2nd Year Corn vs. Soybeans - Contribution Margins or, "What's left for land, machinery, labor and management." 2nd Year Corn vs. Soybeans - Contribution Margins or, "What's left for land, machinery, labor and management."

Yield Cash Bids Oct. '07 Delivery* Direct Payment	Corn 159 /b \$3.50 /b 25.08 /A	u.	Soybeans 55 /bu. \$7.50 /bu. 25.08 /A	Yield Cash Bids Oct. '07 Delivery* Direct Payment	Corn 168 \$3.50 25.08		Soybeans 55 /bu. \$7.50 /bu. 25.08 /A
Gross Income minus	\$581.58		\$437.58	Gross Income minus	\$613.08		\$437.58
Operating Expenses*** equals	\$275.41		\$133.27	Operating Expenses*** equals	\$275.41		\$133.27
Contribution Margin	\$306.17	-	\$304.31	Contribution Margin	\$337.67	-	\$304.31
Corn "Advantage"	=	\$1.86		Corn "Advantage"	=	\$33.36	
*Reflects Cargill Dayton (Corn) and Cargill Sidney (Soybeans) October '07 bids as of 02/19/07. **Reflects 10% Yield ''Drag'' ***Reflects N price of \$0.35/lb. NH3 = \$580/ton				*Reflects Cargill Dayton (Corn) and Cargill Sidney (Soybeans) October '07 bids as of 02/19/07. **Reflects 5% Yield ''Drag'' ***Reflects N price of \$0.35/lb. NH3 = \$580/ton			
					~		

2nd Year Corn vs. Soybeans - Contribution Margins or, "What's left for land, machinery, labor and management." 2nd Year Corn vs. Soybeans - Contribution Margins or, "What's left for land, machinery, labor and management."

The next set of analyses changes only the price of Nitrogen. We assume a NH3 cost of \$480/ton. (We are assuming producers were able to lock in their N needs at this early season price.)

2nd Year Corn vs. Soybeans - Contribution Margins or, "What's left for land, machinery, labor and management."

Corn Soybeans Yield 159 /bu.\*\* 55 /bu. Cash Bids Oct. '07 Delivery\* \$3.50 /bu. \$7.50 /bu. **Direct Payment** 25.08 /A 25.08 /A \$581.58 Gross Income \$437.58 minus **Operating Expenses**\*\*\* \$263.13 \$133.27 equals **Contribution Margin** \$318.45 \$304.31 -

Corn "Advantage" = \$14.14

\*Reflects Cargill Dayton (Corn) and Cargill Sidney (Soybeans) October '07 bids as of 02/19/07. \*\*Reflects 10% Yield ''Drag''

\*\*\*Reflects N price of \$0.29/lb. NH3 = \$480/ton

2nd Year Corn vs. Soybeans - Contribution Margins or, "What's left for land, machinery, labor and management."

	Corn	Soybeans		
Yield	168 /bu.**	55 /bu.		
Cash Bids Oct. '07 Delivery*	\$3.50 /bu.	\$7.50 /bu.		
Direct Payment	25.08 /A	25.08 /A		
Gross Income minus	\$613.08	\$437.58		
Operating Expenses*** equals	\$263.13	\$133.27		
Contribution Margin	\$349.95 -	\$304.31		
Corn "Advantage"	= \$45.64			

\*Reflects Cargill Dayton (Corn) and Cargill Sidney (Soybeans)
October '07 bids as of 02/19/07.
\*\*Reflects 5% Yield "Drag"
\*\*\*Reflects N price of \$0.29/lb. NH3 = \$480/ton