

2020 Row-Crop Returns Summary



This publication summarizes returns on producing row crops in the state of Mississippi for 2020. Returns are calculated through income and expense estimates and can also be seen in the 2020 Planning Budgets created by the MSU Department of Agricultural Economics (<https://www.agecon.msstate.edu/whatwedo/budgets.php>). Interactive budget spreadsheets are also available.

Estimated crop prices (Table 1) are based on the forward futures contract price, including the average cost basis at the estimated time of harvest delivery. Table 2 presents the estimated average crop yields across all seed types and production practices from the 2020 planning budgets. Average yields are presented for the Delta and non-Delta areas.

Table 1. Estimated crop prices.

Crop	Price (\$)
Cotton lint (lb)	0.6289
Cottonseed (lb)	0.10
Soybean (bu)	9.60
Corn (bu)	3.86

Table 2. Estimated crop yields.

Crop	Delta	Non-Delta
Cotton lint – irrigated (lb/acre)	1500	1200
Cottonseed – irrigated (lb/acre)	2025	1620
Cotton lint – non-irrigated (lb/acre)	1070.33	950
Cottonseed – non-irrigated (lb/acre)	1445	1282.5
Soybean – irrigated (bu/acre)	54.33	50
Soybean – non-irrigated (bu/acre)	33.5	36
Corn – irrigated (bu/acre)	220	N/A
Corn – non-irrigated (bu/acre)	170	170

Expenses, which are defined as *total specified expenses*, include estimated variable and fixed costs associated with crop production. Variable costs include seed, fertilizer, chemicals, fuel, repair and maintenance, and any other

costs that are incurred only through crop production. Fixed costs include machinery costs and are incurred regardless of crop production.

Returns are calculated for corn, cotton, and soybean production. The returns for each crop are an average across all seed types and production practices used in the 2020 Planning Budgets. Therefore, actual returns accrued may be different than those presented here. Returns are estimated for the Delta and non-Delta areas and for irrigated and non-irrigated production. Returns are estimated in dollars per acre.

Delta Area Returns

Figure 1 shows the estimated returns above total specified expenses in the Delta area. Returns for the Delta area are mixed, with the highest returns of \$141.17 per acre received from irrigated corn production. Non-irrigated corn production is estimated to have returns of \$136.01 per acre. Cotton returns are much more dependent on irrigation, with average returns for irrigated cotton estimated at \$129.34 per acre. However, non-irrigated cotton returns are minimal at \$14.03 per acre. Irrigated soybean returns are low at an estimated \$17.57 per acre, and non-irrigated soybean returns resulted in a loss at -\$43.72 per acre.

Non-Delta Area Returns

Figure 2 shows the estimated returns above total specified expenses in the non-Delta area. Returns for the non-Delta area are lower for all crop types compared to the Delta except for non-irrigated corn. Returns for non-irrigated corn are estimated at \$148.81 per acre. Irrigated corn returns are not estimated since corn irrigation is not a common practice in the non-Delta area. Irrigated and non-irrigated cotton returns are low at \$23.74 per acre and \$19.44 per acre, respectively. Irrigated soybean returns are \$25.97 per acre, while non-irrigated soybean returns are -\$1.83 per acre.

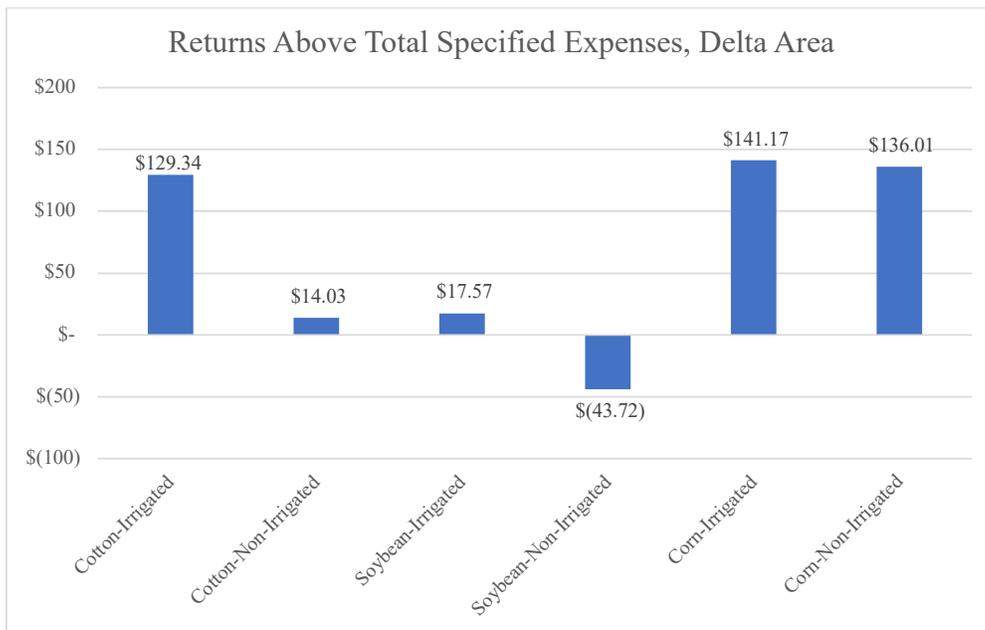


Figure 1. Estimated returns above total specified expenses in the Delta area.

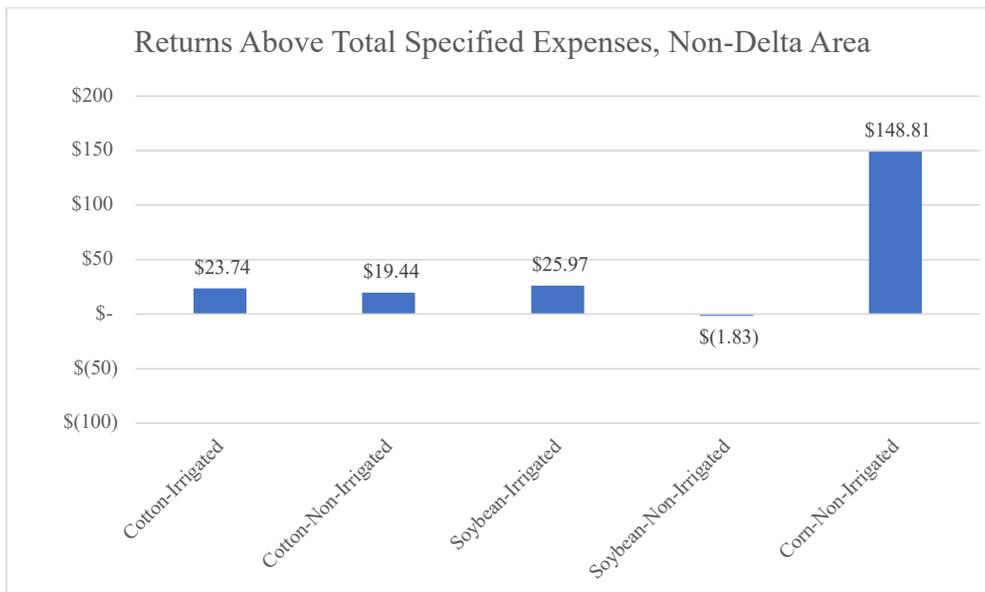


Figure 2. Estimated returns above total specified expenses in the non-Delta area.

Conclusion

Estimated returns on cotton, corn, and soybean production in Mississippi can be useful for growers making planting and financial decisions, as well as others involved in agricultural finance. The information here is based on planning budgets created by the MSU Department of Agricultural Economics. The returns presented here are estimates; actual returns will change based on differing crop prices, crop yields, and production practices.

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By **Evan Gregory**, Extension Associate, Agricultural Economics.



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