

JANUARY
2012

Precision Ag News

Cost of Production

Knowing your cost of production is very important to your bottom line. It can help you compare different management decisions as well as help you determine the breakeven price for your crop. Working through some cost scenarios can help you maximize your profits.

Below is an example of the Cost Reports available through SST Summit.

Field: Field 2 (\$17,353.98)		Acres: 48.2 (\$360.03/ac)	
Input Costs total: \$16,679.16 (\$346.03/ac)			
Seed total: \$3,976.62 (\$82.50/ac)			
Product	Units	Cost/Unit	Applied Acres
Corn - HYLAND	18.08 Bag		
Herbicide total: \$347.05 (\$7.20/ac)			
Product	Units	Cost/Unit	Applied Acres
Touchdown Total	69.41 litre		
Fertilizer total: \$12,355.49 (\$256.33/ac)			
Product	Units	Cost/Unit	Applied Acres
0-0-60	14.460.45		
Event based Service total: \$674.82 (\$14.00/ac)			
Product	Units	Cost/Unit	Applied Acres
Soil Sampling			
Revenue: \$43,381.34 (\$900.00/Ac)			
	Units	Rate	Applied Ac
Harvest			
Corn @\$5.00/bu	8,676.27 bu	180.00 bu/ac	48.20
Summary: Net \$26,027.35 (\$539.97/Ac)			
Cost - Revenue Summary			
Total Revenue		\$900.00	\$43,381.34
Total Cost		-\$360.03	-\$17,353.98
Net Revenue		\$539.97	\$26,027.35

Through SST you can enter:
 Input Costs
 Operational Costs
 Fixed Costs
 Services Costs
 Revenue

From this information Summary Reports can be run to determine revenue and cost per acre. A Plan Comparison Report, shows the breakeven price per acre as well as the estimated yield to breakeven at three different price points. This can be very useful when creating a marketing plan with producers.

Farm: Home Farm	Field: Field 2		
Plan: Lori Demo	Crop: Corn		
Applied Area: 48.20 Ac	Average Yield: 180.00 bu/ac		
	Estimated Market Value		
	Low (-20%)	Medium	High (+20%)
Sale Price Dollars (bu)	\$4.00	\$5.00	\$6.00
Total Revenue/ac	\$720.00	\$900.00	\$1,080.00
Total Cost/ac	\$360.03	\$360.03	\$360.03
Net Revenue/ac	\$359.97	\$539.97	\$719.97
Breakeven/ac	90.01	72.01	60.01
Net Revenue	\$17,351.08	\$26,027.35	\$34,703.62
Estimated Yield to Breakeven (%)	50.00 %	40.00 %	33.34 %