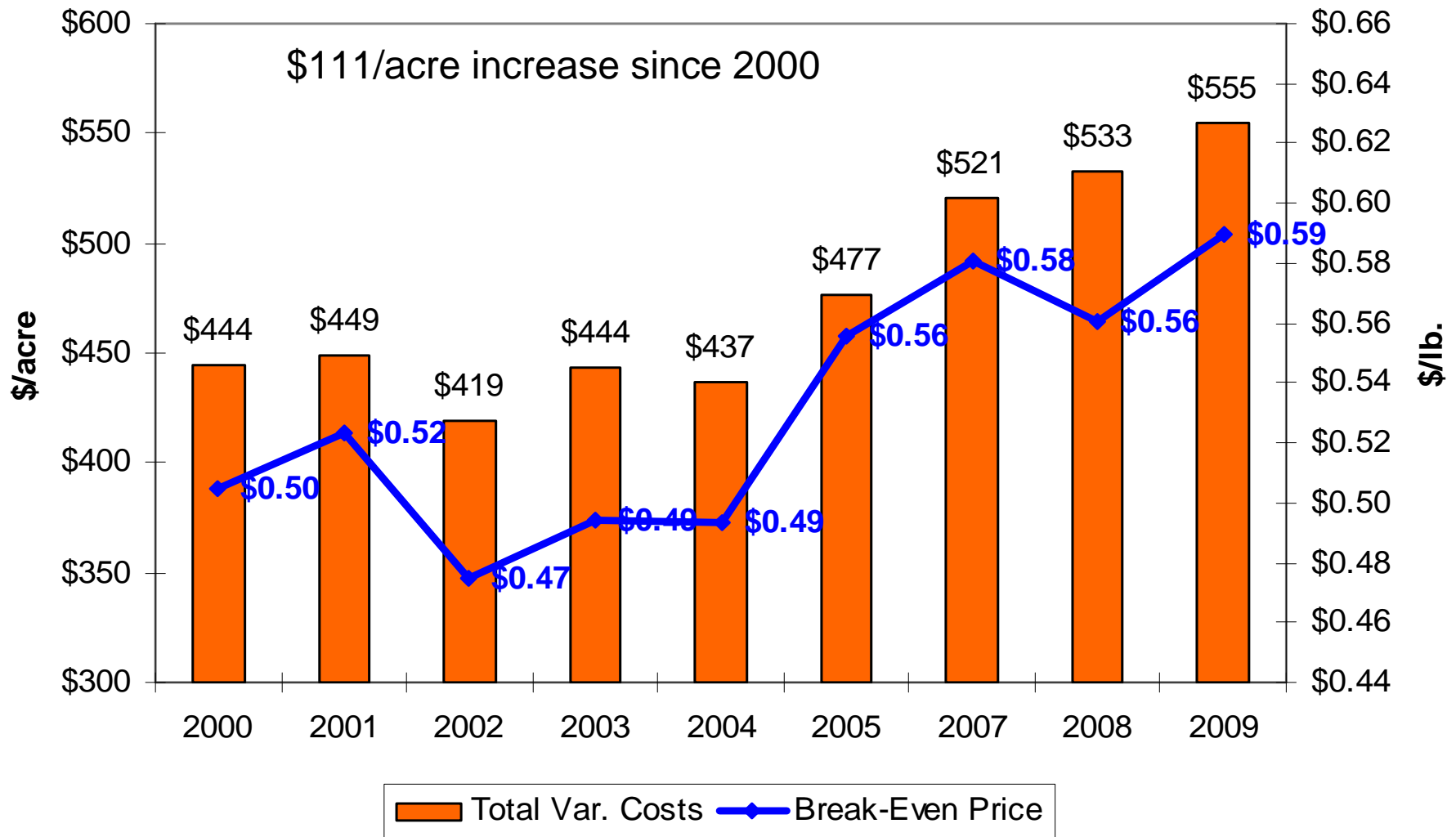
Changes in Input Costs for Non-Irrigated Cotton from 2000-2009

\$103/acre increase since 2000



Seed Fertilizer & Lime Pesticides/Growth Reg/Defoliants Tractor/Machinery

Non-Irrigated Cotton Total Variable Costs and Break-Even Price @ 750 lbs/acre from 2000 – 2009 **



** Break-even price accounts for value of cotton seed produced.

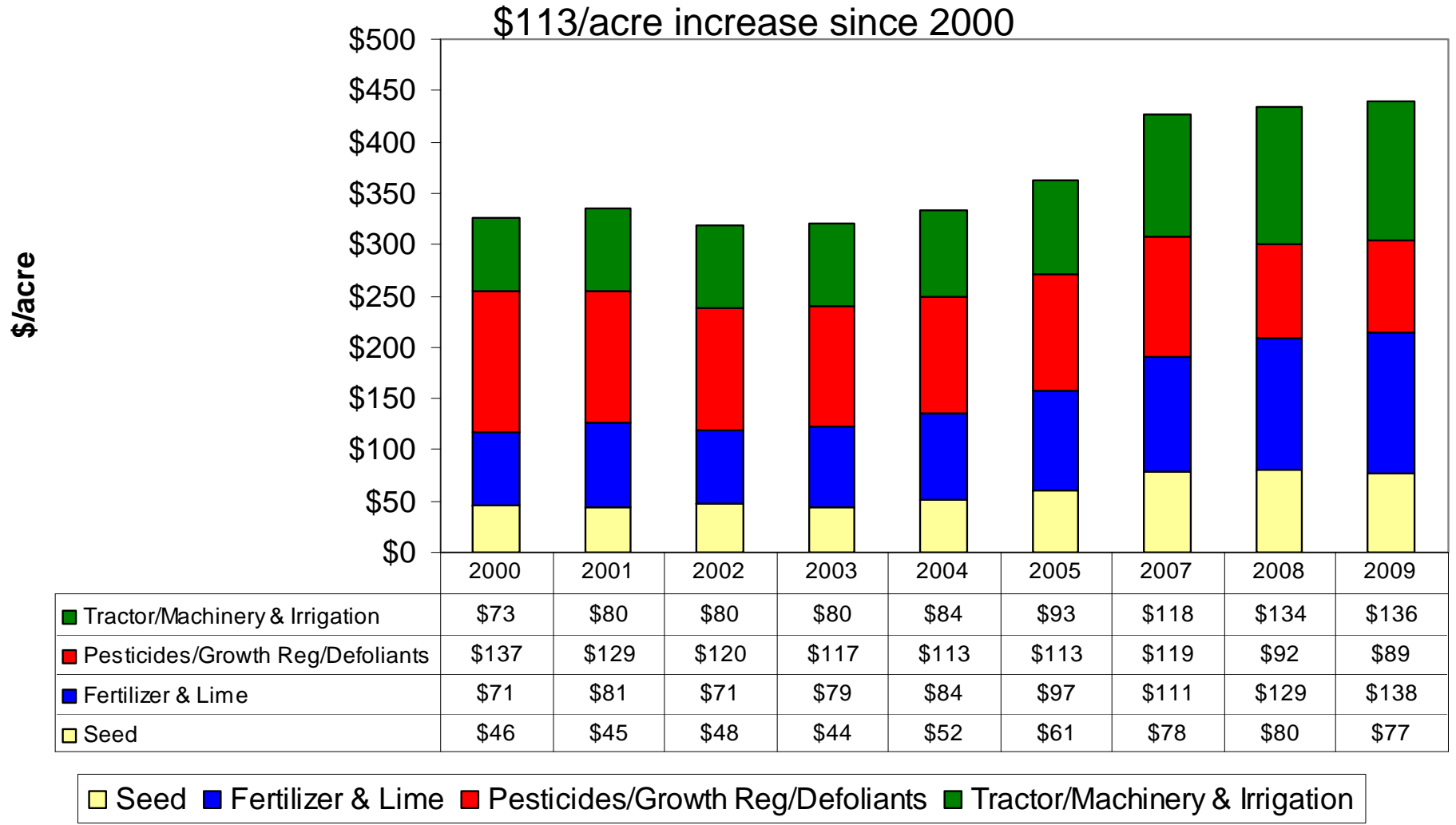
Effect of Price and Yield Risk on ROVC for Non-Irrigated Cotton for 2009

Harvest Yield	Harvest Cash Price						
	\$0.50	\$0.52	\$0.54	\$0.56	\$0.58	\$0.60	\$0.62
600	(\$165)	(\$153)	(\$141)	(\$129)	(\$117)	(\$105)	(\$93)
650	(\$132)	(\$119)	(\$106)	(\$93)	(\$80)	(\$67)	(\$54)
700	(\$100)	(\$86)	(\$72)	(\$58)	(\$44)	(\$30)	(\$16)
750	(\$67)	(\$52)	(\$37)	(\$22)	(\$7)	\$8	\$23
800	(\$35)	(\$19)	(\$3)	\$13	\$29	\$45	\$61
850	(\$2)	\$15	\$32	\$49	\$66	\$83	\$100
900	\$30	\$48	\$66	\$84	\$102	\$120	\$138

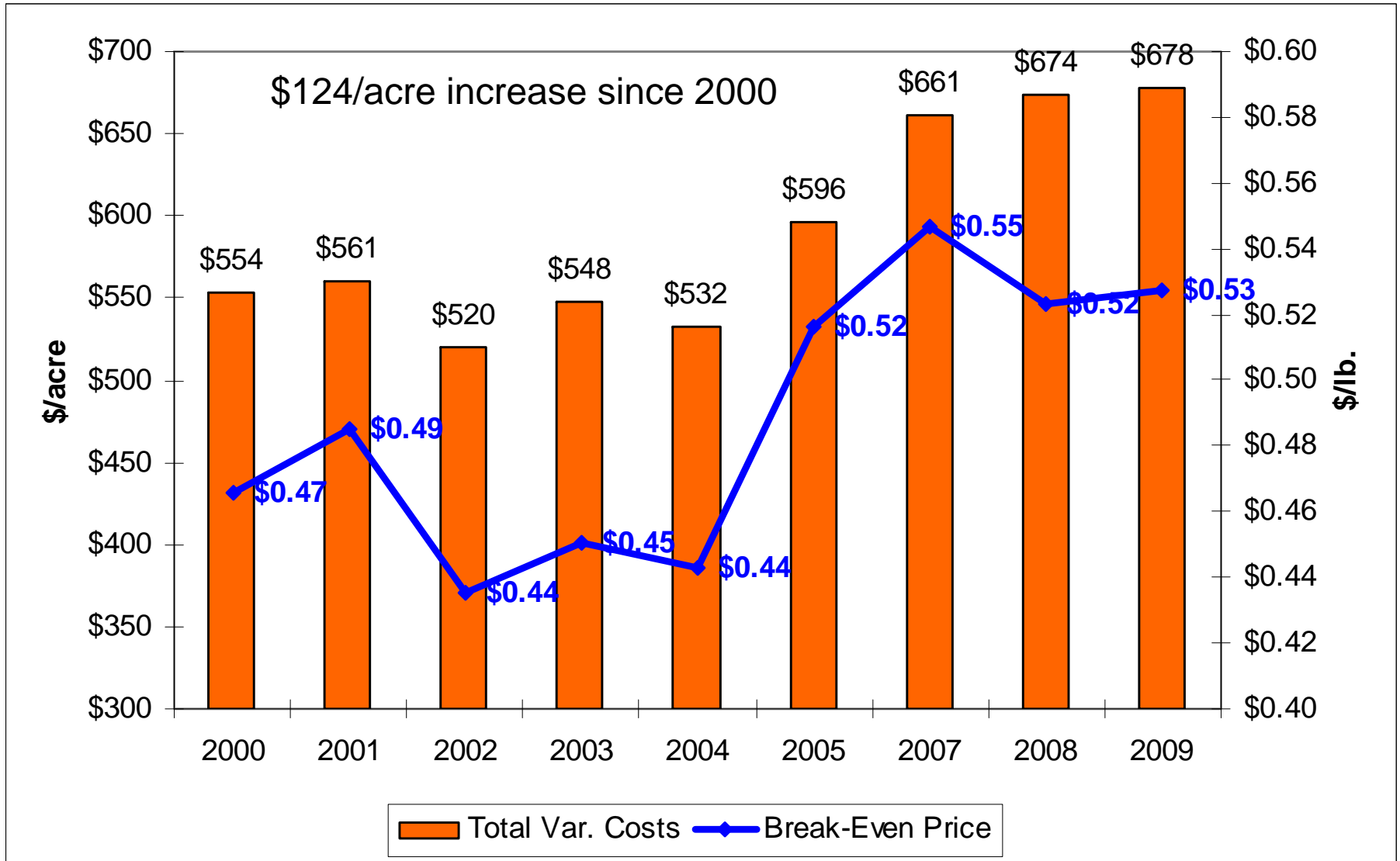
2009 Cotton Projected Profitability – Irrigated, Stacked (Round-Up Ready and BT)

	<u>Total Per Acre</u>	
Gross Receipts		
Cotton Lint (1000 lb x \$0.5291)	\$529.10	
Cotton Seed (1670 lb x \$0.09)	\$150.30	
Total Receipts	\$679.40	
Variable Costs		
		<u>% of Total</u>
Seed	\$76.50	11%
Fertilizer & Lime	\$138.26	20%
Herbicides/Insecticides	\$73.58	11%
Growth Reg & Defoliant	\$42.03	6%
Irrigation Machinery & Labor	\$55.15	8%
Ginning	\$120.00	18%
Hauling	\$6.50	1%
Insurance & Miscellaneous	\$29.49	4%
Tractor/Machinery	\$81.10	12%
Labor	\$36.99	5%
Interest on Operating Capital	\$18.04	3%
Total Variable Costs	\$677.63	
Return over Variable Costs	\$1.77	
Fixed Costs		
Tractor/Machinery	\$91.78	
Land Rent	\$25.00	
Irrigation Machinery	\$105.66	
General Overhead	\$60.99	
Total Fixed Costs	\$283.43	
Return over Total Costs	-\$281.66	

Changes in Input Costs for Irrigated Cotton from 2000-2009



Irrigated Cotton Total Variable Costs and Break-Even Price @ 1000 lbs/acre from 2000 – 2009 **



** Break-even price accounts for value of cotton seed produced.

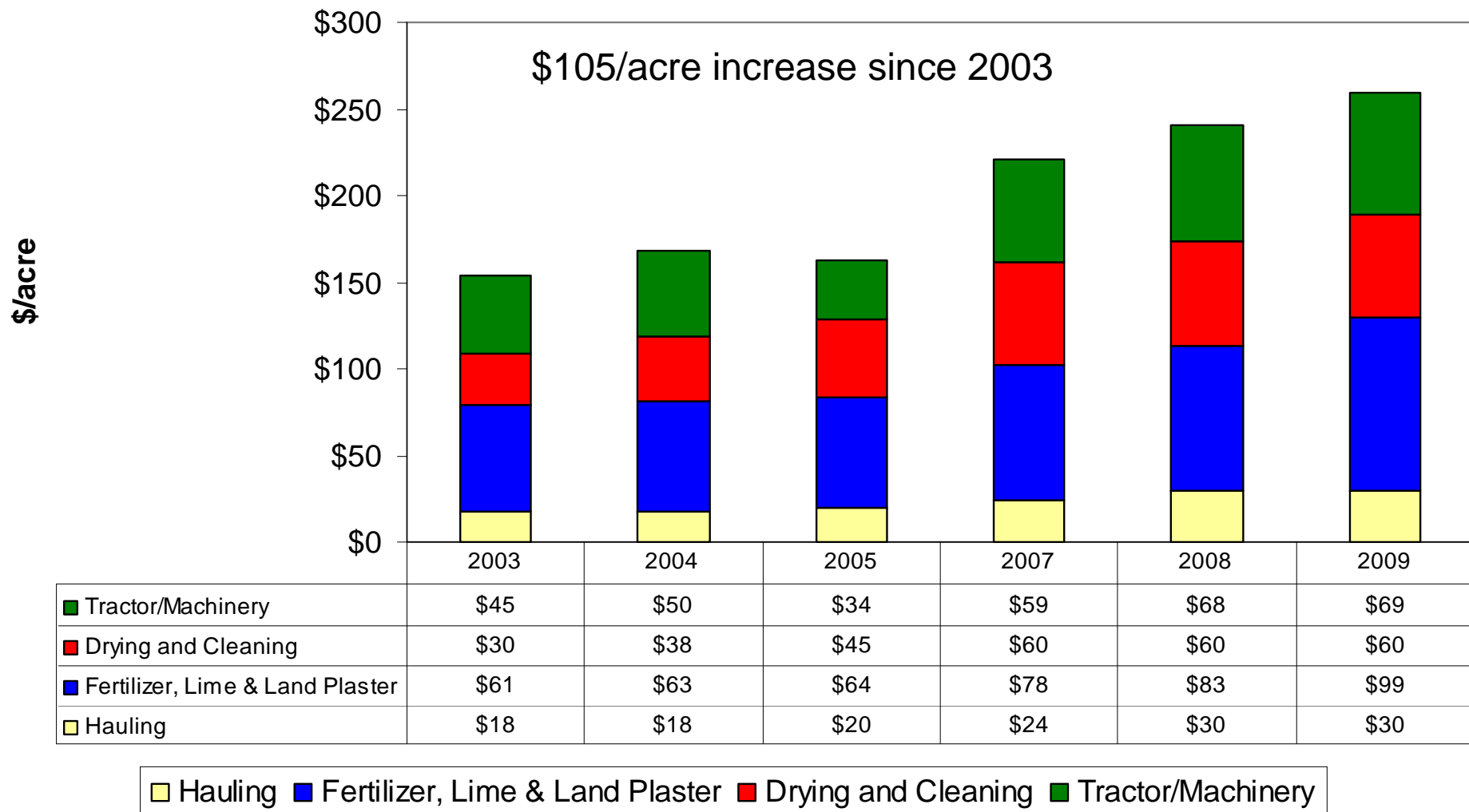
Effect of Price and Yield Risk on ROVC for Irrigated Cotton for 2009

Harvest Yield	Harvest Cash Price						
	\$0.50	\$0.52	\$0.54	\$0.56	\$0.58	\$0.60	\$0.62
500	(\$352)	(\$342)	(\$332)	(\$322)	(\$312)	(\$302)	(\$292)
600	(\$287)	(\$275)	(\$263)	(\$251)	(\$239)	(\$227)	(\$215)
700	(\$222)	(\$208)	(\$194)	(\$180)	(\$166)	(\$152)	(\$138)
800	(\$157)	(\$141)	(\$125)	(\$109)	(\$93)	(\$77)	(\$61)
900	(\$92)	(\$74)	(\$56)	(\$38)	(\$20)	(\$2)	\$16
1000	(\$27)	(\$7)	\$13	\$33	\$53	\$73	\$93
1100	\$38	\$60	\$82	\$104	\$126	\$148	\$170

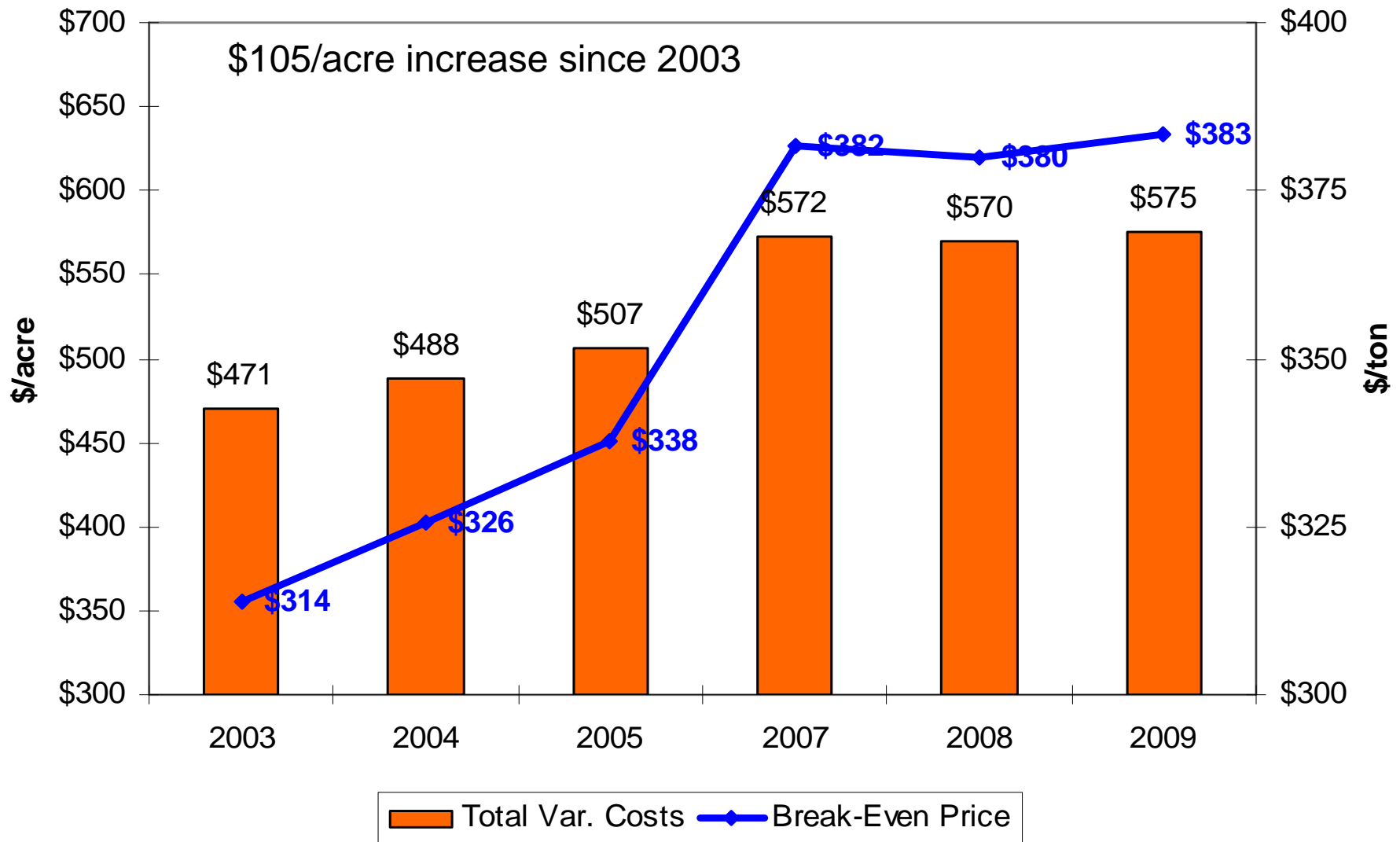
2009 Peanuts Projected Profitability – Non-Irrigated, Conventional Tillage

	<u>Total Per Acre</u>	
Gross Receipts		
Peanuts (3000 lb x \$0.2050)	\$615.00	
Total Receipts	\$615.00	
Variable Costs		<u>% of Total</u>
Seed & Inoculant	\$98.00	17%
Fertilizer & Lime & Land Plaster	\$99.48	17%
Herbicides/Insecticides/Fungicides	\$123.93	22%
Growth Reg	\$15.90	3%
Hauling	\$30.00	5%
Drying and cleaning	\$60.00	10%
Insurance & Miscellaneous	\$35.33	6%
Tractor/Machinery	\$69.49	12%
Labor	\$33.22	6%
Interest on Operating Capital	<u>\$9.76</u>	2%
Total Variable Costs	\$575.10	
Return over Variable Costs	\$39.90	
Fixed Costs		
Tractor/Machinery	\$120.69	
Land Rent	\$40.00	
General Overhead	<u>\$51.76</u>	
Total Fixed Costs	\$212.45	
Return over Total Costs	-\$172.55	

Changes in Input Costs for Non-Irrigated Peanuts from 2003-2009



Non-Irrigated Peanuts Total Variable Costs and Break-Even Price @ 3000 lbs/acre from 2003 – 2009



Effect of Price and Yield Risk on ROVC for Non-Irrigated Peanuts for 2009

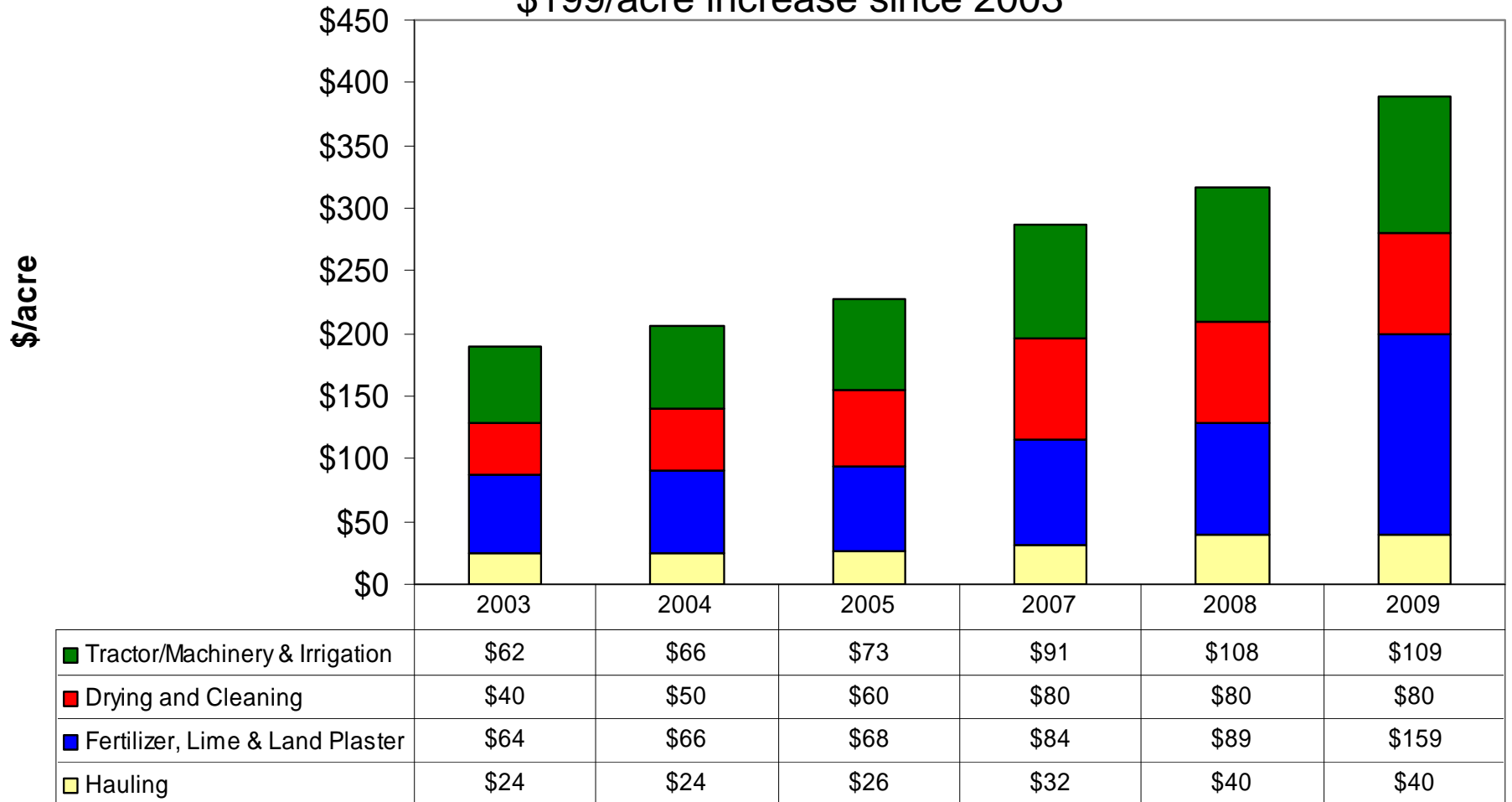
<u>Harvest Yield</u>	<u>Harvest Cash Price</u>						
	\$0.18	\$0.19	\$0.20	\$0.21	\$0.22	\$0.23	\$0.24
1750	(\$261)	(\$244)	(\$226)	(\$209)	(\$191)	(\$174)	(\$156)
2000	(\$216)	(\$196)	(\$176)	(\$156)	(\$136)	(\$116)	(\$96)
2250	(\$171)	(\$149)	(\$126)	(\$104)	(\$81)	(\$58)	(\$36)
2500	(\$126)	(\$101)	(\$76)	(\$51)	(\$26)	(\$1)	\$24
2750	(\$81)	(\$54)	(\$26)	\$2	\$29	\$57	\$84
3000	(\$36)	(\$6)	\$24	\$54	\$84	\$114	\$144
3250	\$9	\$42	\$74	\$107	\$139	\$172	\$204

2009 Peanuts Projected Profitability – Irrigated, Conventional Tillage

	<u>Total Per Acre</u>	
Gross Receipts		
Peanuts (4000 lb x \$0.2050)	\$820.00	
Total Receipts	\$820.00	
Variable Costs		<u>% of Total</u>
Seed & Inoculant	\$98.00	13%
Fertilizer & Lime & Land Plaster	\$159.48	22%
Herbicides/Insecticides/Fungicides	\$143.68	20%
Growth Reg	\$15.90	2%
Irrigation Machinery & Labor	\$39.91	5%
Drying and cleaning	\$80.00	11%
Hauling	\$40.00	5%
Insurance & Miscellaneous	\$38.10	5%
Tractor/Machinery	\$69.49	10%
Labor	\$33.22	5%
Interest on Operating Capital	\$12.46	2%
Total Variable Costs	\$730.23	
Return over Variable Costs	\$89.77	
Fixed Costs		
Tractor/Machinery	\$120.69	
Land Rent	\$50.00	
Irrigation Machinery	\$108.86	
General Overhead	<u>\$65.72</u>	
Total Fixed Costs	\$345.27	
Return over Total Costs	-\$255.50	

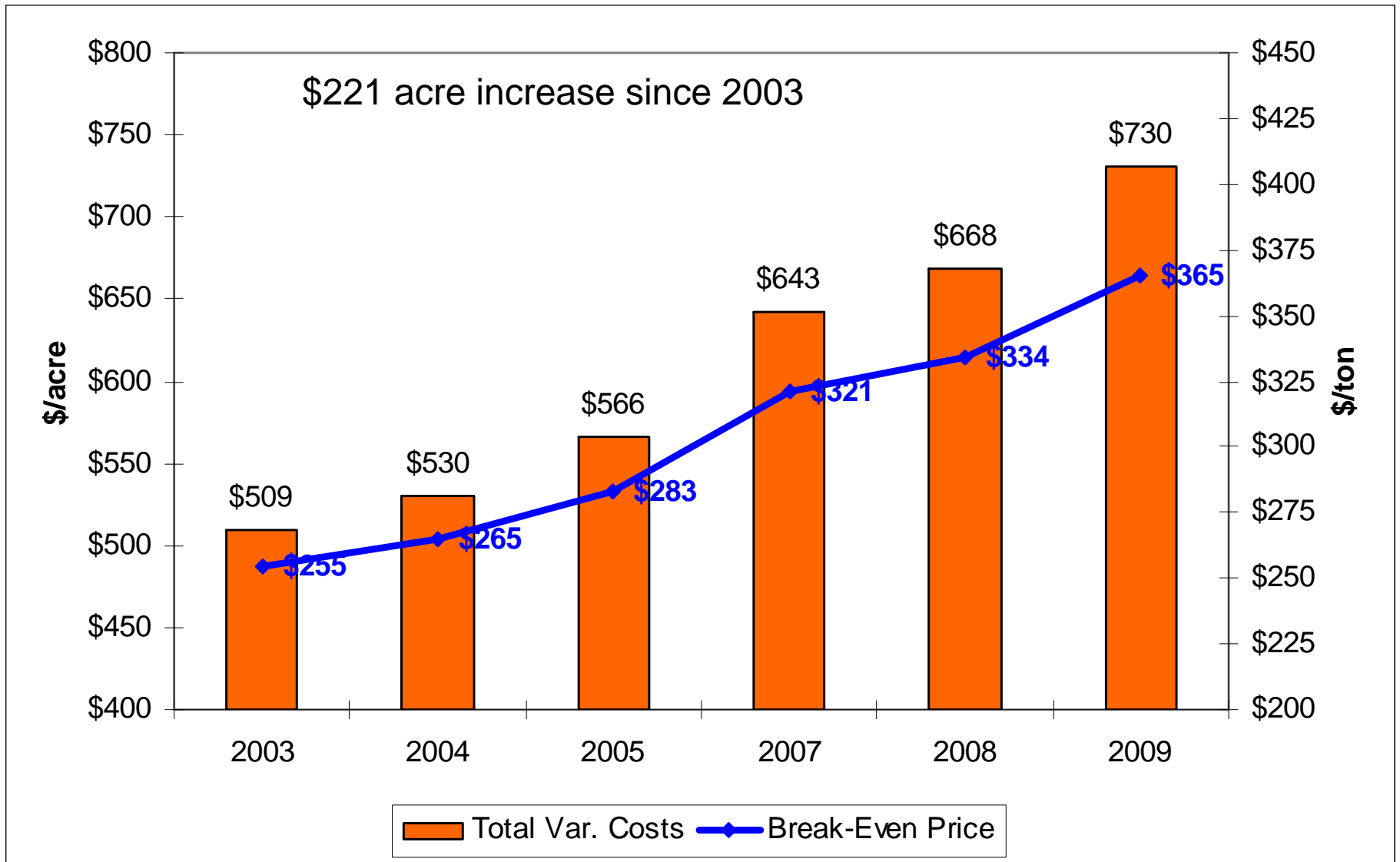
Changes in Input Costs for Irrigated Peanuts from 2003-2009

\$199/acre increase since 2003



■ Hauling
 ■ Fertilizer, Lime & Land Plaster
 ■ Drying and Cleaning
 ■ Tractor/Machinery & Irrigation

Irrigated Peanuts Total Variable Costs and Break-Even Price @ 4000 lbs/acre from 2003 – 2009



Effect of Price and Yield Risk on ROVC for Irrigated Peanuts for 2009

<u>Harvest Yield</u>	<u>Harvest Cash Price</u>						
	\$0.18	\$0.19	\$0.20	\$0.21	\$0.22	\$0.23	\$0.24
2500	(\$281)	(\$256)	(\$231)	(\$206)	(\$181)	(\$156)	(\$131)
2750	(\$236)	(\$209)	(\$181)	(\$154)	(\$126)	(\$98)	(\$71)
3000	(\$191)	(\$161)	(\$131)	(\$101)	(\$71)	(\$41)	(\$11)
3250	(\$146)	(\$114)	(\$81)	(\$48)	(\$16)	\$17	\$49
3500	(\$101)	(\$66)	(\$31)	\$4	\$39	\$74	\$109
3750	(\$56)	(\$19)	\$19	\$57	\$94	\$132	\$169
4000	(\$11)	\$29	\$69	\$109	\$149	\$189	\$229

2009 Corn vs. Soybeans Break-Even Prices

Non-Irrigated Corn	Non-Irrigated Soybeans	Irrigated Corn	Irrigated Soybeans
\$3.80	\$11.24	\$3.80	\$9.97
\$3.90	\$11.58	\$3.90	\$10.29
\$4.00	\$11.93	\$4.00	\$10.61
\$4.10	\$12.27	\$4.10	\$10.93
\$4.20	\$12.61	\$4.20	\$11.25
\$4.30	\$12.95	\$4.30	\$11.57
\$4.40	\$13.30	\$4.40	\$11.89
\$4.50	\$13.64	\$4.50	\$12.21
\$4.60	\$13.98	\$4.60	\$12.53
\$4.70	\$14.33	\$4.70	\$12.85
\$4.80	\$14.67	\$4.80	\$13.17
\$4.90	\$15.01	\$4.90	\$13.49
\$5.00	\$15.35	\$5.00	\$13.81
\$5.10	\$15.70	\$5.10	\$14.13
\$5.20	\$16.04	\$5.20	\$14.45
\$5.30	\$16.38	\$5.30	\$14.77

2009 Corn vs. Soybeans Break-Even Yields

Non-Irrigated Corn	Non-Irrigated Soybeans	Irrigated Corn	Irrigated Soybeans
40	12	60	16
50	16	70	20
60	21	80	25
70	25	90	29
80	30	100	34
90	35	110	39
100	39	120	43
110	44	130	48
120	49	140	53
130	53	150	57
140	58	160	62
150	62	170	67
160	67	180	71
170	72	190	76
180	76	200	80
190	81	210	85

2009 Corn vs. Cotton Break-Even Prices

Non-Irrigated Corn	Non-Irrigated Cotton	Irrigated Corn	Irrigated Cotton
\$3.80	\$0.7454	\$3.80	\$0.6740
\$3.90	\$0.7614	\$3.90	\$0.6900
\$4.00	\$0.7774	\$4.00	\$0.7060
\$4.10	\$0.7934	\$4.10	\$0.7220
\$4.20	\$0.8094	\$4.20	\$0.7380
\$4.30	\$0.8254	\$4.30	\$0.7540
\$4.40	\$0.8414	\$4.40	\$0.7700
\$4.50	\$0.8574	\$4.50	\$0.7860
\$4.60	\$0.8734	\$4.60	\$0.8020
\$4.70	\$0.8894	\$4.70	\$0.8180
\$4.80	\$0.9054	\$4.80	\$0.8340
\$4.90	\$0.9214	\$4.90	\$0.8500
\$5.00	\$0.9374	\$5.00	\$0.8660
\$5.10	\$0.9534	\$5.10	\$0.8820
\$5.20	\$0.9694	\$5.20	\$0.8980
\$5.30	\$0.9854	\$5.30	\$0.9140

2009 Corn vs. Cotton Break-Even Yields

Non-Irrigated Corn	Non-Irrigated Cotton	Irrigated Corn	Irrigated Cotton
30	502	70	748
40	563	80	809
50	624	90	871
60	686	100	932
70	747	110	993
80	809	120	1,055
90	870	130	1,116
100	931	140	1,178
110	993	150	1,239
120	1,054	160	1,300
130	1,116	170	1,362
140	1,177	180	1,423
150	1,238	190	1,485
160	1,300	200	1,546
170	1,361	210	1,607
180	1,422	220	1,669

2009 Soybeans vs. Cotton Break-Even Prices

Non-Irrigated Soybeans	Non-Irrigated Cotton	Irrigated Soybeans	Irrigated Cotton
\$7.00	\$0.5476	\$7.00	\$0.5256
\$7.25	\$0.5592	\$7.25	\$0.5381
\$7.50	\$0.5709	\$7.50	\$0.5506
\$7.75	\$0.5826	\$7.75	\$0.5631
\$8.00	\$0.5942	\$8.00	\$0.5756
\$8.25	\$0.6059	\$8.25	\$0.5881
\$8.50	\$0.6176	\$8.50	\$0.6006
\$8.75	\$0.6292	\$8.75	\$0.6131
\$9.00	\$0.6409	\$9.00	\$0.6256
\$9.25	\$0.6526	\$9.25	\$0.6381
\$9.50	\$0.6642	\$9.50	\$0.6506
\$9.75	\$0.6759	\$9.75	\$0.6631
\$10.00	\$0.6876	\$10.00	\$0.6756
\$10.25	\$0.6992	\$10.25	\$0.6881
\$10.50	\$0.7109	\$10.50	\$0.7006
\$10.75	\$0.7226	\$10.75	\$0.7131

2009 Soybeans vs. Cotton Break-Even Yields

Non-Irrigated Soybeans	Non-Irrigated Cotton	Irrigated Soybeans	Irrigated Cotton
5	476	5	546
10	542	10	612
15	609	15	679
20	675	20	745
25	741	25	811
30	808	30	877
35	874	35	944
40	940	40	1,010
45	1,007	45	1,076
50	1,073	50	1,143
55	1,139	55	1,209
60	1,205	60	1,275
65	1,272	65	1,342
70	1,338	70	1,408
75	1,404	75	1,474
80	1,471	80	1,541

2009 Corn vs. Peanuts Break-Even Prices

Non-Irrigated Corn	Non-Irrigated Peanuts	Irrigated Corn	Irrigated Peanuts
\$3.80	\$0.2306	\$3.80	\$0.2192
\$3.90	\$0.2346	\$3.90	\$0.2232
\$4.00	\$0.2386	\$4.00	\$0.2272
\$4.10	\$0.2426	\$4.10	\$0.2312
\$4.20	\$0.2466	\$4.20	\$0.2352
\$4.30	\$0.2506	\$4.30	\$0.2392
\$4.40	\$0.2546	\$4.40	\$0.2432
\$4.50	\$0.2586	\$4.50	\$0.2472
\$4.60	\$0.2626	\$4.60	\$0.2512
\$4.70	\$0.2666	\$4.70	\$0.2552
\$4.80	\$0.2706	\$4.80	\$0.2592
\$4.90	\$0.2746	\$4.90	\$0.2632
\$5.00	\$0.2786	\$5.00	\$0.2672
\$5.10	\$0.2826	\$5.10	\$0.2712
\$5.20	\$0.2866	\$5.20	\$0.2752
\$5.30	\$0.2906	\$5.30	\$0.2792

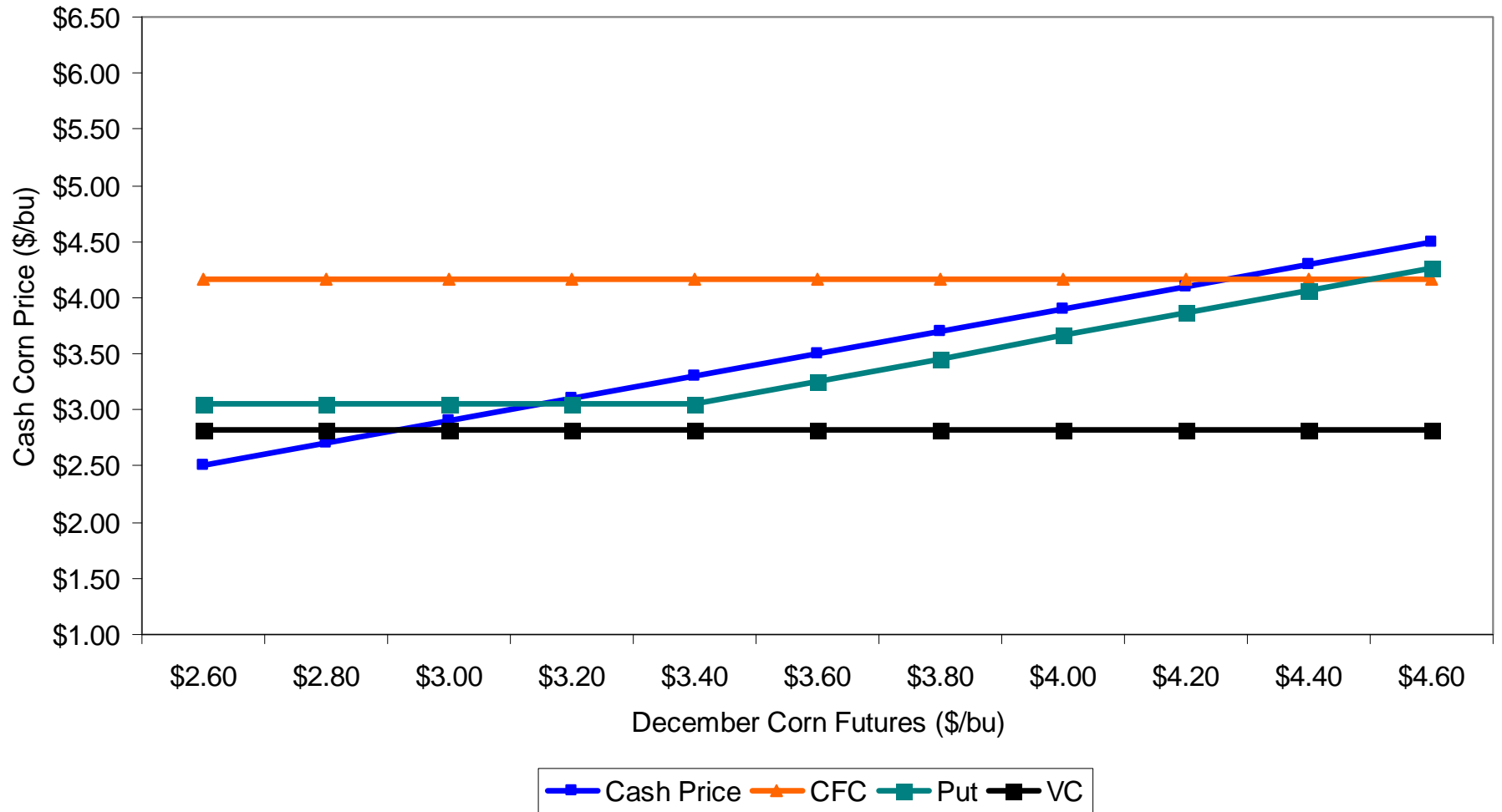
2009 Corn vs. Peanuts Break-Even Yields

Non-Irrigated Corn	Non-Irrigated Peanuts	Irrigated Corn	Irrigated Peanuts
30	1,760	70	2,735
40	1,964	80	2,939
50	2,167	90	3,142
60	2,370	100	3,346
70	2,574	110	3,549
80	2,777	120	3,753
90	2,981	130	3,956
100	3,184	140	4,159
110	3,387	150	4,363
120	3,591	160	4,566
130	3,794	170	4,770
140	3,998	180	4,973
150	4,201	190	5,176
160	4,405	200	5,380
170	4,608	210	5,583
180	4,811	220	5,787

Corn Risk Management Strategies

- Expected Yield is 120 bu/a
 - Dec 2009 Corn Futures 1/29/09 = \$4.27
 - Out-of-money \$3.40 Put = \$0.24
 - Expected Cash Basis = -\$0.10
 - Cash Forward Contract (CFC) = \$4.17
-

Corn Price Risk Management Strategies (120 bu Yield)

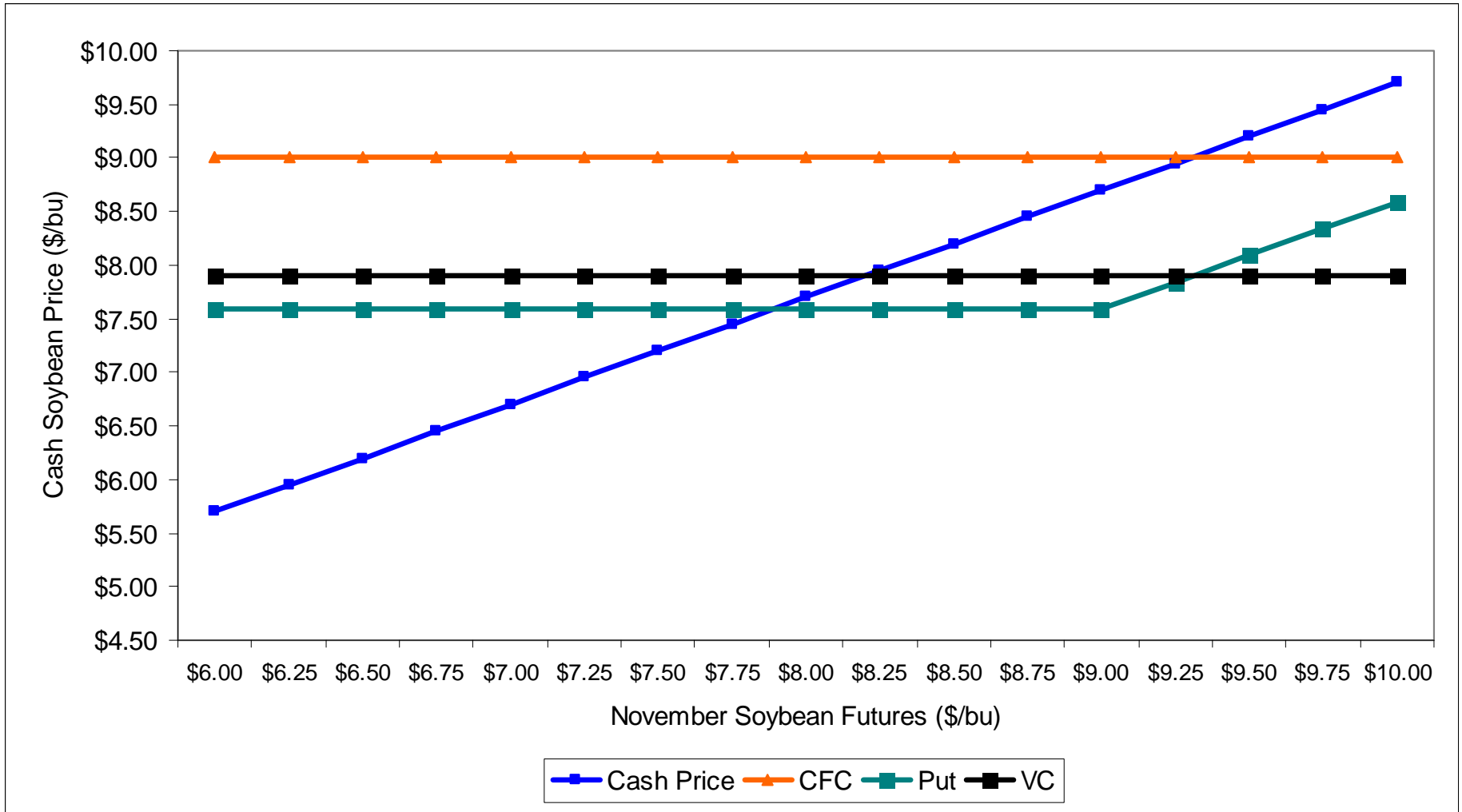


NOTE: For Educational Use Only.

Soybean Risk Management Strategies

- Expected Yield is 35 bu/a
 - Nov 2009 Soybean Futures 1/29/09 = \$9.31
 - Out-of-money \$9.00 Put = \$1.11
 - Expected Basis = -\$0.30
 - Cash Forward Contract = \$9.01
-

Soybean Price Risk Management Strategies (35 bu Yield)



NOTE: For Educational Use Only.

Summary

- Know your production costs... profit margins are shrinking
 - Consider price risk management to protect price risk before harvest (or even planting)
 - Consider Crop Insurance Products
-

Any Questions?

Todd D. Davis

864-656-5777

tddavis@clemson.edu



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