

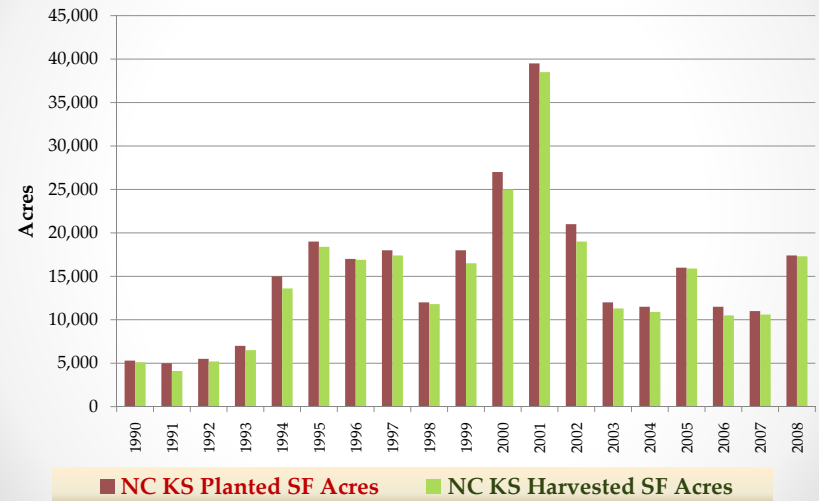
The Economics of Double Cropped Sunflower Options

2011 Sunflower Showcase, Delphos, KS

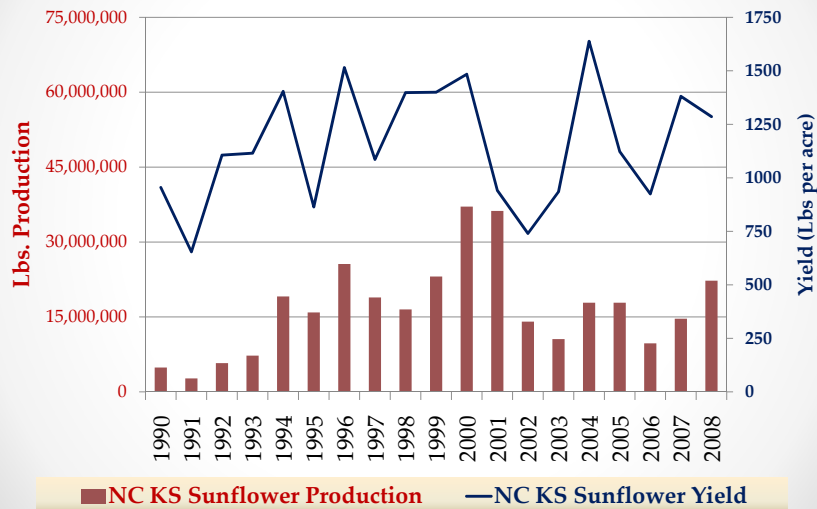
Daniel O'Brien, Ph.D.
Extension Agricultural Economist



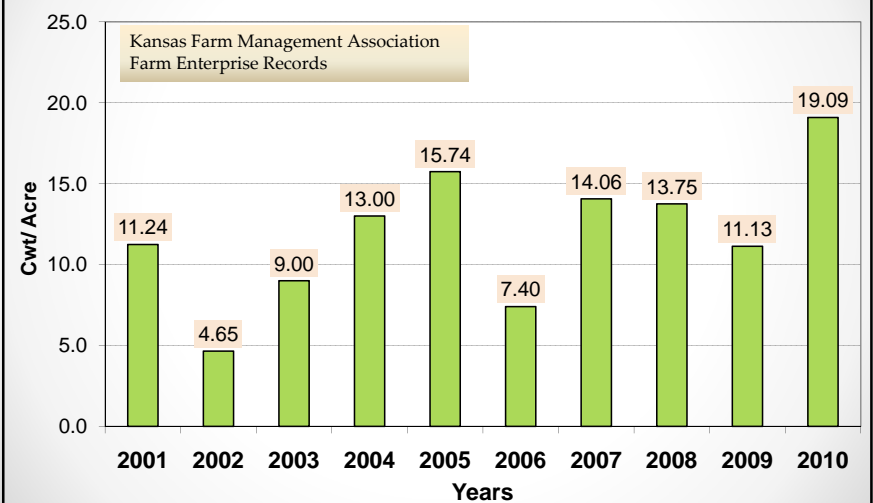
Sunflower Planted & Harvested Acres in North Central Kansas: 1990-2008



Sunflower Production & Yield in North Central Kansas: 1990-2008



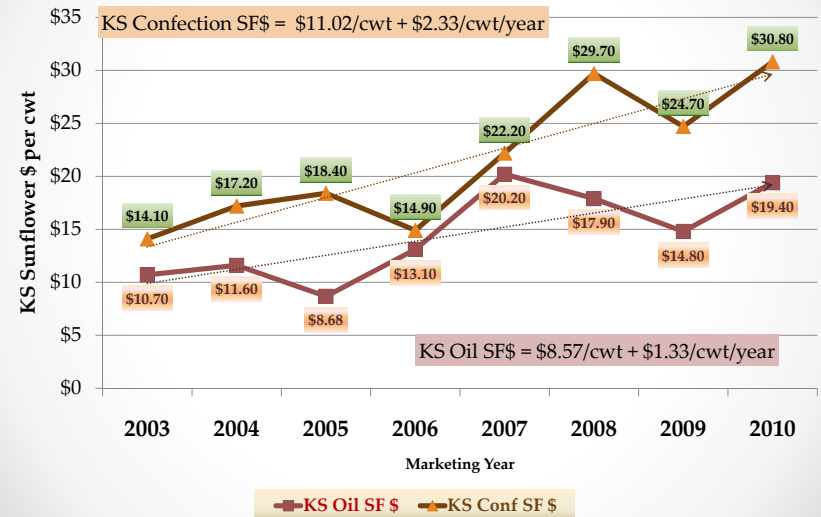
Non-Irrigated Oilseed Sunflower Yields in Kansas: Years 2001-2010



Soybean Oil Futures: May 2002-July 2011

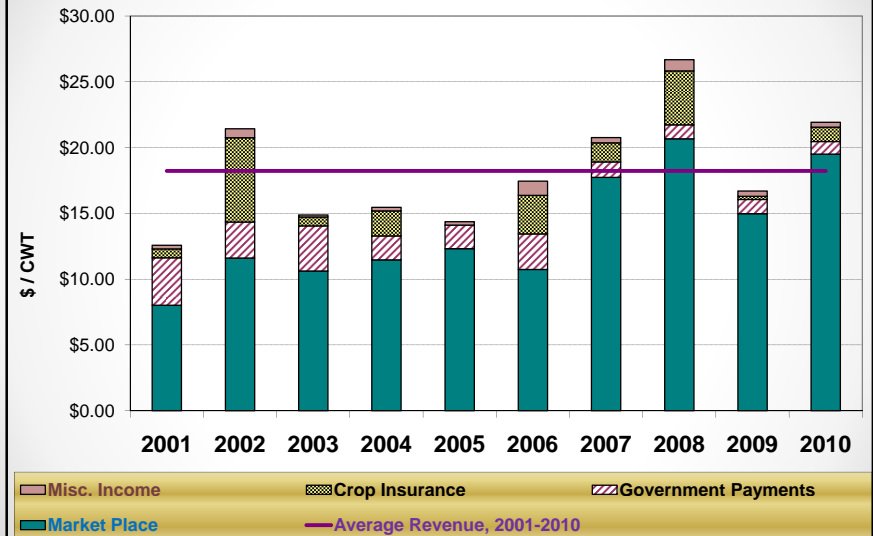


Oil & Confection Sunflower Price Trends in Kansas



Effective Oilseed Sunflower Prices, 2001-2010

Enterprise Records from the Kansas Farm Management Association



Double Crop Sunflower Cost-Returns

NC-NE Kansas – KFMA Enterprise Budgets (Per Acre Basis)

	2007	2008	2009	2010
Scenario A: Actual \$s				
Sunflower Yield (lbs/ac)	1,193 lbs	1,186 lbs	806 lbs	1,207 lbs
Sunflower Price (\$/cwt)	\$18.32 /cwt	\$17.71/cwt	\$16.12 /cwt	\$16.32 /cwt
Sunflower Sales /ac	\$218.56	\$195.74	\$104.86	\$176.06
Gross Crop Income /ac	\$229.27	\$200.55	\$113.81	\$181.50

Double Crop Sunflower Cost-Returns

NC-NE Kansas – KFMA Enterprise Budgets (Per Acre Basis)

	2007 (\$18.32 /cwt)	2008 (\$17.71 /cwt)	2009 (\$16.12 /cwt)	2010 (\$16.32 /cwt)
Seed	\$18.41	\$22.04	\$18.63	\$27.93
Fertilizer	29.74	47.49	24.44	26.78
Herbicides + Insecticides	29.08	17.74	21.05	27.28
Gas, Fuel & Oil	11.46	13.19	9.98	8.93
Machinery Repair	12.98	15.89	12.49	19.18
Other Variable Costs	61.57	38.54	28.81	45.04
Total Variable Costs	\$163.24	\$154.60	\$115.40	\$155.14
Total Fixed Costs	51.46	47.07	42.33	43.00
Net Returns to Labor & Management / acre	\$27.46	\$1.37	(\$26.68)	(\$3.69)

Delphos Coop Sunflower Bids

August 2010 – August 29, 2011



Double Crop Sunflower Cost-Returns

NC-NE Kansas – KFMA Enterprise Budgets (Per Acre Basis)

	2007	2008	2009	2010
Scenario A: Actual \$s				
Sunflower Yield (lbs/ac)	1,193 lbs	1,186 lbs	806 lbs	1,207 lbs
Sunflower Price (\$/cwt)	\$18.32 /cwt	\$17.71/cwt	\$16.12 /cwt	\$16.32 /cwt
Sunflower Sales /ac	\$218.56	\$195.74	\$104.86	\$176.06
Gross Crop Income /ac	\$229.27	\$200.55	\$113.81	\$181.50
Scenario B: Current \$s				
Sunflower Price (\$/cwt)	\$30.00 /cwt	\$30.00/cwt	\$30.00 /cwt	\$30.00 /cwt
Sunflower Sales /ac	\$357.90	\$331.57	\$241.80	\$323.64
Gross Crop Income /ac	\$368.61	\$336.38	\$250.75	\$329.08
Revenue Change / acre	+\$139	+\$136	+\$137	+\$148

Double Crop Sunflower Cost>Returns

NC-NE Kansas – KFMA Enterprise Budgets (Per Acre Basis)

	2007 (\$30.00 /cwt)	2008 (\$30.00 /cwt)	2009 (\$30.00 /cwt)	2010 (\$30.00 /cwt)
Total Variable Costs	\$163.24	\$154.60	\$115.40	\$155.14
Total Fixed Costs	51.46	47.07	42.33	43.00
Net Returns to Labor & Management / acre	\$166.80	\$137.20	\$110.26	\$143.59
Net Return Change / acre	+\$139	+\$136	+\$137	+\$148

2011 Double Crop Sunflower Budget

Central & Eastern Kansas MF-2145 – Production Inputs

	Yield: 800 lb/ac	Yield: 1,000 lb/ac	Yield: 1,200 lb/ac	Input Cost/#
Seed (#seeds/acre)	22,000	22,000	22,000	\$1.36/1,000
Fertilizer:				
Liquid Nitrogen (lb/acre)	38 lb	47 lb	57 lb	\$0.50/lb
Phosphorous (lb/acre)	15 lb	19 lb	22 lb	\$0.51/lb
Herbicide:				
Glyphosate	24.0 oz	24.0 oz	24.0 oz	\$0.11/oz
+ Ammonium Sulfate	1.5 lb	1.5 lb	1.5 lb	\$0.34/lb
Prowl H2O	3.0 pt	3.0 pt	3.0 pt	\$5.15/pt
Insecticide:				
Warrior 1EC	0.025 oz	0.025 oz	0.025 oz	\$244.02/oz

2011 Double Crop Sunflower Budget

Central & Eastern Kansas MF-2145 - Machinery

	Yield: 800 lb/ac	Yield: 1,000 lb/ac	Yield: 1,200 lb/ac
No-till Planting	\$14.13 /ac	\$14.13 /ac	\$14.13 /ac
Fertilizer Application	\$4.96 /ac	\$4.96 /ac	\$4.96 /ac
Herbicide Application	\$5.10 /ac	\$5.10 /ac	\$5.10 /ac
Insecticide Application	\$5.10 /ac	\$5.10 /ac	\$5.10 /ac
Custom Harvest:			
Base Charge / acre	\$27.63 /ac	\$27.63 /ac	\$27.63 /ac
Extra Charge over 13 cwt/ac	\$0.30 /cwt	\$0.30 /cwt	\$0.30 /cwt
Hauling Cost / cwt	\$0.30 /cwt	\$0.30 /cwt	\$0.30 /cwt

2011 Double Crop Sunflower Budget

Central & Eastern Kansas MF-2145 – Costs / Returns

	Yield: 800 lb/ac	Yield: 1,000 lb/ac	Yield: 1,200 lb/ac
Scenario A (2011 Budget)			
Sunflower Price (2011 Budget)	\$21.30 /cwt	\$21.30 /cwt	\$21.30 /cwt
Sunflower Revenue / ac	\$170.40 /ac	\$213.00 /ac	\$255.60 /ac
Total Production Costs / ac	\$162.35 /ac	\$170.52 /ac	\$178.68 /ac
Total Costs / cwt	\$14.42 /cwt	\$17.05 /cwt	\$17.68 /cwt
Net Returns over Costs / acre	\$8.05 /ac	\$42.48 /ac	\$76.92 /ac

2011 Double Crop Sunflower Budget

Central & Eastern Kansas MF-2145 – Costs/Returns

	Yield: 800 lb/ac	Yield: 1,000 lb/ac	Yield: 1,200 lb/ac
Scenario A (2011 Budget)			
Sunflower Price (2011 Budget)	\$21.30 /cwt	\$21.30 /cwt	\$21.30 /cwt
Sunflower Revenue / ac	\$170.40 /ac	\$213.00 /ac	\$255.60 /ac
Total Production Costs / ac	\$162.35 /ac	\$170.52 /ac	\$178.68 /ac
Total Costs / cwt	\$14.42 /cwt	\$17.05 /cwt	\$17.68 /cwt
Net Returns over Costs / acre	\$8.05 /ac	\$42.48 /ac	\$76.92 /ac
Scenario B (Current Bid)			
Sunflower \$ (Delphos Coop bid, 8/29)	\$30.00 /cwt	\$30.00 /cwt	\$30.00 /cwt
Net Returns over Costs / acre	\$77.65 /ac	\$129.48 /ac	\$181.32 /ac
Change in Net Returns /ac	+\$70 /ac	+\$87 /ac	+104 /ac

Questions?

Daniel M. O'Brien, Ph.D.
Extension Agricultural Economist
K-State Research & Extension

Grain Market & Farm Management
Analysis & Other Information
is available on
www.agmanager.info

