

### Farm Management Enterprise Analysis

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. The Kansas Farm Management Association is a branch of K-State Ag Economics. Around 900 farms statewide belong and receive assistance in record keeping and data analysis. This data then goes in to a huge database unlike anything any other state has that allows us to get a great handle on expenses and income for real world farms all across the state. It is broken into six regions so farmers in Geary County can compare themselves to other north central Kansas producers. The really great thing for data nuts like me is that the results from the annual data analysis can be used to discuss what does it really cost to produce the crops and livestock you sell as these data become the defacto average region by region and across the state. For most of this week I'll be talking about some of the results form the 2020 data year! I'm Chuck Otte and this has been Ag Outlook.

## Where Do You Save Money

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. There are two ways to make more money in any business. Sell more at a higher price or produce for less money. Saving money in crop and livestock production is a tricky business as you can cut off your nose to spite your face. Applying less fertilizer can increase your cost per unit of production. Comparing the most profitable third of the corn producers to the middle and lower third of producers for example, we find that the upper third are paying less for seed and significantly less for fertilizer. Herbicide and insecticide across the three groups is within pennies of each other though. In wheat we did see a difference in herbicide though. What we often see though is that the lower third has the highest costs and the middle third the lowest costs especially in corn and soybeans. Be careful where you spend your money, and don't be silly. I'm Chuck Otte and this has been Ag Outlook.

## Timely Harvest of Bromegrass

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. A brief interruption on farm management figures to talk about bromegrass harvest this morning. As bromegrass starts to head out, we need to be seriously looking at getting ready to swath it as it gets near to blooming. This is the time when we find the best tradeoff between tonnage and quality. I notice routinely that far too much brome harvest occurs far too late in the growing season. The slight increase in yield is terribly offset by the loss of crude protein and other quality measures. You need to be cutting that bromegrass shortly after it heads out if quality is important to you! The other management issue starting to cause us problems is height of swathing. With the newer swathers we can really set that cutter height low and as a result we don't leave enough stubble which allows weed invasion. Minimum of 4 inches. I'm Chuck Otte and this has been Ag Outlook.

## Where Is Income Made

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. When it comes to making money in farming income is made two ways - production and price. If you want to increase income you can produce more and/or you can sell it for a higher price. Naturally it helps if you have a marketing target price and before you can do that you need to know what it costs to produce your crop or animals. Looking at the recent farm management summaries, specifically corn and soybeans, we quickly see that the top third profitability farms produced more bushels per acre and sold at a higher cost per bushel. The middle third was second and the bottom third was lowest in both. Intriguingly the same held in the yield for wheat and milo but the lowest third for both crops had slightly higher per bushel selling price. But when you look at income and expense you can see why the top third were there. I'm Chuck Otte and this has been Ag Outlook.

## Spend Time Marketing

This is Ag Outlook, I'm Chuck Otte, Geary County Extension Agent. To wrap up this week of financial analysis let's talk about the one thing that every producer can do that would likely gain them the most profit. Sadly, many producers aren't going to like it, OR do it. That one thing is marketing. If you could spend an average of an hour a day on marketing it would likely give you the highest rate of return. Spend time calculating costs of production so you KNOW what you need to receive for your crop or livestock to break even. Then add a decent profit on that and suddenly you have a target price for marketing. Too many producers have a marketing goal of getting the top of the market. You've got one day per year to achieve that. Instead look for the opportunities to market your crop for a profit. Right now there are likely a lot of opportunities for that. Don't get greedy and lock in a profit! I'm Chuck Otte and this has been Ag Outlook.