

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
Gross Income	\$581.58	\$437.58
minus		
Operating Expenses***	\$275.41	\$133.27
equals		
Contribution Margin	\$306.17 -	\$304.31
Corn "Advantage"	=	\$1.86

*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

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	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	\$613.08	\$437.58
minus		
Operating Expenses***	\$275.41	\$133.27
equals		
Contribution Margin	\$337.67 -	\$304.31
Corn "Advantage"	=	\$33.36

*Reflects Cargill Dayton (Corn) and Cargill Sidney (Soybeans)
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**Reflects 5% Yield "Drag"

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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.)

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	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
Gross Income	\$581.58	\$437.58
minus		
Operating Expenses***	\$263.13	\$133.27
equals		
Contribution Margin	\$318.45 -	\$304.31
Corn "Advantage"	=	\$14.14

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	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	\$613.08	\$437.58
minus		
Operating Expenses***	\$263.13	\$133.27
equals		
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