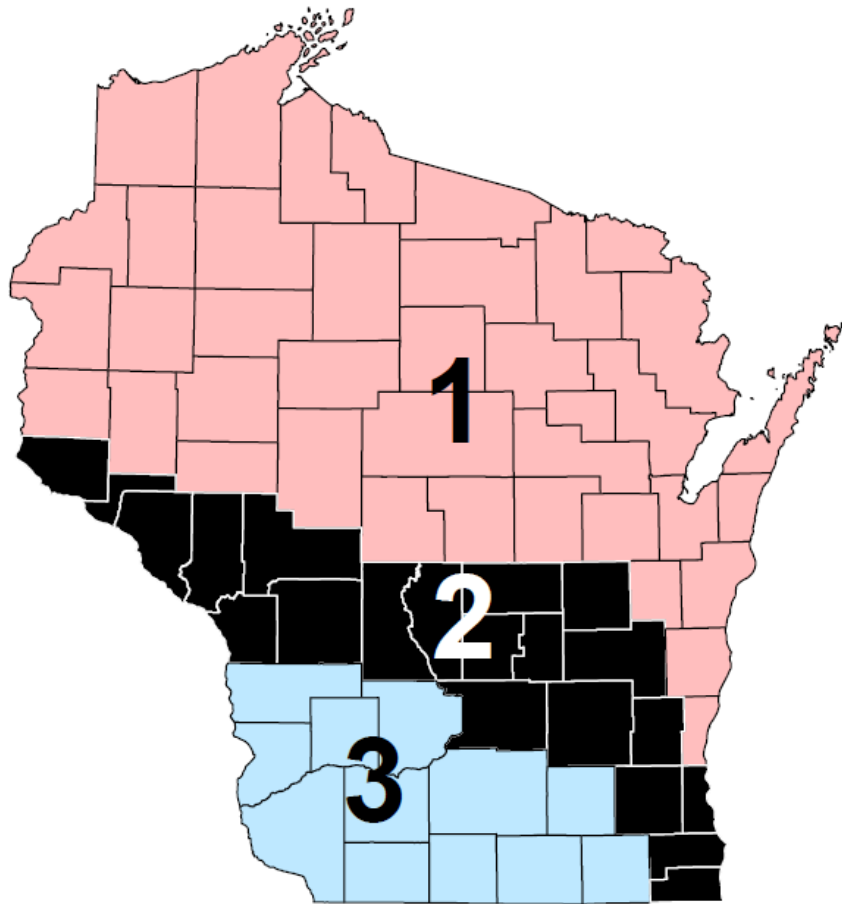


2011 WISCONSIN CORN “PEPS” PROGRAM

Profits through Efficient Production Systems



Administered by:

Wisconsin Corn Growers Association

Joe Lauer and Kent Kohn

University of Wisconsin – Extension

Supported by:

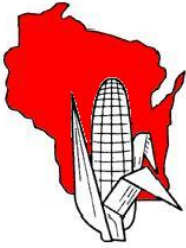
Wisconsin Corn Growers Association

Wisconsin Corn Promotion Board

USDA Natural Resources Conservation Service

University of Wisconsin – Agronomy Department

Rural Mutual Insurance Company



PEPS Program

Profits through Efficient Production
Systems

University of Wisconsin
Department of Agronomy



2011 PEPS Executive Summary

This year marks the 25th year of the Wisconsin PEPS program. The objectives of the program are:

1. To recognize the practices utilized by the *most profitable* growers and to provide other growers, educators, and researchers insight into ways these producers integrate practices into a system, and
2. To emphasize soil and water conservation, efficiency, profitability and competitiveness vs. productivity alone.

The PEPS program goes beyond typical yield contests by encouraging efficiency and profitability rather than productivity alone. During the first 10 years of the program (1987 to 1996), contestants were ranked on *lowest cost per bushel*. From 1997 to 2008, contestants were ranked on the *greatest return to management* to better account for trade-offs between yield and production costs. In 2000, participants received both a summary of their management costs and a history report detailing costs in various categories over time to assist in “fine-tuning” their management. Beginning in 2009, we again rank contestants on *lowest cost per bushel*.

During 2011, 5 contestants entered 6 corn fields. The average yield in the cash corn and dairy/livestock corn divisions was 204 and 214 bushels per acre with production costs of \$530 and \$511 per acre. The average cost per bushel was \$2.59 and \$2.38. Using PEPS production costs for an acre and the WI USDA average of 160 bushels per acre, the average cost per bushel was \$3.31.

These costs include actual figures provided by contestants. *These costs do not include all costs of production.* For example, overhead or miscellaneous costs associated with operating a farm (i.e. field tiling, outfitting a shop, plowing snow, maintaining fences, taxes, desktop work related to management, etc.), are difficult to determine among farms, and is not accounted for in the PEPS program. Typical overhead rates range from 18-46% of production costs.

“Best of the Best” aptly describes the farmers participating in PEPS. Results reflect the efforts and costs of some of the best farmers growing corn on the best land available using their best management practices. Lower yielding fields are often not entered into the contest. Thus, “real world” costs are probably higher for most farmers.

We hope these results provide some ideas to improve corn production efficiency and profitability. More importantly, this report may provide some good points for discussion.



PEPS Program

Profits through Efficient Production Systems

University of Wisconsin
Department of Agronomy



2011 PEPS Procedures

The procedures used to calculate production costs and cost per bushel are hopefully self-explanatory from the enclosed PEPS budget summary sheet. The actual budget summary and history report is provided to participants only. You should notice the following in particular:

1. Grower return was calculated by multiplying commodity price with yield and subtracting production costs. Corn price was determined using a marketing strategy when 50% of the crop was sold in November and 25% forward contracted (less basis) to March and July respectively. The November average cash price was derived from Wisconsin Ag Statistics, and the March and July future prices were derived from the Chicago Board of Trade closing price on December 1.
2. Many costs (seed, herbicides, insecticides, insurance, scouting, etc.) were charged based on the figures provided to us by participants.
3. Nitrogen and micronutrient fertilizer costs were those provided, unless N analysis was unknown. If fertilizer was applied, and N analysis was unknown, N costs were based on removal at the grain yield obtained. All P and K costs were based on removal at the grain yield obtained. Starter and other mixed nutrient fertilizer costs were based on N and/or micronutrients only; P and K costs per unit, as a percentage of total applied fertilizer, were subtracted.
4. Equipment costs were based either on actual custom machinery hire, or on figures in the publication, "Minnesota Farm Machinery Economic Cost Estimates for 2011", for individual operations. (Please let us know if you would like a copy of this publication). We matched listed machinery size and type with the most appropriate categories in the publication.
5. Harvesting costs were estimated for handling (\$0.02 per bushel), hauling (\$0.04 per bushel), trucking (\$0.11 per bushel) and storage (\$0.02 per bushel month with 25% of grain shipped in March after 4 months storage and 25% of grain shipped in July after 8 months storage). Drying costs in the cash crop corn division were estimated at \$.02 per point above 15.5% per dry bushel.
6. Land costs were based on the average of: a) 50% of the NRCS-rated corn yield potential for the soil type involved, and b) estimated cash rent. The 50% figure was derived from participant's estimates of average cash rents for land similar to the contest plot.
7. No one was disqualified for soil loss greater than "T", however soil loss in tons/acre is reported on the overall summary sheet.

2011 WISCONSIN "PEPS" PROGRAM

District County	ID	Participant Yield verifier	Cost / Bu		Yield Bu / A		Moist %	NRCS Corn Yield Bu/A	Hybrid	Planting			Trips Over Field	Till /1/	Herbicides	Insectides, Fungicides and / or PGRs	Nitrogen lbs/A	Soil Loss /2/
			or Cost/T DM	Cost/A	T DM/A	Date				Rate x 1000	Row Width	Previous Crop						
Corn, Cash Crop																		
1 Marathon	6	Steve Kloos Phil Ely	\$2.41	\$475	197	20.8	85	Pioneer P8906HR		5/12/2011	36	30	Soybean	6	CP	Lumax	125	1 Y
3 Grant	1	David Gehrke Steve Mueller	\$2.66	\$520	195	17.3	95	Kussmaul GL 903Quad		5/5/2011	32	30	Corn	7	CP	Lumax Roundup	92	1 Y
Corn, Dairy and Livestock																		
1 Polk	3	Dale E Wester	\$1.90	\$414	218	17.3	95	Dekalb DKC45-51		5/7/2011	32	30	Corn	6	CP	Glyphosate Glyphosate	Headline Manure	0 4 Y

/1/ Tillage: NT/MT=No Till/Minimum Till, CP=Chisel Plow, MP= Moldboard Plow

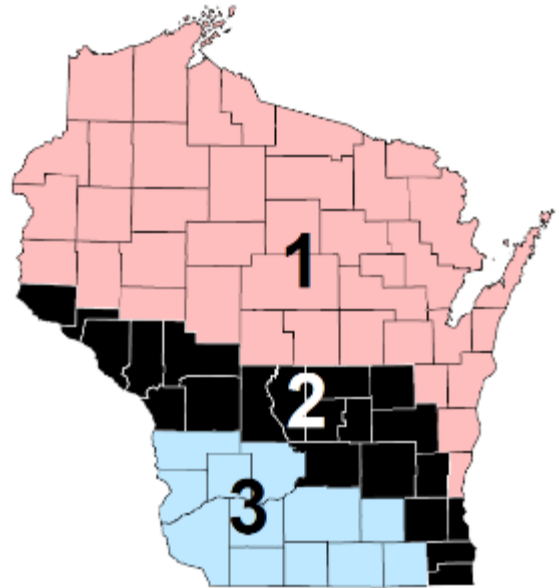
/2/ Soil Loss (Tons/A) based on Universal Soil Loss Equation and Wind Erosion Equation Y=Soil loss is within "tolerable" level for the soil



Wisconsin "PEPS" Program

Profits through Efficient Production Systems

2011 and ten year (2002 to 2011) average
production costs in PEPS.



Division	Yield bu/A or District	N	Dry T/A	Moisture	Production Costs									Cost per acre	Cost per bushel or Dry Ton	
					Seed	Fertilizer	Chemical	Other	Harvest	Interest	Equipment					Land
											Variable	Fixed	Custom			
2011																
<u>Corn, Cash Crop</u>																
1	2	208	20.1	\$96	\$170	\$21	\$15	\$67	\$19	\$51	\$22	\$0	\$75	\$534	\$2.56	
3	1	195	17.3	\$77	\$127	\$55	\$8	\$52	\$17	\$47	\$21	\$16	\$99	\$520	\$2.66	
<u>Corn, Dairy and Livestock</u>																
1	3	214	17.9	\$91	\$150	\$55	\$0	\$26	\$18	\$70	\$29	\$2	\$71	\$511	\$2.38	
<u>Last 10 Years</u>																
<u>Corn, Cash Crop</u>																
1	94	191	20.6	\$48	\$64	\$22	\$7	\$64	\$10	\$24	\$30	\$5	\$57	\$330	\$1.75	
2	55	213	19.2	\$46	\$75	\$24	\$3	\$65	\$11	\$19	\$22	\$10	\$70	\$344	\$1.62	
3	26	218	19.3	\$46	\$58	\$30	\$5	\$67	\$10	\$15	\$23	\$12	\$85	\$352	\$1.62	
<u>Corn, Dairy and Livestock</u>																
1	72	188	21.9	\$49	\$39	\$21	\$5	\$23	\$8	\$26	\$32	\$21	\$56	\$279	\$1.50	
2	34	201	21.3	\$39	\$41	\$30	\$2	\$24	\$8	\$17	\$29	\$22	\$63	\$275	\$1.38	
3	26	228	19.9	\$62	\$76	\$42	\$13	\$27	\$12	\$23	\$23	\$24	\$85	\$389	\$1.70	
<u>Corn, Silage</u>																
1	9	8.1	65.5	\$57	\$123	\$22	\$3	\$123	\$19	\$38	\$31	\$53	\$57	\$525	\$64.89	
2	1	7.9	63.0	\$47	\$72	\$37	\$15	\$99	\$16	\$14	\$11	\$70	\$41	\$422	\$53.65	
3	11	8.4	63.3	\$88	\$178	\$37	\$15	\$120	\$25	\$27	\$18	\$83	\$93	\$682	\$82.03	

Average production costs of PEPS participants

Division	Yield bu/A or Year	N	Dry T/A	Moisture	Production Costs									Cost per acre	Cost per bushel or Dry Ton	
					Seed	Fertilizer	Chemical	Other	Harvest	Interest	Equipment					Land
											Variable	Fixed	Custom			
Corn, Cash Crop																
2011	3	204	19.2	\$89	\$155	\$33	\$13	\$62	\$18	\$49	\$21	\$5	\$83	\$530	\$2.59	
2010	5	218	17.2	\$82	\$120	\$22	\$7	\$59	\$15	\$39	\$22	\$7	\$66	\$439	\$2.05	
2009	11	210	24.4	\$79	\$147	\$29	\$16	\$84	\$18	\$43	\$23	\$7	\$73	\$520	\$2.51	
2008	9	203	18.8	\$57	\$117	\$21	\$5	\$61	\$14	\$43	\$20	\$6	\$81	\$426	\$2.17	
2007	15	191	17.0	\$51	\$73	\$27	\$8	\$51	\$11	\$38	\$20	\$5	\$67	\$351	\$1.89	
2006	16	213	18.7	\$44	\$69	\$25	\$2	\$63	\$10	\$16	\$32	\$5	\$66	\$333	\$1.57	
2005	23	206	18.2	\$44	\$66	\$24	\$4	\$58	\$10	\$15	\$32	\$7	\$63	\$323	\$1.59	
2004	20	200	21.5	\$41	\$58	\$23	\$4	\$70	\$10	\$14	\$25	\$11	\$70	\$326	\$1.65	
2003	34	197	19.5	\$41	\$45	\$25	\$5	\$61	\$9	\$15	\$25	\$7	\$62	\$297	\$1.52	
2002	40	199	21.6	\$37	\$40	\$20	\$4	\$70	\$9	\$14	\$29	\$7	\$60	\$288	\$1.46	
2001	41	176	20.5	\$36	\$44	\$26	\$3	\$58	\$9	\$12	\$25	\$10	\$59	\$282	\$1.62	
2000	47	174	18.9	\$34	\$40	\$24	\$6	\$52	\$8	\$12	\$25	\$11	\$59	\$272	\$1.59	
1999	42	191	17.3	\$34	\$51	\$25	\$3	\$51	\$8	\$18	\$25	\$6	\$60	\$282	\$1.49	
1998	35	192	19.3	\$34	\$56	\$24	\$5	\$59	\$9	\$18	\$22	\$7	\$64	\$299	\$1.56	
1997	25	172	25.2	\$32	\$51	\$22	\$4	\$73	\$9	\$13	\$19	\$10	\$61	\$295	\$1.71	
1996	21	158	24.4	\$28	\$44	\$24	\$5	\$65	\$9	\$15	\$22	\$10	\$56	\$276	\$1.78	
1995	48	143	19.5	\$26	\$42	\$24	\$3	\$44	\$8	\$14	\$20	\$13	\$55	\$249	\$1.76	
1994	43	178	20.5	\$25	\$41	\$25	\$4	\$59	\$8	\$13	\$19	\$16	\$56	\$266	\$1.50	
1993	35	122	24.8	\$24	\$34	\$21	\$16	\$51	\$8	\$10	\$24	\$13	\$58	\$258	\$2.20	
1992	35	153	27.5	\$24	\$46	\$22	\$18	\$71	\$9	\$19	\$22	\$0	\$63	\$294	\$1.95	
1991	34	173	20.1	\$22	\$47	\$17	\$15	\$56	\$8	\$22	\$26	\$0	\$57	\$269	\$1.57	
1990	31	161	22.4	\$21	\$43	\$16	\$23	\$59	\$8	\$11	\$28	\$0	\$63	\$273	\$1.70	
Corn, Dairy and Livestock																
2011	3	214	17.9	\$91	\$150	\$55	\$0	\$26	\$18	\$70	\$29	\$2	\$71	\$511	\$2.38	
2010	8	216	16.9	\$87	\$93	\$23	\$7	\$26	\$13	\$45	\$31	\$13	\$70	\$406	\$1.87	
2009	6	206	25.0	\$84	\$107	\$44	\$15	\$25	\$16	\$31	\$24	\$41	\$73	\$459	\$2.21	
2008	7	209	22.5	\$69	\$96	\$33	\$11	\$25	\$13	\$46	\$25	\$19	\$71	\$409	\$1.96	
2007	10	188	17.3	\$61	\$49	\$26	\$10	\$23	\$10	\$40	\$25	\$16	\$68	\$329	\$1.75	
2006	10	189	22.0	\$49	\$40	\$23	\$4	\$23	\$8	\$18	\$38	\$13	\$70	\$285	\$1.51	
2005	12	216	19.6	\$38	\$45	\$26	\$9	\$26	\$8	\$18	\$37	\$23	\$59	\$289	\$1.34	
2004	18	191	23.4	\$39	\$38	\$24	\$7	\$23	\$7	\$15	\$31	\$17	\$56	\$257	\$1.37	
2003	27	194	21.2	\$40	\$27	\$26	\$4	\$23	\$7	\$15	\$28	\$25	\$62	\$259	\$1.37	
2002	31	199	22.6	\$38	\$26	\$28	\$4	\$24	\$7	\$15	\$28	\$26	\$61	\$257	\$1.30	
2001	33	177	21.6	\$36	\$25	\$27	\$3	\$21	\$7	\$14	\$28	\$21	\$57	\$239	\$1.40	
2000	39	182	20.6	\$34	\$29	\$28	\$4	\$22	\$7	\$15	\$27	\$18	\$57	\$240	\$1.34	
1999	30	190	20.2	\$32	\$40	\$27	\$3	\$23	\$7	\$19	\$25	\$12	\$57	\$245	\$1.30	
1998	23	190	20.7	\$34	\$46	\$27	\$3	\$23	\$8	\$21	\$23	\$14	\$53	\$253	\$1.34	
1997	16	161	25.8	\$31	\$31	\$25	\$2	\$19	\$6	\$15	\$20	\$11	\$54	\$214	\$1.34	
1996	28	136	25.1	\$27	\$29	\$21	\$3	\$16	\$6	\$19	\$24	\$9	\$52	\$205	\$1.56	
1995	38	139	21.8	\$26	\$29	\$24	\$3	\$17	\$6	\$16	\$22	\$12	\$50	\$204	\$1.49	
1994	55	173	22.5	\$25	\$30	\$21	\$4	\$21	\$6	\$19	\$23	\$15	\$49	\$214	\$1.25	
1993	38	128	26.5	\$25	\$24	\$19	\$16	\$15	\$6	\$24	\$24	\$0	\$50	\$202	\$1.63	
1992	61	133	29.1	\$25	\$28	\$20	\$22	\$16	\$6	\$25	\$26	\$0	\$52	\$219	\$1.69	
1991	61	167	21.2	\$22	\$35	\$17	\$15	\$20	\$6	\$26	\$28	\$0	\$54	\$223	\$1.35	
1990	45	151	25.6	\$22	\$36	\$15	\$16	\$18	\$5	\$12	\$37	\$0	\$54	\$217	\$1.45	
Corn, Silage																
2010	3	9.4	66.4	\$83	\$199	\$24	\$3	\$148	\$27	\$29	\$18	\$108	\$76	\$715	\$76.03	
2009	6	8.9	64.6	\$93	\$200	\$38	\$16	\$134	\$27	\$42	\$27	\$73	\$88	\$738	\$82.29	
2008	3	7.3	62.2	\$92	\$183	\$29	\$15	\$98	\$22	\$28	\$17	\$52	\$93	\$629	\$89.26	
2007	6	8.3	62.0	\$50	\$103	\$27	\$7	\$116	\$17	\$32	\$22	\$51	\$56	\$481	\$58.07	
2006	3	6.6	67.4	\$48	\$56	\$30	\$2	\$93	\$14	\$15	\$30	\$76	\$68	\$434	\$67.33	

PEPS Hall of Fame

**Lowest Cost
(per Bushel or Ton DM)**

**Highest Yield
(Bushel / Acre or Ton DM /Acre)**

Year	County	Name	Hybrid	Yield	Cost
Corn, Cash Crop					
2011	Marathon	Steve Kloos	Pioneer P8906HR	197	\$2.41
2010	Jackson	Stetzer Farms	Dekalb DKC52-59	282	\$1.66
2009	Columbia	Daniel Padley	Dekalb DKC52-62	248	\$2.01
2008	Jackson	Stetzer Farms	Dekalb DK50-44VT3	254	\$1.58
2007	Grant	Joe Zenz	Dekalb DKC61-73	250	\$1.74
2006	Buffalo	Merlin D. Sutter	NK Brand N67-W5	269	\$1.39
2005	Jackson	Stetzer Farms	Croplan 412Hx/LL	240	\$1.26
2004	Grant	Eugene Steiger	Dekalb DKC60-19	264	\$1.38
2003	Grant	Eugene Steiger	Dekalb DKC5878	246	\$1.22
2002	Jackson	Stetzer Farms	NK N5127	230	\$1.19
2001	Vernon	Todd Vesbach	NK Brand N45-A6	207	\$0.99
2000	Marquette	Lindner Grain Farms	Dekalb 44-42Bt	218	\$0.82
1999	Manitowoc	Hamp Haven Farms	Novartis 3030BT	255	\$0.85
1998	Calumet	Meyer Dairy & Grain	Novartis N3030 BT	230	\$1.03
1997	Lafayette	Bahr Farms	Trelay 8002	215	\$1.31
1996	Jefferson	Dennis Schultz	Seed Mart 1104	175	\$1.02
1995	Waupaca	Steinbach Farms	NK 3030	169	\$1.05
1994	Eau Claire	Jaquish Farms, Inc.	Pioneer 3751	193	\$0.88
1993	Eau Claire	Jaquish Farms, Inc.	Pioneer 3751	149	\$1.22
1992	Adams	Edward Volkening	Blaney 2100	131	\$1.38
1991	Winnebago	Lowell Kratz	Garst 8777	204	\$1.00
1990	Winnebago	Leonard Kratz	Dekalb DK353	185	\$1.05

County	Name	Hybrid	Yield
Corn, Cash Crop			
Waupaca	Larry Danke	Pioneer P0115	219
Jackson	Stetzer Farms	Dekalb DKC52-59	282
Jackson	Stetzer Farms	Dekalb DKC52-59	272
Jackson	Stetzer Farms	Dekalb DK50-44VT3	254
Grant	Joe Zenz	Dekalb DKC61-73	250
Buffalo	Merlin D. Sutter	NK Brand N67-W5	269
Grant	Eugene Steiger	Dekalb DKC61-43	277
Grant	Eugene Steiger	Dekalb DKC60-19	264
Grant	Eugene Steiger	Dekalb DKC5878	246
Dunn	Mark Bates	NK N43C4	244
Grant	Paul McLean	Pioneer 34B23	229
Grant	Eugene Steiger	Asgrow RX730YG	220
Manitowoc	Hamp Haven Farms	Novartis 3030BT	255
Lafayette	Mike Engelke	Pioneer 34T14	233
Lafayette	Bahr Farms	Trelay 8002	215
Lafayette	D & S Farms	Pioneer 3730	197
Lafayette	Bahr Farms	Hughes 5500	189
Lafayette	Allynn Gertsch	Trelay T6002	227
Grant	Richard Benson	Trelay 6002	180
Grant	Alchar Grain Farms	Great Lakes GL590	203
Dodge	Hammer & Kavazanjian Farms	Pioneer 3733	213
Grant	Alchar Grain Farms	Hughes 5870	194

Corn, Dairy and Livestock

2011	Polk	Dale E Wester	Dekalb DKC45-51	218	\$1.90
2010	Polk	Dale E Wester	Dekalb DKC42-72	232	\$1.56
2009	Rusk	Rusk Rose Holsteins In	NK Brand N3637	161	\$2.01
2008	St. Croix	Robert Ickler	Croplan 314RRBt	241	\$1.32
2007	Sauk	Meadow Lane Farms	Dekalb DKC61-66	270	\$1.56
2006	Grant	Tim Walz	Mycogen 2D545	232	\$1.55
2005	St. Croix	Robert Ickler	Croplan Genetics 355 RRBt	242	\$1.06
2004	Dunn	Manske Farms	Croplan 344RRBt	196	\$1.03
2003	Grant	Tim Walz	Mycogen 6920Bt	267	\$1.18
2002	Jackson	Stetzer Farms	NK N58D1	236	\$0.92
2001	Sauk	Meadow Lane Farms	NK Brand N67-T4	242	\$0.98
2000	Calumet	Meyer Dairy & Grain	NK N3030Bt	213	\$0.93
1999	Columbia	4th Generation Homest	Novartis N59-Q9	248	\$0.94
1998	Manitowoc	Hamp Haven Farms	Cargill 3677	225	\$0.91
1997	Marquette	Daniel Thome	Pioneer 3753	177	\$0.97
1996	Polk	Hibbs Family Farm	Mycogen TMF 94	126	\$0.87
1995	Crawford	Gene Fritsche	Dairyland 1202	168	\$0.94
1994	Adams	Clover View Farms	NK N4242	205	\$0.80
1993	Dane	Randy & John Zimmer	Northrup King N4242	187	\$0.98
1992	Crawford	Gene Fritsche	Dairyland DX1207	182	\$0.93
1991	Sheboygan	Bob & Dawn Boehlke	Cenex/LOL 451	228	\$0.93
1990	Shawano	Jon Kroenke	Cenex/LOL 385	146	\$0.96

St. Croix	Robert Ickler	Dekalb DKC42-72	223
St. Croix	Ken-Rich Farms	Dekalb DKC46-60	241
Grant	Tim Walz	Fielders Choice NG6676	276
Sauk	Meadow Lane Farms	NK Brand N68B	268
Sauk	Meadow Lane Farms	Dekalb DKC61-66	270
Grant	Tim Walz	Mycogen 2D545	232
Sauk	Meadow Lane Farms	Crows 4707	247
Trempeale	Hamlin Valley Farms	Pioneer 38B85	258
Grant	Tim Walz	Mycogen 6920Bt	267
Dunn	Jerry Bates	NK N3030Bt	253
Sauk	Meadow Lane Farms	NK Brand N67-T4	242
Jackson	Sedelbauer Farms, Inc.	Pioneer 37R71	252
Columbia	4th Generation Homestead	Novartis N59-Q9	248
Lafayette	Jacob Engelke	Pioneer 33A14	254
Rock	Daniel Ballmer	DeKalb DK 560	187
Lafayette	Mike Engelke	Pioneer 3489	192
Adams	Clover View Farms	NK 4242	188
Grant	Maurice McLean	Great Lakes GL-586	220
Dane	Randy & John Zimmerman	Northrup King N4242	187
Grant	Eugene Steiger	Pioneer 3394	204
Sheboygan	Bob & Dawn Boehlke	Cenex/LOL 451	228
Sauk	Clifford Klemm	Cenex/LOL 511	193

Corn, Silage

2010	Marathon	Steve Kloos	Pioneer 35F38	8.3	\$71.05
2009	Marathon	Steve Kloos	Pioneer 35F38	8.1	\$66.51
2008	Sauk	Meadow Lane Farms	Mycogen F2F635	7.2	\$98.69
2007	Manitowoc	Libertyland Farms	NK Brand N33-H6	8.8	\$52.67
2006	Manitowoc	Libertyland Farms	NK Brand N33-H6	7.4	\$51.63

Grant	Tim Walz	Fielders Choice NG6641	10.6
Sauk	Meadow Lane Farms	Dekalb DKC63-42	10.5
Grant	Tracy Walz	Croplan 591TS	9.3
Grant	Tim Walz	Mycogen TMF2N602	9.1
Manitowoc	Libertyland Farms	NK Brand N33-H6	7.4