

1999 Organic Soybean Production Budget

Jeff Klinge, Farmersburg

The soybeans started out very well; but foxtail came in later. I thought they looked very poor at our field day in late summer. But the experts thought they would make 30 bushels per acre and they were right. Vinton 81 soybeans normally yield 10-15 bushels less than conventional soybeans, but command the highest price. Most organic farmers consider 30 bushels per acre a fairly good yield for Vinton 81.

I think this chart (Table 10) shows that more emphasis needs to be put on profit per acre.

Our organic soybean yield was only about half of the conventional farmer's yield, our profit still greatly exceeded theirs. While yield will always be important, it

takes profit to keep a farm going. These figures are a year behind because I like to base yield on actual sales. The organic beans were not sold until late January 2000.

Summarizing the last four years:

We plan to stay in organics. While our yields in both corn and soybean are dropping a little each year, and the price per bushel for organics is also dropping, we still think it is the best alternative for our farm. Some of the reasons are:

1. no dependence on chemical and fertilizer use,
2. crop rotation adds diversity and also spreads risk,
3. use of recommended cover crops reduces soil erosion,
4. ground water quality concerns minimized,
5. organic crop price is more stable than conventional market (buyers actively seek contracts and usually pay for all or most of transportation costs)
6. organic crop premiums outweigh the possible lower yields, in most cases, and,
7. we, like most organic farmers, put a value on what we consider to be an improved quality of life (air, water, soil, etc.).

We just bought our first group of organic feeder cattle and plan to market most of our organic corn, alfalfa, and barley through them.

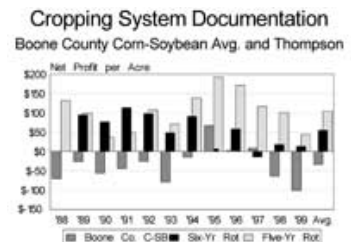
Five-year rotation: corn-soybeans-corn-oats/hay-hay

Six-year rotation: corn-soybeans-oats-meadow-meadow-meadow.

Figure 8. Historical net profit in Thompson cropping systems and county average corn-soybean rotation.



Jeff explains his cropping budget at the 1999 field day.



(Editor's note: Jeff Klinge has tracked the performance of organic soybeans for four years, building up a convincing case for organic beans. As Jeff cycles more of the farm into organics, we hope to present a fuller picture of the profitability of crops and livestock on the farm.

Richard and Sharon Thompson, Boone, have documented the finances of five-year and six-year rotations on their farm for more than a decade, comparing these to a "typical" Boone county cropping system getting county average yields. No systems receive government payments in these calculations. As Figure 8 below shows, on a per-acre basis, it's hard to beat a diverse rotation.)

Table 10. Soybean production budgets, organic and conventional, Klinge farm, 1999 Crop Year.

Item		Organic	Conventional §
Pre-Harvest Machinery		\$27.50 †	\$15.50 ‡
Seed			
Organic	@\$15.50/50# bag x 1.8 bags, Vinton 81. 1.5 bu rye @\$4.50 as cover crop	\$27.90 \$6.75	
Conventional	@\$22/50# bag x 1.5 bags, Kussmaul Roundup Ready™		\$33.00
Fertilizer		\$0.00	\$0.00
Weed Control (other than cultivation)			
Organic	none	\$0.00	
Conventional	herbicide (Roundup)		\$12.00
Crop Insurance		\$10.00	\$10.00
Interest	Pre-harvest expense, 9.0% for 8 months	\$4.32	\$4.23
Pre-Harvest Total		\$76.47	\$74.73
Harvest Machinery			
Combine		\$25.00	\$25.00
Haul grain from field		\$0.50	\$0.50
Trucking		buyer pd.	\$7.20
Harvest Total		\$25.50	\$32.70
Labor	@\$8.00/hr	\$40.00	\$20.00
Land	cash rent equivalent	\$160.00	\$160.00
Certification & user fees	(approx. 1% of sales)	\$7.56	\$0.00
3 months interest and storage		\$7.00 ¶	\$0.00
Total Cost per Acre		\$316.53	\$287.43
Crop Yield (bu/acre) #		31.5	60
Cost per Bushel		\$10.05	\$4.79
Sale Price (per bu)		\$18.00	\$5.00
Value of Splits	(3 bu @ \$5.70/bu)	\$17.10	\$0.00
Field Border Harvest	(½ bu @\$4.50/bu)	\$2.25	\$0.00
Gross Income/Acre		\$523.35	\$300.00
Net Profit/Acre	\$18/bu x 28 bu + \$17.10 splits + \$2.25 border \$5/bu x 60 bu	\$206.82	\$12.57

§ Conventional soybeans are no longer grown on the Klinge/Tidwell farm. The conventional information came from a neighboring farm, with similar soil type.

† Organic: tandem disk, chisel, field cultivate (2x), harrow, plant, cultivate (3x).

‡ Conventional: chisel plow, field cultivate (1x), harrow, plant, cultivate (1x).

Organic yield based on actual sales from 62 acres. Conventional yield based on actual sales from 120 acres.

¶ The organic soybeans were not marketed until the end of January, 2000. Costs included storage and interest on all expenses.