

**2008 ARKANSAS CORN AND GRAIN SORGHUM
PROMOTION BOARD QUARTERLY UPDATE**
Beginning September 1, 2008

Title: Economic Analysis of Corn and Grain Sorghum Production Practices

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Objectives:

1. Conduct an economic analysis of production practices used in the Corn and Grain Sorghum Research Verification Program that impact profitability and verifies Extension recommendations.

- a. 2008 data sheets were obtained from the RVP coordinator that included specific field operations, inputs, and irrigation events on each verification field through harvest.
- b. Enterprise budgets were developed from the available RVP data.
- c. Variable, fixed, and total costs for each field in addition to breakeven prices were calculated and summarized.

2. Standardize the economic analysis by integrating the 2008 verification data with data from previous years. This will document the long-term benefits of the Verification program.

- a. Actual RVP yields and average prices received (provided by USDA-AMS) were used to calculate sales, returns over variable and total costs in addition to returns over total costs and land rent for each field.
- b. 2008 RVP analysis was added and compared to a six year historical dataset.
- c. The 2008 CGSRVP economic report has been completed and submitted to the RVP coordinator and the extension feed grains agronomist.

3. Establish and maintain a corn cash—futures price basis and seasonal index table on a University of Arkansas Internet website. This information would be available to Arkansas producers to help them make better decisions regarding future booking and hedging of their corn crops.

- a. New crop (2009) corn basis data has been obtained from USDA AMS database bi-weekly during 2008. The last update was completed on November 12, 2008.
- b. This data is used to graphically illustrate and compare the new crop corn basis to historical basis levels at various delivery terminals..
- c. This information is available on the University of Arkansas Extension website at: http://www.aragriculture.org/marketing/basis/11.12.08_corn.pdf
- d. Availability of this information has been publicized in a number of outlets to promote to producers. Examples include the *Farm Management and Marketing Newsletter*, *Delta Farm Press*, local marketing clubs and individual producers.