

**GRAIN FARM RETURNS AND COSTS,
ILLINOIS, 2006**



Department of Agricultural and Consumer Economics
University of Illinois
November 2006

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Introduction

Gary Schnitkey and Dale Lattz
Department of Agricultural and Consumer Economics
University of Illinois

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This publication presents grain farm returns and cost for three regions in Illinois: northern, central, and southern Illinois. Central Illinois is further divided into categories for high-productivity farmland and low-productivity farmland. For each category, five reports are provided:

1. **Crop Budgets** show project revenues and costs for corn-after-soybean, corn-after-corn, soybean, and wheat for the upcoming production year.
2. **Corn Budgets** show previous years' revenue and costs for producing corn. These historical values are taken from summaries of farms enrolled in Illinois Farm Business Farm Management (FBFM). Budgets also show projected revenues and costs for the upcoming year. Corn budgets show revenue and cost blended over corn-after-corn and corn-after-soybeans.
3. **Soybean Budgets** show previous years' revenue and costs for producing soybean. These historical costs are taken from summaries of farms enrolled in Illinois FBFM. Budgets also show projected revenue and costs for the upcoming year.
4. **Crop Revenue less Variable Costs** compares returns from corn and soybean budgets.
5. **Per Acre Operator and Farmland Returns** shows revenue and costs averaged across all crops. Historical values are taken from FBFM records.

Revenues, Costs, and Returns: Reports are prepared to include all revenue and all financial non-land costs. Revenue includes crop revenue, government commodity payments, and crop insurance proceeds. Costs include all cash costs associated with producing the crop as well as depreciation. These costs are divided into three categories: 1) direct costs – costs that can be directly attributable to the production of the crop, 2) power costs – costs related to machinery operations, and 3) overhead – costs associated with general operation of the farm.

Subtracting non-land costs from revenue yields “operator and land return”. This is the return remaining to pay for farmland and provide a return to the operator. In a cash rent situation, the payment for farmland is cash rent. If the operator and land return is \$170 per acre and cash rent is \$150 then the operator will have \$20 of return.

After presenting operator and land return, each report also includes estimates of land costs and operator return. Land costs are represented by average cash rents paid by FBFM farmers. Operator return is an imputed charge for equity capital and unpaid labor.

Net return equals operator and land returns minus land costs and operator returns. These returns represent a management return to the farmer after paying all other factors of production.

Revisions: Revisions will occur periodically throughout the year. Note the revision date on each page containing budgets. Projections will be revised as conditions warrant. Upcoming year's budgets will be released in the fall of the year. Projections will become final in late spring of the year following the crop.

Acknowledgments: Much of the data used in these budgets comes from the local Farm Business Farm Management (FBFM) Associations across the State of Illinois. Without their cooperation, information as comprehensive and accurate as this would not be available for educational purposes. FBFM, which consists of 6,000 plus farmers and 62 professional field staff, is a not-for-profit organization available to all farm operators in Illinois. FBFM field staff provides on-farm counsel with computerized recordkeeping, farm financial management, business entity planning and income tax management. For more information, please contact the State FBFM Office located at the University of Illinois Department of Agricultural and Consumer Economics at 217-333-5511 or visit the FBFM website at www.fbfm.org.

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FARM BUSINESS MANAGEMENT

**Crop Budgets
Northern Illinois**
University of Illinois
Grain Farm Returns and Costs

2007 Crop Budgets, Northern Illinois

	Corn- after- Soybeans	Corn- after- Corn	Soybeans- after- Corn	Soybeans- after-Two Years-Corn	Wheat
Yield per acre	177	167	51	53	85
Price per bu	\$2.75	\$2.75	\$6.25	\$6.25	\$3.75
LDP per bu	0.00	0.00	0.00	0.00	0.00
Crop revenue	\$487	\$459	\$319	\$331	\$319
LDP revenue	0	0	0	0	0
Other gov't payments	29	29	29	29	29
Crop insurance proceeds	0	0	0	0	0
Gross revenue	\$516	\$488	\$348	\$360	\$348
Fertilizers	\$71	\$80	\$25	\$25	\$52
Pesticides	43	45	31	31	30
Seed	46	46	31	31	11
Drying	12	11	2	2	2
Storage	5	5	5	5	2
Crop insurance	8	8	6	6	3
Total direct costs	\$185	\$195	\$100	\$100	\$100
Machine hire/lease	\$8	\$9	\$6	\$6	\$6
Utilities	4	4	3	3	3
Machine repair	15	16	13	13	12
Fuel and oil	16	17	14	14	11
Light vehicle	2	2	1	1	1
Mach. depreciation	20	21	19	19	19
Total power costs	\$65	\$69	\$56	\$56	\$52
Hired labor	\$8	\$8	\$8	\$8	\$8
Building repair and rent	5	5	5	5	5
Building depreciation	5	5	5	5	5
Insurance	7	7	7	7	7
Misc	5	5	5	5	5
Interest (non-land)	19	19	16	16	14
Total overhead costs	\$49	\$49	\$46	\$46	\$44
Total non-land costs	\$299	\$313	\$202	\$202	\$196
Operator and land return	\$217	\$175	\$146	\$158	\$152

Prepared by: Gary Schnitkey and Dale Lattz
Revised: October 2006

Corn Budgets, Northern Illinois

	Year						
	2001	2002	2003	2004	2005	2006	2007
Yield per acre	159	154	174	185	145	189	181
Price per bu	\$2.08	\$2.35	\$2.45	\$2.18	\$2.00	\$2.50	\$2.70
LDP per bu	0.14	0.00	0.00	0.27	0.40	0.00	0.00
Crop revenue	\$331	\$362	\$426	\$403	\$290	\$473	\$489
LDP revenue	22	0	0	50	58	0	0
Other gov't payments	44	22	22	41	49	29	29
Crop insurance proceeds	5	5	1	8	29	0	0
Gross revenue	\$402	\$389	\$449	\$502	\$426	\$502	\$518
Fertilizers	\$56	\$51	\$53	\$64	\$74	\$78	\$78
Pesticides	33	34	40	40	43	43	43
Seed	34	35	37	39	43	44	46
Drying	9	10	11	16	11	12	12
Storage	5	4	3	4	5	5	5
Crop insurance	5	7	6	8	7	8	8
Total direct costs	\$142	\$141	\$150	\$171	\$183	\$190	\$192
Machine hire/lease	\$9	\$9	\$9	\$10	\$9	\$9	\$9
Utilities	4	4	4	4	4	4	4
Machine repair	14	13	13	15	15	15	15
Fuel and oil	8	7	8	11	14	15	15
Light vehicle	2	2	2	2	2	2	2
Mach. depreciation	29	29	18	19	19	20	21
Total power costs	\$66	\$64	\$54	\$61	\$63	\$65	\$66
Hired labor	\$8	\$8	\$7	\$8	\$8	\$8	\$8
Building repair and rent	4	4	4	5	5	5	5
Building depreciation	7	8	5	5	5	5	5
Insurance	6	4	6	6	8	7	7
Misc	5	5	5	6	5	5	5
Interest (non-land)	17	13	13	12	15	17	19
Total overhead costs	\$47	\$42	\$40	\$42	\$46	\$47	\$49
Total non-land costs	\$255	\$247	\$244	\$274	\$292	\$302	\$307
Operator and land return	\$146	\$142	\$205	\$229	\$134	\$199	\$211
Land costs	126	129	130	135	137	140	143
Operator return	40	39	37	40	39	36	34
Net return	-\$20	-\$26	\$38	\$54	-\$42	\$23	\$34

See the glossary on beginning on page 25 for explanations.

Results for 2001 through 2005 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2006 and 2007 are forecasts.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

Soybean Budgets, Northern Illinois

	Year						
	2001	2002	2003	2004	2005	2006	2007
Yield per acre	48	47	35	52	49	51	50
Price per bu	\$4.52	\$5.65	\$7.49	\$5.84	\$5.70	\$5.50	\$6.25
LDP per bu	1.21	0.01	0.00	0.11	0.01	0.00	0.00
Crop revenue	\$217	\$266	\$262	\$304	\$279	\$281	\$313
LDP revenue	58	0	0	6	0	0	0
Other gov't payments	44	22	22	41	49	29	29
Crop insurance proceeds	2	4	22	11	4	0	0
Gross revenue	\$321	\$292	\$306	\$362	\$332	\$310	\$342
Fertilizers	\$20	\$18	\$19	\$20	\$23	\$24	\$25
Pesticides	29	30	29	29	31	31	31
Seed	20	24	26	28	29	30	31
Drying	3	3	3	5	3	4	4
Storage	3	2	2	3	3	3	3
Crop insurance	3	3	3	6	6	6	6
Total direct costs	\$78	\$80	\$82	\$91	\$95	\$98	\$100
Machine hire/lease	\$8	\$8	\$8	\$8	\$8	\$8	\$8
Utilities	3	3	3	3	3	3	3
Machine repair	12	11	11	13	13	13	13
Fuel and oil	7	6	7	9	12	13	13
Light vehicle	1	1	1	2	1	1	1
Mach. depreciation	25	25	15	16	16	17	18
Total power costs	\$56	\$54	\$45	\$51	\$53	\$55	\$56
Hired labor	\$8	\$8	\$7	\$8	\$8	\$8	\$8
Building repair and rent	3	3	2	3	3	3	3
Building depreciation	4	5	3	3	3	3	3
Insurance	6	4	6	6	8	7	7
Misc	5	5	5	6	5	5	5
Interest (non-land)	14	11	11	11	14	16	16
Total overhead costs	\$40	\$36	\$34	\$37	\$41	\$42	\$42
Total non-land costs	\$174	\$170	\$161	\$179	\$189	\$195	\$198
Operator and land return	\$147	\$122	\$145	\$183	\$143	\$115	\$144
Land costs	126	129	130	135	137	140	143
Operator return	40	39	37	40	39	36	34
Net return	-\$19	-\$46	-\$22	\$8	-\$33	-\$62	-\$34

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Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

Crop Revenue Less Variable Costs Comparison, Corn and Soybeans, Northern Illinois

	Year						
	2001	2002	2003	2004	2005	2006	2007
Panel A. Corn.							
Average yields (bu. per acre)	159	154	174	185	145	189	181
Market price	2.08	2.35	2.45	2.18	2.00	2.50	2.70
Effective LDP	<u>0.14</u>	<u>0.00</u>	<u>0.00</u>	<u>0.27</u>	<u>0.40</u>	<u>0.00</u>	<u>0.00</u>
Total price received (per bu.)	2.22	2.35	2.45	2.45	2.40	2.50	2.70
Crop/LDP revenue per acre	\$353	\$362	\$426	\$453	\$348	\$473	\$489
Variable costs per acre							
Fertilizer and lime	\$56	\$51	\$53	\$64	\$74	\$78	\$78
Pesticides	33	34	40	40	43	43	43
Seed	34	35	37	39	43	44	46
Drying and storage	14	14	14	20	16	17	17
Crop Insurance	5	7	6	8	7	8	8
Machinery repair, fuel, and hire	31	29	30	36	38	39	39
Total variable costs	\$173	\$170	\$180	\$207	\$221	\$229	\$231
Revenue less variable costs	\$180	\$192	\$246	\$246	\$127	\$244	\$258
Panel B. Soybeans.							
Average yields (bu. per acre)	48	47	35	52	49	51	50
Market price	\$4.52	\$5.65	\$7.49	\$5.84	\$5.70	\$5.50	\$6.25
Effective LDP	1.21	0.01	0.00	0.11	0.01	0.00	0.00
Total price received (per bu.)	\$5.73	\$5.66	\$7.49	\$5.95	\$5.71	\$5.50	\$6.25
Crop/LDP revenue per acre	\$275	\$266	\$262	\$309	\$280	\$281	\$313
Variable costs per acre							
Fertilizer and lime	\$20	\$18	\$19	\$20	\$23	\$24	\$25
Pesticides	29	30	29	29	31	31	31
Seed	20	24	26	28	29	30	31
Drying and storage	6	5	5	8	6	7	7
Crop Insurance	3	3	3	6	6	6	6
Machinery repair, fuel, and hire	27	25	26	30	33	34	34
Total variable costs	\$105	\$105	\$108	\$121	\$128	\$132	\$134
Revenue less variable costs	\$170	\$161	\$154	\$188	\$152	\$149	\$179
Difference (corn minus beans)	\$10	\$31	\$92	\$58	-\$25	\$95	\$79

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FARM BUSINESS MANAGEMENT

Operator Returns
Northern Illinois
University of Illinois
Grain Farm Returns and Costs

Per Acre Operator and Farmland Returns, Northern Illinois

	Year						
	2001	2002	2003	2004	2005	2006	2007
Crop returns	\$350	\$356	\$386	\$437	\$417	\$430	\$438
Livestock returns	0	0	0	0	0	0	0
Custom work	8	9	9	9	8	9	9
Other farm receipts	5	4	5	7	7	8	8
Gross revenue	\$363	\$369	\$400	\$453	\$432	\$447	\$455
Fertilizers	\$35	\$40	\$36	\$38	\$47	\$49	\$50
Pesticides	31	31	32	35	35	35	35
Seed	26	27	30	31	34	35	36
Drying	5	6	7	8	11	8	9
Storage	4	4	3	3	4	4	4
Crop insurance	4	5	5	7	7	7	7
Total direct costs	\$105	\$113	\$113	\$122	\$138	\$138	\$141
Machine hire/lease	\$11	\$11	\$11	\$11	\$11	\$11	\$11
Utilities	4	5	4	4	4	4	4
Machine repair	17	16	16	15	17	17	17
Fuel and oil	10	9	9	10	12	16	17
Light vehicle	2	2	2	2	2	2	2
Mach. depreciation	31	29	30	19	20	20	20
Total power costs	\$75	\$72	\$72	\$61	\$66	\$70	\$71
Hired labor	\$8	\$8	\$8	\$7	\$8	\$8	\$8
Building repair and rent	3	4	4	3	4	4	4
Building depreciation	7	5	7	4	4	4	4
Insurance	7	6	6	5	7	8	8
Misc	5	5	5	5	6	5	5
Interest (non-land)	18	15	12	12	11	15	16
Total overhead costs	\$48	\$43	\$42	\$36	\$40	\$44	\$45
Total non-land costs	\$228	\$228	\$227	\$219	\$244	\$252	\$257
Operator and land return	\$135	\$141	\$173	\$234	\$188	\$195	\$198
Land costs	123	126	129	130	135	137	140
Operator return	46	41	40	38	40	40	37
Net return	-\$34	-\$26	\$4	\$66	\$13	\$18	\$21

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FARM BUSINESS MANAGEMENT

Crop Budgets
Central Illinois
 University of Illinois
 Grain Farm Returns and Costs

2007 Crop Budgets, Central Illinois -- High Productivity Farmland

	Corn- after- Soybeans	Corn- after- Corn	Soybeans- after- Corn	Soybeans- after-Two Years-Corn	Wheat	Double- Crop Soybeans
Yield per acre	180	170	53	55	85	22
Price per bu	\$2.75	\$2.75	\$6.25	\$6.25	\$3.75	\$6.25
LDP per bu	0.00	0.00	0.00	0.00	0.00	0.00
Crop revenue	\$495	\$468	\$331	\$344	\$319	\$138
LDP revenue	0	0	0	0	0	0
Other gov't payments	27	27	27	27	27	0
Crop insurance proceeds	0	0	0	0	0	0
Gross revenue	\$522	\$495	\$358	\$371	\$346	\$138
Fertilizers	\$73	\$83	\$27	\$27	\$52	\$10
Pesticides	43	45	32	32	30	12
Seed	46	46	32	32	11	28
Drying	12	11	1	1	2	0
Storage	6	5	4	4	2	2
Crop insurance	8	8	6	6	3	3
Total direct costs	\$188	\$198	\$102	\$102	\$100	\$55
Machine hire/lease	\$7	\$8	\$5	\$5	\$5	\$3
Utilities	4	4	3	3	3	1
Machine repair	13	14	12	12	12	10
Fuel and oil	16	17	13	13	11	8
Light vehicle	1	2	1	1	1	0
Mach. depreciation	21	22	20	20	19	12
Total power costs	\$62	\$67	\$54	\$54	\$51	\$34
Hired labor	\$9	\$9	\$9	\$9	\$9	\$7
Building repair and rent	4	4	4	4	4	0
Building depreciation	3	3	3	3	3	0
Insurance	7	7	7	7	7	0
Misc	6	6	6	6	6	0
Interest (non-land)	15	15	13	13	11	5
Total overhead costs	\$44	\$44	\$42	\$42	\$40	\$12
Total non-land costs	\$294	\$309	\$198	\$198	\$191	\$101
Operator and land return	\$228	\$186	\$160	\$173	\$155	\$37

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Corn Budgets, Central Illinois -- High Productivity Farmland

	Year						
	2001	2002	2003	2004	2005	2006	2007
Yield per acre	168	152	186	190	160	187	183
Price per bu	\$2.06	\$2.37	\$2.41	\$2.17	\$2.00	\$2.50	\$2.70
LDP per bu	0.14	0.00	0.00	0.27	0.40	0.00	0.00
Crop revenue	\$346	\$360	\$448	\$412	\$320	\$468	\$494
LDP revenue	24	0	0	51	64	0	0
Other gov't payments	44	22	22	40	45	27	27
Crop insurance proceeds	6	6	1	5	14	0	0
Gross revenue	\$420	\$388	\$471	\$508	\$443	\$495	\$521
Fertilizers	\$57	\$55	\$57	\$68	\$78	\$83	\$83
Pesticides	33	34	38	38	43	43	43
Seed	34	34	36	38	43	44	46
Drying	8	9	9	9	9	9	9
Storage	7	7	5	6	9	9	9
Crop insurance	5	7	6	8	7	8	8
Total direct costs	\$144	\$146	\$151	\$167	\$189	\$196	\$198
Machine hire/lease	\$6	\$6	\$6	\$6	\$6	\$6	\$6
Utilities	4	4	3	3	3	3	4
Machine repair	12	12	11	13	12	12	13
Fuel and oil	8	7	8	10	13	14	14
Light vehicle	1	1	1	2	1	1	1
Mach. depreciation	30	28	18	19	20	21	22
Total power costs	\$61	\$58	\$47	\$53	\$55	\$57	\$60
Hired labor	\$8	\$8	\$8	\$8	\$9	\$9	\$9
Building repair and rent	4	4	4	4	4	4	4
Building depreciation	6	6	3	4	4	4	3
Insurance	7	5	7	6	8	7	7
Misc	5	5	6	6	6	6	6
Interest (non-land)	16	13	14	12	12	14	15
Total overhead costs	\$46	\$41	\$42	\$40	\$43	\$44	\$44
Total non-land costs	\$251	\$245	\$240	\$260	\$287	\$297	\$302
Operator and land return	\$169	\$143	\$232	\$248	\$157	\$198	\$220
Land costs	137	137	140	143	147	150	153
Operator return	39	37	36	39	44	43	41
Net return	-\$7	-\$31	\$56	\$66	-\$35	\$5	\$26

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Soybean Budgets, Central Illinois -- High Productivity Farmland

	Year						
	2001	2002	2003	2004	2005	2006	2007
Yield per acre	50	52	41	56	55	57	55
Price per bu	\$4.53	\$5.72	\$7.39	\$5.93	\$5.70	\$5.50	\$6.25
LDP per bu	1.21	0.01	0.00	0.11	0.00	0.00	0.00
Crop revenue	\$227	\$297	\$303	\$332	\$314	\$314	\$344
LDP revenue	61	1	0	6	0	0	0
Other gov't payments	44	22	22	40	45	27	27
Crop insurance proceeds	1	1	9	4	1	0	0
Gross revenue	\$333	\$321	\$334	\$382	\$360	\$341	\$371
Fertilizers	\$21	\$20	\$20	\$22	\$25	\$26	\$27
Pesticides	30	31	29	28	32	32	32
Seed	21	24	25	27	30	31	32
Drying	2	2	3	2	2	2	2
Storage	3	3	2	3	4	3	3
Crop insurance	3	3	3	6	6	6	6
Total direct costs	\$80	\$83	\$82	\$88	\$99	\$100	\$102
Machine hire/lease	\$5	\$5	\$5	\$6	\$5	\$5	\$5
Utilities	3	3	3	3	3	3	3
Machine repair	10	10	10	11	11	11	11
Fuel and oil	7	6	7	8	11	12	12
Light vehicle	1	1	1	1	1	1	1
Mach. depreciation	26	25	16	17	17	18	19
Total power costs	\$52	\$50	\$42	\$46	\$48	\$50	\$51
Hired labor	\$8	\$8	\$8	\$8	\$9	\$9	\$9
Building repair and rent	2	2	2	3	3	3	3
Building depreciation	4	4	2	2	3	3	3
Insurance	7	5	7	6	8	7	7
Misc	5	5	6	6	6	6	6
Interest (non-land)	15	12	13	11	11	13	13
Total overhead costs	\$41	\$36	\$38	\$36	\$40	\$41	\$41
Total non-land costs	\$173	\$169	\$162	\$170	\$187	\$191	\$194
Operator and land return	\$160	\$152	\$172	\$212	\$173	\$150	\$177
Land costs	137	137	140	143	147	150	153
Operator return	39	37	36	39	44	43	41
Net return	-\$17	-\$22	-\$4	\$30	-\$19	-\$44	-\$17

See the glossary on beginning on page 25 for explanations.

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Revised: September 2006

Crop Revenue Less Variable Costs Comparison, Corn and Soybeans, Central Illinois -- High Productivity Farmland

	Year						
	2001	2002	2003	2004	2005	2006	2007
Panel A. Corn.							
Average yields (bu. per acre)	168	152	186	190	160	187	183
Market price	2.06	2.37	2.41	2.17	2.00	2.50	2.70
Effective LDP	<u>0.14</u>	<u>0.00</u>	<u>0.00</u>	<u>0.27</u>	<u>0.40</u>	<u>0.00</u>	<u>0.00</u>
Total price received (per bu.)	2.20	2.37	2.41	2.44	2.40	2.50	2.70
Crop/LDP revenue per acre	\$370	\$360	\$448	\$464	\$384	\$468	\$494
Variable costs per acre							
Fertilizer and lime	\$57	\$55	\$57	\$68	\$78	\$83	\$83
Pesticides	33	34	38	38	43	43	43
Seed	34	34	36	38	43	44	46
Drying and storage	15	16	14	15	18	18	18
Crop Insurance	5	7	6	8	7	8	8
Machinery repair, fuel, and hire	26	25	25	29	31	32	33
Total variable costs	\$170	\$171	\$176	\$196	\$220	\$228	\$231
Revenue less variable costs	\$200	\$189	\$272	\$268	\$164	\$240	\$263
Panel B. Soybeans.							
Average yields (bu. per acre)	50	52	41	56	55	57	55
Market price	\$4.53	\$5.72	\$7.39	\$5.93	\$5.70	\$5.50	\$6.25
Effective LDP	1.21	0.01	0.00	0.11	0.00	0.00	0.00
Total price received (per bu.)	\$5.74	\$5.73	\$7.39	\$6.04	\$5.70	\$5.50	\$6.25
Crop/LDP revenue per acre	\$287	\$298	\$303	\$338	\$314	\$314	\$344
Variable costs per acre							
Fertilizer and lime	\$21	\$20	\$20	\$22	\$25	\$26	\$27
Pesticides	30	31	29	28	32	32	32
Seed	21	24	25	27	30	31	32
Drying and storage	5	5	5	5	6	5	5
Crop Insurance	3	3	3	6	6	6	6
Machinery repair, fuel, and hire	22	21	22	25	27	28	28
Total variable costs	\$102	\$104	\$104	\$113	\$126	\$128	\$130
Revenue less variable costs	\$185	\$194	\$199	\$225	\$188	\$186	\$214
Difference (corn minus beans)	\$15	-\$5	\$73	\$43	-\$24	\$54	\$49

See the glossary on beginning on page 25 for explanations.

Results for 2001 through 2005 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2006 and 2007 are forecasts.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

FARM BUSINESS MANAGEMENT

Operator Returns
Central Illinois
University of Illinois
Grain Farm Returns and Costs

Per Acre Operator and Farmland Returns, Central Illinois -- High Productivity Farmland

	Year						
	2001	2002	2003	2004	2005	2006	2007
Crop returns	\$364	\$360	\$407	\$443	\$434	\$433	\$455
Livestock returns	0	0	0	0	0	0	0
Custom work	6	6	6	7	6	7	7
Other farm receipts	4	5	5	5	7	7	8
Gross revenue	\$374	\$371	\$418	\$455	\$447	\$447	\$470
Fertilizers	\$36	\$39	\$38	\$39	\$47	\$50	\$50
Pesticides	32	31	32	33	33	33	33
Seed	26	27	29	30	32	33	34
Drying	4	5	6	6	5	6	6
Storage	5	5	5	4	5	7	7
Crop insurance	4	5	5	7	7	7	7
Total direct costs	\$107	\$112	\$115	\$119	\$129	\$136	\$137
Machine hire/lease	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Utilities	4	4	4	4	4	4	4
Machine repair	14	14	13	13	15	14	14
Fuel and oil	9	9	8	9	11	15	16
Light vehicle	2	2	2	2	2	2	2
Mach. depreciation	29	29	27	18	19	19	20
Total power costs	\$65	\$65	\$61	\$53	\$58	\$61	\$63
Hired labor	\$9	\$8	\$8	\$8	\$8	\$9	\$9
Building repair and rent	3	3	3	3	3	3	3
Building depreciation	5	5	5	3	3	3	3
Insurance	9	7	7	6	7	8	8
Misc	5	5	5	6	6	6	6
Interest (non-land)	19	16	12	13	11	11	13
Total overhead costs	\$50	\$44	\$40	\$39	\$38	\$40	\$42
Total non-land costs	\$222	\$221	\$216	\$211	\$225	\$237	\$242
Operator and land return	\$152	\$150	\$202	\$244	\$222	\$210	\$228
Land costs	132	137	137	140	143	147	150
Operator return	44	40	38	37	40	45	44
Net return	-\$24	-\$27	\$27	\$67	\$39	\$18	\$34

See the glossary on beginning on page 25 for explanations.

Results for 2000 through 2004 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2005 and 2006 are projections.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

FARM BUSINESS MANAGEMENT

Crop Budgets
Central Illinois
 University of Illinois
 Grain Farm Returns and Costs

2007 Crop Budgets, Central Illinois -- Low Productivity Farmland

	Corn- after- Soybeans	Corn- after- Corn	Soybeans- after- Corn	Soybeans- after-Two Years-Corn	Wheat	Double- Crop Soybeans
Yield per acre	168	158	50	52	75	22
Price per bu	\$2.75	\$2.75	\$6.25	\$6.25	\$3.75	\$6.25
LDP per bu	0.00	0.00	0.00	0.00	0.00	0.00
Crop revenue	\$462	\$435	\$313	\$325	\$281	\$138
LDP revenue	0	0	0	0	0	0
Other gov't payments	25	25	25	25	25	0
Crop insurance proceeds	0	0	0	0	0	0
Gross revenue	\$487	\$460	\$338	\$350	\$306	\$138
Fertilizers	\$75	\$84	\$27	\$27	\$52	\$10
Pesticides	40	42	31	31	30	12
Seed	46	46	32	32	11	28
Drying	9	7	1	1	2	0
Storage	8	7	3	3	2	2
Crop insurance	8	8	6	6	3	3
Total direct costs	\$186	\$194	\$100	\$100	\$100	\$55
Machine hire/lease	\$6	\$7	\$5	\$5	\$5	\$3
Utilities	5	5	4	4	4	1
Machine repair	15	16	13	13	13	10
Fuel and oil	16	17	13	13	11	8
Light vehicle	1	1	1	1	1	0
Mach. depreciation	21	22	20	20	18	12
Total power costs	\$64	\$68	\$56	\$56	\$52	\$34
Hired labor	\$10	\$10	\$10	\$10	\$10	\$8
Building repair and rent	4	4	4	4	4	0
Building depreciation	4	4	4	4	4	0
Insurance	8	8	8	8	8	0
Misc	5	5	5	5	5	0
Interest (non-land)	16	16	14	14	12	4
Total overhead costs	\$47	\$47	\$45	\$45	\$43	\$12
Total non-land costs	\$297	\$309	\$201	\$201	\$195	\$101
Operator and land return	\$190	\$151	\$137	\$149	\$111	\$37

Prepared by: Gary Schnitkey and Dale Lattz
 Revised: October 2006

Corn Budgets, Central Illinois -- Low Productivity Farmland

	Year						
	2001	2002	2003	2004	2005	2006	2007
Yield per acre	157	151	173	181	147	168	163
Price per bu	\$2.04	\$2.39	\$2.41	\$2.19	\$2.00	\$2.50	\$2.70
LDP per bu	0.14	0.00	0.00	0.27	0.40	0.00	0.00
Crop revenue	\$320	\$361	\$417	\$396	\$294	\$420	\$440
LDP revenue	22	0	0	49	59	0	0
Other gov't payments	44	19	19	38	44	25	25
Crop insurance proceeds	6	6	1	5	14	0	0
Gross revenue	\$392	\$386	\$437	\$488	\$411	\$445	\$465
Fertilizers	\$60	\$56	\$59	\$66	\$78	\$82	\$82
Pesticides	33	33	39	38	41	40	40
Seed	33	34	36	38	43	44	46
Drying	8	8	8	8	8	9	9
Storage	6	5	4	5	8	8	8
Crop insurance	5	7	6	8	7	8	8
Total direct costs	\$145	\$143	\$152	\$163	\$185	\$191	\$193
Machine hire/lease	\$7	\$6	\$6	\$7	\$6	\$6	\$6
Utilities	4	4	4	4	4	5	5
Machine repair	13	13	13	14	15	15	15
Fuel and oil	8	7	8	10	13	14	14
Light vehicle	2	1	1	2	1	1	1
Mach. depreciation	30	29	19	19	20	21	22
Total power costs	\$64	\$60	\$51	\$56	\$59	\$62	\$63
Hired labor	\$7	\$7	\$8	\$9	\$10	\$10	\$10
Building repair and rent	4	5	4	4	5	4	4
Building depreciation	7	7	4	4	4	4	4
Insurance	7	5	7	7	9	8	8
Misc	5	5	5	6	5	5	5
Interest (non-land)	15	12	12	11	14	14	16
Total overhead costs	\$45	\$41	\$40	\$41	\$47	\$45	\$47
Total non-land costs	\$254	\$244	\$243	\$260	\$291	\$298	\$303
Operator and land return	\$138	\$142	\$194	\$228	\$120	\$147	\$162
Land costs	119	122	123	131	131	133	135
Operator return	39	38	35	39	39	38	35
Net return	-\$20	-\$18	\$36	\$58	-\$50	-\$24	-\$8

See the glossary on beginning on page 25 for explanations.

Results for 2001 through 2005 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2006 and 2007 are forecasts.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

Soybean Budgets, Central Illinois -- Low Productivity Farmland

	Year						
	2001	2002	2003	2004	2005	2006	2007
Yield per acre	48	50	36	53	50	51	50
Price per bu	\$4.50	\$5.68	\$7.29	\$5.89	\$5.70	\$5.50	\$6.25
LDP per bu	1.21	0.01	0.00	0.11	0.00	0.00	0.00
Crop revenue	\$216	\$284	\$262	\$312	\$285	\$281	\$313
LDP revenue	58	1	0	6	0	0	0
Other gov't payments	44	19	19	38	44	25	25
Crop insurance proceeds	1	1	9	4	1	0	0
Gross revenue	\$319	\$305	\$290	\$360	\$330	\$306	\$338
Fertilizers	\$20	\$19	\$20	\$22	\$25	\$26	\$27
Pesticides	30	30	30	28	31	31	31
Seed	20	24	25	27	30	31	32
Drying	2	2	2	2	2	2	2
Storage	3	2	2	2	3	2	2
Crop insurance	3	3	3	6	6	6	6
Total direct costs	\$78	\$80	\$82	\$87	\$97	\$98	\$100
Machine hire/lease	\$6	\$5	\$5	\$6	\$5	\$5	\$5
Utilities	3	3	3	3	3	4	4
Machine repair	11	11	11	12	12	12	12
Fuel and oil	7	6	6	8	11	11	12
Light vehicle	1	1	1	1	1	1	1
Mach. depreciation	26	25	16	17	17	18	19
Total power costs	\$54	\$51	\$42	\$47	\$49	\$51	\$53
Hired labor	\$7	\$7	\$8	\$9	\$10	\$10	\$10
Building repair and rent	3	3	3	3	3	3	3
Building depreciation	4	4	2	2	2	2	2
Insurance	7	5	7	7	9	8	8
Misc	5	5	5	6	5	5	5
Interest (non-land)	13	10	10	10	12	12	14
Total overhead costs	\$39	\$34	\$35	\$37	\$41	\$40	\$42
Total non-land costs	\$171	\$165	\$159	\$171	\$187	\$189	\$195
Operator and land return	\$148	\$140	\$131	\$189	\$143	\$117	\$143
Land costs	119	122	123	131	131	133	135
Operator return	39	38	35	39	39	38	35
Net return	-\$10	-\$20	-\$27	\$19	-\$27	-\$55	-\$28

See the glossary on beginning on page 25 for explanations.

Results for 2001 through 2005 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2006 and 2007 are forecasts.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

Crop Revenue Less Variable Costs Comparison, Corn and Soybeans, Central Illinois -- Low Productivity Farmland

	Year						
	2001	2002	2003	2004	2005	2006	2007
Panel A. Corn.							
Average yields (bu. per acre)	157	151	173	181	147	168	163
Market price	2.04	2.39	2.41	2.19	2.00	2.50	2.70
Effective LDP	<u>0.14</u>	<u>0.00</u>	<u>0.00</u>	<u>0.27</u>	<u>0.40</u>	<u>0.00</u>	<u>0.00</u>
Total price received (per bu.)	2.18	2.39	2.41	2.46	2.40	2.50	2.70
Crop/LDP revenue per acre	\$342	\$361	\$417	\$445	\$353	\$420	\$440
Variable costs per acre							
Fertilizer and lime	\$60	\$56	\$59	\$66	\$78	\$82	\$82
Pesticides	33	33	39	38	41	40	40
Seed	33	34	36	38	43	44	46
Drying and storage	14	13	12	13	16	17	17
Crop Insurance	5	7	6	8	7	8	8
Machinery repair, fuel, and hire	28	26	27	31	34	35	35
Total variable costs	\$173	\$169	\$179	\$194	\$219	\$226	\$228
Revenue less variable costs	\$169	\$192	\$238	\$251	\$134	\$194	\$212
Panel B. Soybeans.							
Average yields (bu. per acre)	48	50	36	53	50	51	50
Market price	\$4.50	\$5.68	\$7.29	\$5.89	\$5.70	\$5.50	\$6.25
Effective LDP	1.21	0.01	0.00	0.11	0.00	0.00	0.00
Total price received (per bu.)	\$5.71	\$5.69	\$7.29	\$6.00	\$5.70	\$5.50	\$6.25
Crop/LDP revenue per acre	\$274	\$285	\$262	\$318	\$285	\$281	\$313
Variable costs per acre							
Fertilizer and lime	\$20	\$19	\$20	\$22	\$25	\$26	\$27
Pesticides	30	30	30	28	31	31	31
Seed	20	24	25	27	30	31	32
Drying and storage	5	4	4	4	5	4	4
Crop Insurance	3	3	3	6	6	6	6
Machinery repair, fuel, and hire	24	22	22	26	28	28	29
Total variable costs	\$102	\$102	\$104	\$113	\$125	\$126	\$129
Revenue less variable costs	\$172	\$183	\$158	\$205	\$160	\$155	\$184
Difference (corn minus beans)	-\$3	\$9	\$80	\$46	-\$26	\$39	\$28

See the glossary on beginning on page 25 for explanations.

Results for 2001 through 2005 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2006 and 2007 are forecasts.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

Per Acre Operator and Farmland Returns, Central Illinois -- Low Productivity Farmland

	Year						
	2001	2002	2003	2004	2005	2006	2007
Crop returns	\$343	\$344	\$373	\$418	\$400	\$386	\$409
Livestock returns	1	1	0	1	0	0	0
Custom work	6	6	6	6	6	6	7
Other farm receipts	6	5	4	5	6	6	6
Gross revenue	\$356	\$356	\$383	\$430	\$412	\$398	\$422
Fertilizers	\$35	\$40	\$37	\$40	\$45	\$47	\$48
Pesticides	29	31	31	34	32	32	32
Seed	26	26	28	30	31	32	33
Drying	4	5	5	5	5	5	5
Storage	5	4	4	3	3	6	6
Crop insurance	4	5	5	7	7	7	7
Total direct costs	\$103	\$111	\$110	\$119	\$123	\$129	\$131
Machine hire/lease	\$7	\$8	\$7	\$7	\$8	\$7	\$7
Utilities	4	4	5	5	4	4	5
Machine repair	14	15	15	15	16	16	16
Fuel and oil	9	9	8	9	11	14	15
Light vehicle	2	2	2	2	2	2	2
Mach. depreciation	27	29	28	19	19	20	20
Total power costs	\$63	\$67	\$65	\$57	\$60	\$63	\$65
Hired labor	\$7	\$7	\$7	\$8	\$9	\$10	\$10
Building repair and rent	3	3	4	3	4	4	4
Building depreciation	5	6	5	3	3	3	3
Insurance	9	7	7	6	8	9	9
Misc	5	5	5	5	6	5	5
Interest (non-land)	17	15	12	11	10	13	12
Total overhead costs	\$46	\$43	\$40	\$36	\$40	\$44	\$43
Total non-land costs	\$212	\$221	\$215	\$212	\$223	\$236	\$239
Operator and land return	\$144	\$135	\$168	\$218	\$189	\$162	\$183
Land costs	132	119	122	123	131	131	133
Operator return	43	40	39	36	39	40	40
Net return	-\$31	-\$24	\$7	\$59	\$19	-\$9	\$10

See the glossary on beginning on page 25 for explanations.

Results for 2000 through 2004 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2005 and 2006 are projections.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

FARM BUSINESS MANAGEMENT

Crop Budgets
Southern Illinois
 University of Illinois
 Grain Farm Returns and Costs

2007 Crop Budgets, Central Illinois -- Southern Illinois

	Corn- after- Soybeans	Corn- after- Corn	Soybeans- after- Corn	Soybeans- after-Two Years-Corn	Wheat	Double- Crop Soybeans
Yield per acre	155	145	50	52	65	27
Price per bu	\$2.75	\$2.75	\$6.25	\$6.25	\$3.75	\$6.25
LDP per bu	0.00	0.00	0.00	0.00	0.00	0.00
Crop revenue	\$426	\$399	\$313	\$325	\$244	\$169
LDP revenue	0	0	0	0	0	0
Other gov't payments	19	19	19	19	19	0
Crop insurance proceeds	0	0	0	0	0	0
Gross revenue	\$445	\$418	\$332	\$344	\$263	\$169
Fertilizers	\$75	\$84	\$25	\$25	\$48	\$10
Pesticides	40	42	29	29	30	12
Seed	47	47	30	30	11	28
Drying	4	3	1	1	1	0
Storage	3	3	2	2	3	2
Crop insurance	8	8	6	6	3	3
Total direct costs	\$177	\$187	\$93	\$93	\$96	\$55
Machine hire/lease	\$6	\$7	\$6	\$6	\$6	\$3
Utilities	3	3	3	3	3	1
Machine repair	15	16	15	15	15	10
Fuel and oil	16	17	14	14	14	8
Light vehicle	1	1	1	1	1	0
Mach. depreciation	23	24	22	22	20	12
Total power costs	\$64	\$68	\$61	\$61	\$59	\$34
Hired labor	\$12	\$12	\$12	\$12	\$12	\$12
Building repair and rent	5	5	5	5	5	0
Building depreciation	5	5	5	5	5	0
Insurance	4	4	4	4	4	0
Misc	5	5	5	5	5	0
Interest (non-land)	17	17	15	15	12	4
Total overhead costs	\$48	\$48	\$46	\$46	\$43	\$16
Total non-land costs	\$289	\$303	\$200	\$200	\$198	\$105
Operator and land return	\$156	\$115	\$132	\$144	\$65	\$64

Prepared by: Gary Schnitkey and Dale Lattz
 Revised: October 2006

Corn Budgets, Southern Illinois

	Year						
	2001	2002	2003	2004	2005	2006	2007
Yield per acre	151	97	134	170	138	153	150
Price per bu	\$2.07	\$2.41	\$2.54	\$2.21	\$2.00	\$2.50	\$2.70
LDP per bu	0.14	0.00	0.00	0.27	0.40	0.00	0.00
Crop revenue	\$313	\$234	\$340	\$376	\$276	\$383	\$405
LDP revenue	21	0	0	46	55	0	0
Other gov't payments	25	16	16	26	30	19	19
Crop insurance proceeds	6	6	13	5	8	0	0
Gross revenue	\$365	\$256	\$369	\$453	\$369	\$402	\$424
Fertilizers	\$61	\$54	\$58	\$66	\$77	\$80	\$80
Pesticides	32	31	31	31	41	40	40
Seed	35	35	37	41	44	45	47
Drying	3	3	5	4	4	4	4
Storage	4	3	2	2	3	3	3
Crop insurance	5	7	6	8	7	8	8
Total direct costs	\$140	\$133	\$139	\$152	\$176	\$180	\$182
Machine hire/lease	\$8	\$6	\$6	\$6	\$6	\$6	\$6
Utilities	4	4	4	4	3	3	3
Machine repair	16	15	14	16	16	15	15
Fuel and oil	10	8	9	10	14	14	14
Light vehicle	1	1	1	1	1	1	1
Mach. depreciation	29	29	18	20	23	23	24
Total power costs	\$68	\$63	\$52	\$57	\$63	\$62	\$63
Hired labor	\$13	\$11	\$12	\$11	\$11	\$12	\$12
Building repair and rent	5	5	3	5	5	5	5
Building depreciation	5	7	4	4	5	5	5
Insurance	4	2	5	5	5	4	4
Misc	4	4	4	5	5	5	5
Interest (non-land)	16	11	11	11	13	15	17
Total overhead costs	\$47	\$40	\$39	\$41	\$44	\$46	\$48
Total non-land costs	\$255	\$236	\$230	\$250	\$283	\$288	\$293
Operator and land return	\$110	\$20	\$139	\$203	\$86	\$114	\$132
Land costs	87	89	82	95	98	100	102
Operator return	36	36	34	37	39	37	35
Net return	-\$13	-\$105	\$23	\$71	-\$51	-\$23	-\$6

See the glossary on beginning on page 25 for explanations.

Results for 2001 through 2005 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2006 and 2007 are forecasts.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

Soybean Budgets, Southern Illinois

	Year						
	2001	2002	2003	2004	2005	2006	2007
Yield per acre	45	34	39	50	49	51	50
Price per bu	\$4.55	\$5.69	\$7.39	\$5.96	\$5.70	\$5.50	\$6.25
LDP per bu	1.17	0.01	0.00	0.11	0.00	0.00	0.00
Crop revenue	\$205	\$193	\$288	\$298	\$279	\$281	\$313
LDP revenue	53	0	0	6	0	0	0
Other gov't payments	25	16	16	26	30	19	19
Crop insurance proceeds	2	9	6	3	1	0	0
Gross revenue	\$285	\$218	\$310	\$333	\$310	\$300	\$332
Fertilizers	\$23	\$20	\$22	\$19	\$23	\$24	\$25
Pesticides	28	27	26	27	29	29	29
Seed	21	23	24	27	28	29	30
Drying	1	1	2	2	2	2	2
Storage	2	1	1	1	1	1	1
Crop insurance	3	3	3	6	6	6	6
Total direct costs	\$78	\$75	\$78	\$82	\$89	\$91	\$93
Machine hire/lease	\$7	\$6	\$5	\$6	\$6	\$6	\$6
Utilities	4	4	4	3	3	3	3
Machine repair	15	13	13	15	15	15	15
Fuel and oil	9	7	9	10	13	14	14
Light vehicle	1	1	1	1	1	1	1
Mach. depreciation	24	24	16	17	19	20	21
Total power costs	\$60	\$55	\$48	\$52	\$57	\$59	\$60
Hired labor	\$13	\$11	\$12	\$11	\$11	\$12	\$12
Building repair and rent	2	2	1	2	2	2	2
Building depreciation	3	4	2	2	3	2	2
Insurance	4	2	5	5	5	4	4
Misc	4	4	4	5	5	5	5
Interest (non-land)	14	9	9	10	11	13	15
Total overhead costs	\$40	\$32	\$33	\$35	\$37	\$38	\$40
Total non-land costs	\$178	\$162	\$159	\$169	\$183	\$188	\$193
Operator and land return	\$107	\$56	\$151	\$164	\$127	\$112	\$139
Land costs	87	89	82	95	98	100	102
Operator return	36	36	34	37	39	37	35
Net return	-\$16	-\$69	\$35	\$32	-\$10	-\$26	\$2

See the glossary on beginning on page 25 for explanations.

Results for 2001 through 2005 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2006 and 2007 are forecasts.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

Crop Revenue Less Variable Costs Comparison, Corn and Soybeans, Southern Illinois

	Year						
	2001	2002	2003	2004	2005	2006	2007
Panel A. Corn.							
Average yields (bu. per acre)	151	97	134	170	138	153	150
Market price	2.07	2.41	2.54	2.21	2.00	2.50	2.70
Effective LDP	<u>0.14</u>	<u>0.00</u>	<u>0.00</u>	<u>0.27</u>	<u>0.40</u>	<u>0.00</u>	<u>0.00</u>
Total price received (per bu.)	2.21	2.41	2.54	2.48	2.40	2.50	2.70
Crop/LDP revenue per acre	\$334	\$234	\$340	\$422	\$331	\$383	\$405
Variable costs per acre							
Fertilizer and lime	\$61	\$54	\$58	\$66	\$77	\$80	\$80
Pesticides	32	31	31	31	41	40	40
Seed	35	35	37	41	44	45	47
Drying and storage	7	6	7	6	7	7	7
Crop Insurance	5	7	6	8	7	8	8
Machinery repair, fuel, and hire	34	29	29	32	36	35	35
Total variable costs	\$174	\$162	\$168	\$184	\$212	\$215	\$217
Revenue less variable costs	\$160	\$72	\$172	\$238	\$119	\$168	\$188
Panel B. Soybeans.							
Average yields (bu. per acre)	45	34	39	50	49	51	50
Market price	\$4.55	\$5.69	\$7.39	\$5.96	\$5.70	\$5.50	\$6.25
Effective LDP	1.17	0.01	0.00	0.11	0.00	0.00	0.00
Total price received (per bu.)	\$5.72	\$5.70	\$7.39	\$6.07	\$5.70	\$5.50	\$6.25
Crop/LDP revenue per acre	\$257	\$194	\$288	\$304	\$279	\$281	\$313
Variable costs per acre							
Fertilizer and lime	\$23	\$20	\$22	\$19	\$23	\$24	\$25
Pesticides	28	27	26	27	29	29	29
Seed	21	23	24	27	28	29	30
Drying and storage	3	2	3	3	3	3	3
Crop Insurance	3	3	3	6	6	6	6
Machinery repair, fuel, and hire	31	26	27	31	34	35	35
Total variable costs	\$109	\$101	\$105	\$113	\$123	\$126	\$128
Revenue less variable costs	\$148	\$93	\$183	\$191	\$156	\$155	\$185
Difference (corn minus beans)	\$12	-\$21	-\$11	\$47	-\$37	\$13	\$3

See the glossary on beginning on page 25 for explanations.

Results for 2001 through 2005 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2006 and 2007 are forecasts.

Prepared by: Gary Schnitkey and Dale Lattz
Revised: September 2006

Per Acre Operator and Farmland Returns, Southern Illinois

	Year						
	2001	2002	2003	2004	2005	2006	2007
Crop returns	\$326	\$257	\$347	\$390	\$375	\$372	\$385
Livestock returns	0	0	0	0	1	1	1
Custom work	4	4	3	5	6	6	6
Other farm receipts	4	5	6	8	10	10	10
Gross revenue	\$334	\$266	\$356	\$403	\$392	\$389	\$402
Fertilizers	\$37	\$40	\$35	\$38	\$48	\$50	\$51
Pesticides	30	30	29	29	30	30	30
Seed	25	27	27	29	34	35	36
Drying	2	2	2	3	3	3	3
Storage	2	3	2	1	1	2	2
Crop insurance	4	5	5	7	7	7	7
Total direct costs	\$100	\$107	\$100	\$107	\$123	\$127	\$129
Machine hire/lease	\$9	\$9	\$7	\$7	\$8	\$7	\$7
Utilities	4	4	5	5	4	4	4
Machine repair	16	18	17	16	18	19	19
Fuel and oil	10	11	9	11	12	17	18
Light vehicle	1	1	1	1	1	1	1
Mach. depreciation	26	29	28	18	21	23	24
Total power costs	\$66	\$72	\$67	\$58	\$64	\$71	\$73
Hired labor	\$9	\$13	\$11	\$12	\$11	\$11	\$12
Building repair and rent	2	3	3	2	3	4	5
Building depreciation	4	4	5	3	3	4	5
Insurance	6	4	4	4	6	5	5
Misc	4	4	4	4	5	5	5
Interest (non-land)	17	15	10	11	11	12	14
Total overhead costs	\$42	\$43	\$37	\$36	\$39	\$41	\$46
Total non-land costs	\$208	\$222	\$204	\$201	\$226	\$239	\$248
Operator and land return	\$126	\$44	\$152	\$202	\$166	\$150	\$154
Land costs	85	87	89	82	95	98	100
Operator return	38	37	37	34	36	39	38
Net return	\$3	-\$80	\$26	\$86	\$35	\$13	\$16

See the glossary on beginning on page 25 for explanations.

Results for 2000 through 2004 are summarized from farms enrolled in Illinois Farm Business Farm Management. Results for 2005 and 2006 are projections.

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Glossary

Building repair and rent represents the cost of repairing and renting buildings. Historical values are taken from FBFM.

Building depreciation represents a charge for reductions in the value of buildings. Historical values are taken from FBFM.

Crop insurance represents the farmer-paid costs of purchasing crop insurance. Historical values are taken from the Risk Management Agency, U.S. Department of Agriculture.

Crop insurance proceeds represent payments from crop insurance. Historical values are taken from the Risk Management Agency, U.S. Department of Agriculture. Projections are based on projected yields and prices.

Crop returns represent crop revenue, crop insurance payments, and government payments. Historical values are taken from FBFM.

Crop revenue equals yield per acre times price per bu.

Custom work represent returns from performing field and harvest operations for pay. Historical values are taken from FBFM.

Drying represents the cost of drying grain for sale or storage. Historical values are taken from FBFM.

Fertilizers represent costs for fertilizer and lime. Historical values are taken from FBFM.

Fuel and oil represent the costs of fuel and lubrication. Historical values are taken from FBFM.

Hired labor represents the costs of paid employees. Historical values are taken from FBFM.

Livestock returns represent livestock revenue minus feed costs minus livestock purchases. Historical values are taken from FBFM.

LDP per bu represents the average of loan deficiency payments and marketing loan gains for Illinois. Historical values are obtained from the Farm Service Agency, U.S. Department of Agriculture. Projections are based on the loan rate minus price per bu, when the price per bu is below the loan rate.

LDP revenue is yield per acre times LDP per bu. Historical values are taken from FBFM.

Interest (non-land) represents the costs of debt capital used for operating and machinery purposes. Not included is interest on land debt. Historical values are taken from FBFM.

Insurance represents the cost of farm insurance, except for crop insurance. Historical values are taken from FBFM.

Land costs represent the cost of acquiring land. In this publication, land costs are represented by rent on cash rented farmland. Historical values are taken from FBFM.

Light vehicle represent the costs of pick-up trucks. Historical values are taken from FBFM.

Mach depreciation represents depreciation on farm machinery. Historical values are taken from FBFM.

Machine hire/lease represent the costs of hiring field operation including apply sprays. Historical values are taken from FBFM.

Machine repairs represent the costs of repairing machinery. Historical values are taken from FBFM.

Misc represents costs that can not be placed in other cost categories. Historical values are taken from FBFM.

Net return represents profit after paying all costs.

Other farm receipts represent revenue from miscellaneous sources.

Operator and land return represent funds available to pay land costs and provide a return to the operator. This return equal revenue minus total non-land costs.

Operator return represents a return to the operator. Historical estimates come from FBFM and represent an imputed return for equity capital and unpaid labor.

Other gov't payments represent commodity payments other than LDPs. Since 2002, these payments are direct program payments and counter-cyclical payments. Historical values are based on estimates of base acres and base yields by county in Illinois and the historical direct payment rates and counter-cyclical rates. Counter-cyclical rates are estimated when projections are made.

Pesticides represent the cost of herbicides, insecticides, and fungicides. Historical values are taken from FBFM.

Price per bu represents prices paid for production. Historical values are taken from Illinois FBFM records. Prior to the availability of FBFM yields, preliminary estimates

are taken from USDA estimates. Projections for upcoming years are based on USDA estimates, adjusted to current conditions using market prices.

Seed represents cost of seed. Historical values are taken from FBFM.

Storage represents the cost of storing grain in commercial storage between harvest and sale. Historical values are taken from FBFM.

Utilities represent the costs of electricity and phone service. Historical values are taken from FBFM.

Yield per acre represents production per acre in bushels. Historical values are taken from Illinois FBFM records. Prior to the availability of FBFM yields, preliminary estimates are based on estimates as published by the Illinois Agricultural Statistical Service. Projections for upcoming years are based on trend-line yields.