

# Kansas Crop Cost of Production Estimates in 2021

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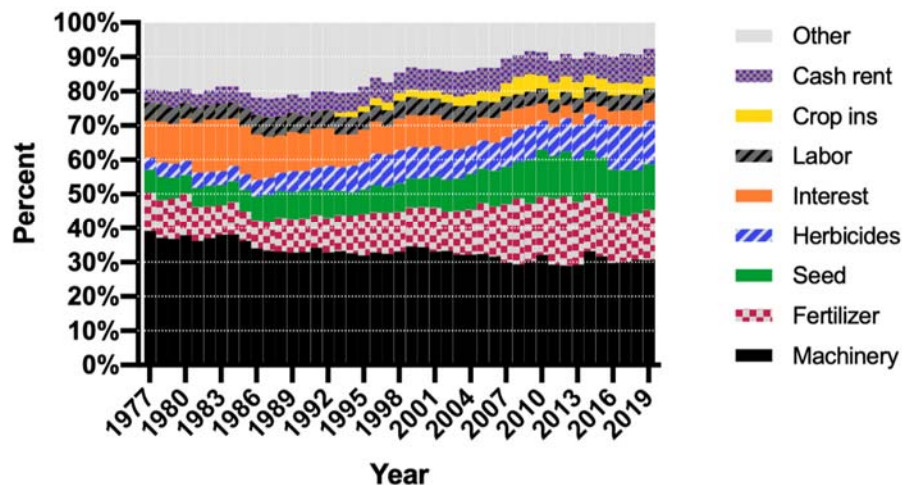
2021 Mini Risk & Profit – 3/3/21



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## What makes up farm expenses?

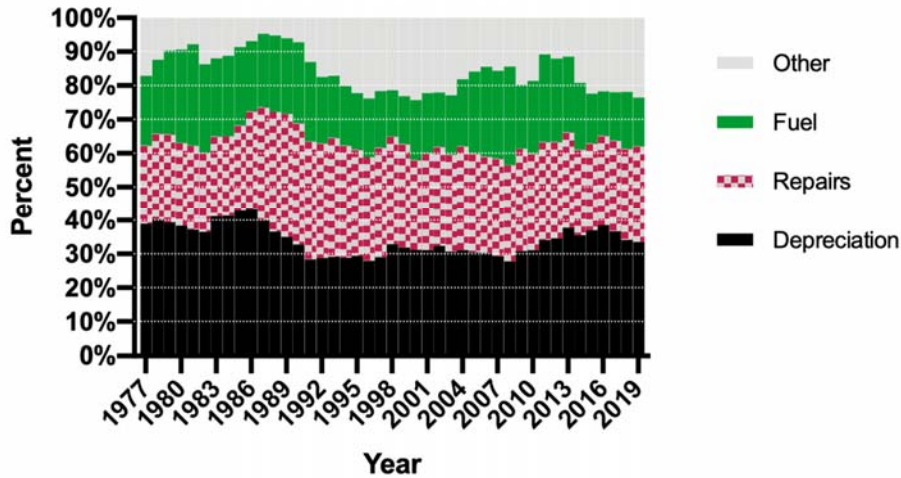
Percent Crop Expenses



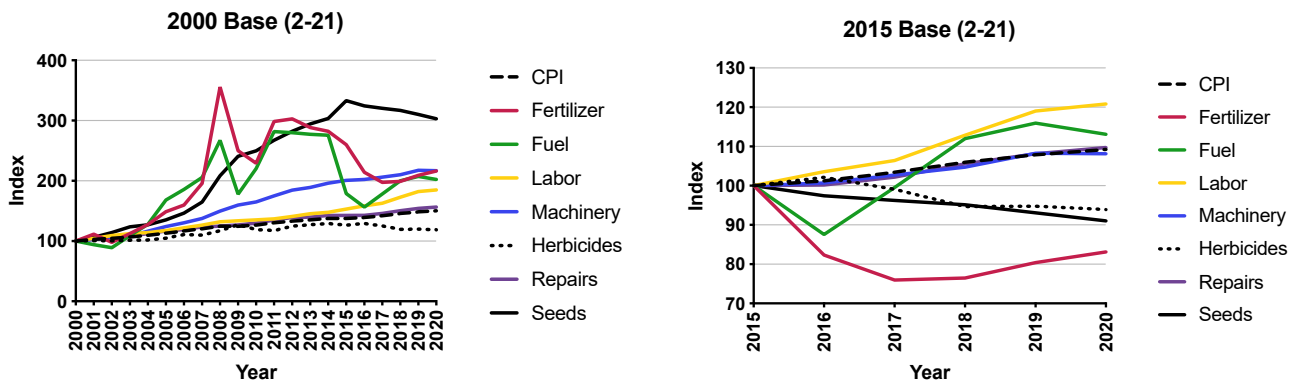
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# What about machinery?

## Percent Machinery Expenses



# Perspective of inputs varies by base year



# Oil prices affect both diesel and fertilizer prices

West Texas Intermediate (WTI) crude oil price and NYMEX confidence intervals  
dollars per barrel

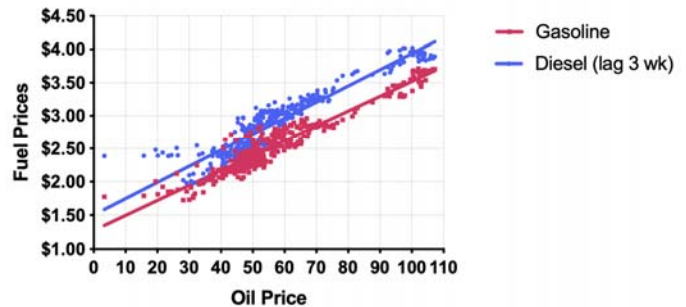


Note: Confidence interval derived from options market information for the five trading days ending Jan 7, 2021. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Sources: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2021, CME Group, and Bloomberg, L.P.

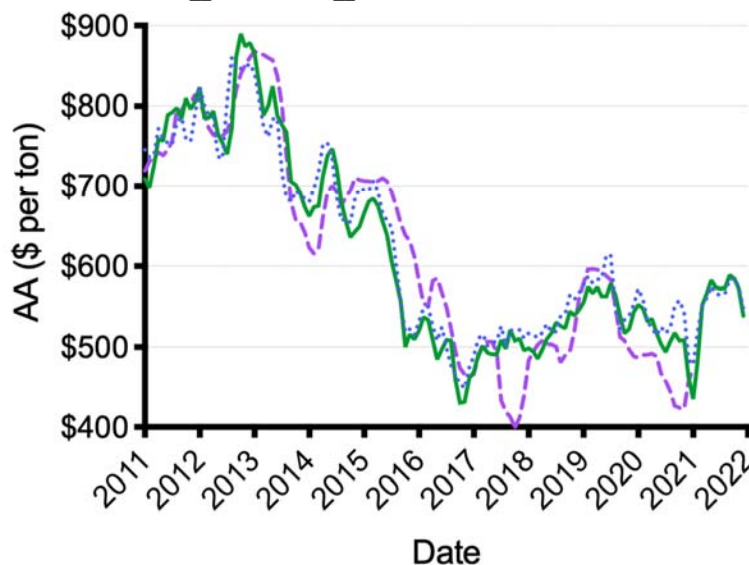


Trend Line for Prices



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# High high will fertilizer go?



- Predicted AA (2021 model)
- ... Predicted AA (2019 model)
- - - Anhydrous

\$600 AA price is likely conservative. I would not be surprised if AA approached \$700 sometime this summer



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# Tools to help producers

## Crop budgeting tool

- Both printed
- Interactive budget generator

## Machinery cost tool



# Thank you!

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