



Louisiana Agricultural Outlook Forum
LSU AgCenter Dean Lee Research Station
Wednesday, January 10, 2024
Alexandria, Louisiana

Farm Input Expenses for 2024



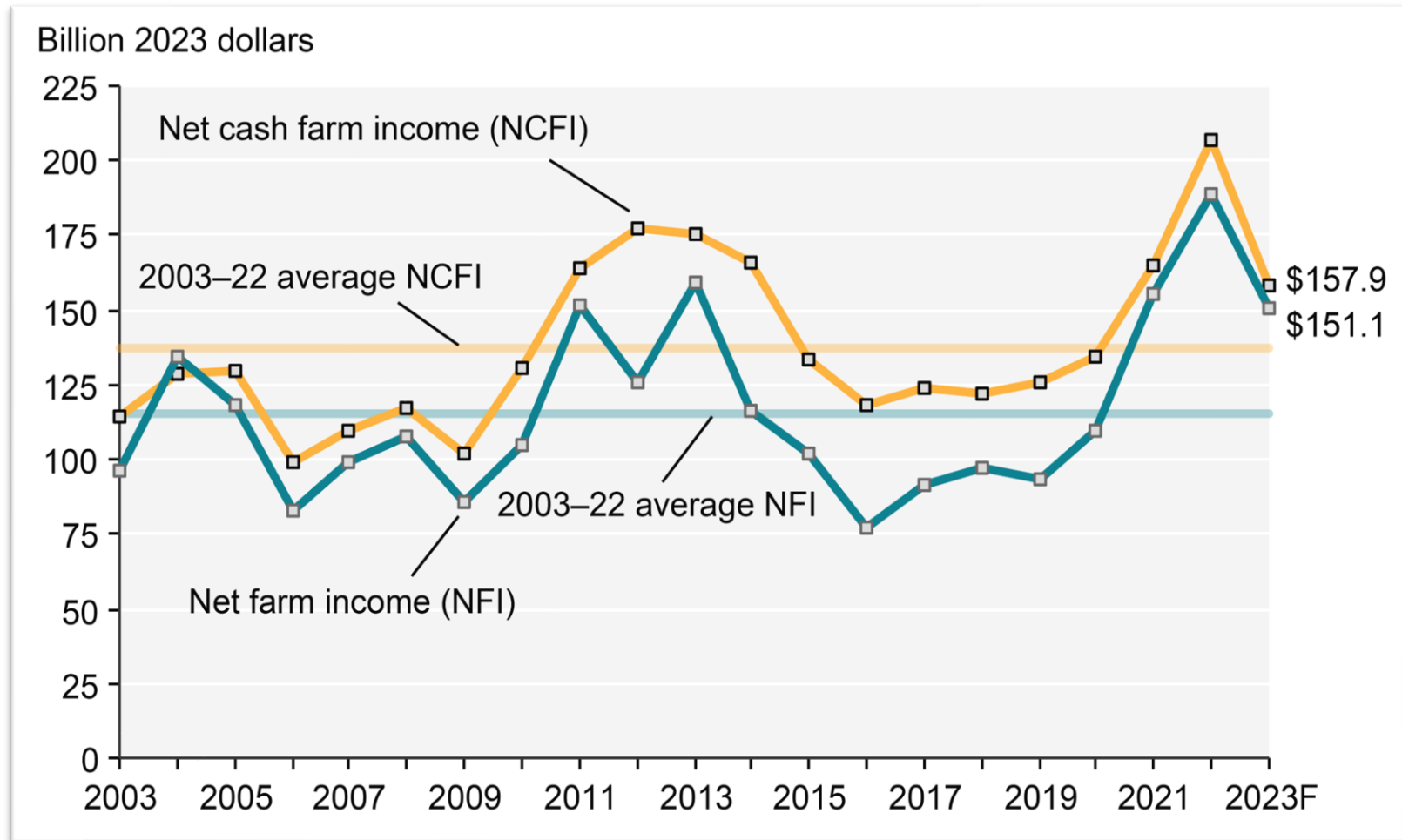
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Louisiana State University Agricultural Center
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www.lsuagcenter.com

U.S. Net Farm Income – Highlighting 2022 to 2023

Previous 20-years



Source: USDA ERS.

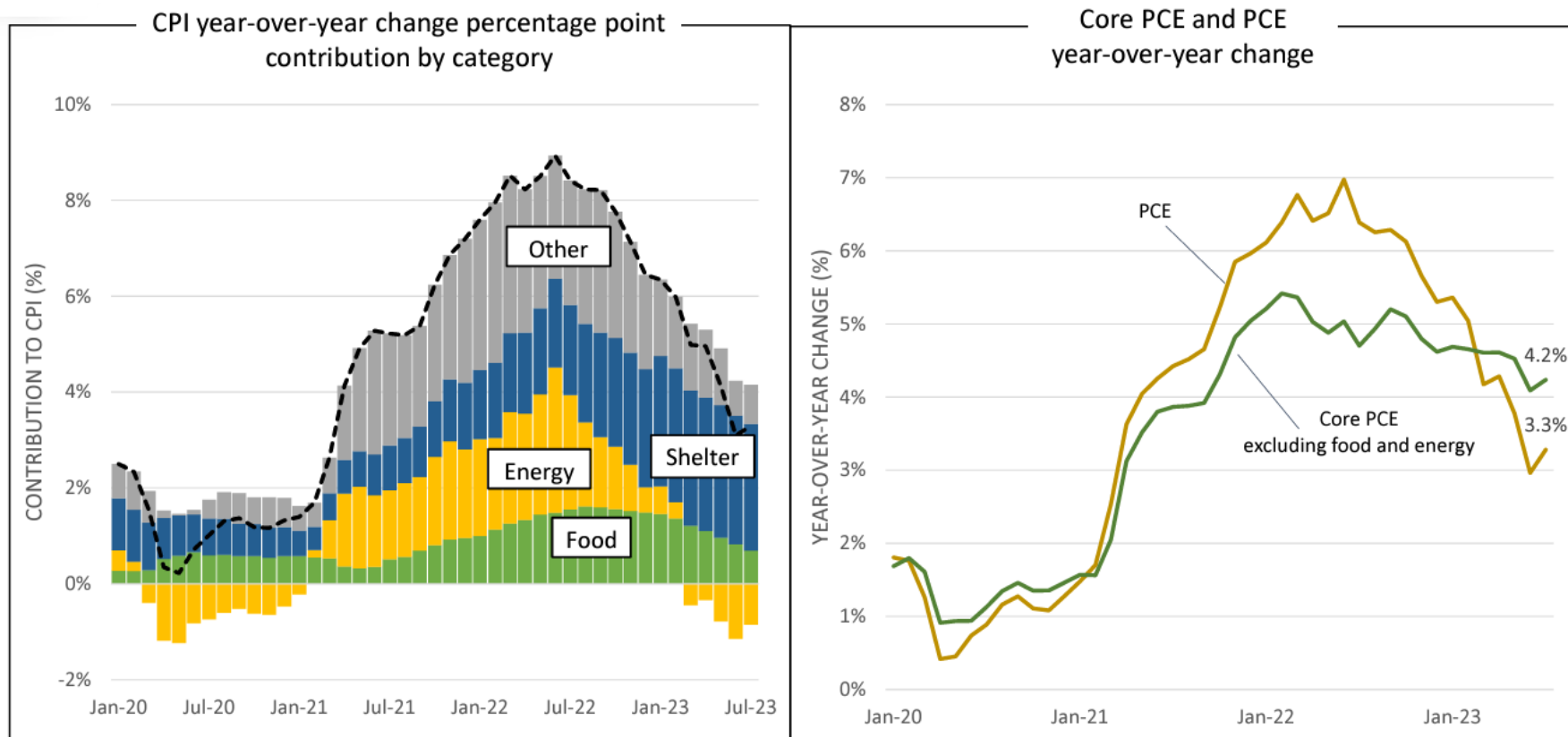
2023 Commodity & Financial Market Price Changes

	12/30/2022	12/15/2023	Percent Change		12/30/2022	12/15/2023	Percent Change
Grains, Oilseeds and Fiber				Energy and Metals			
Corn (Central IL, \$/bu)	6.61	4.44	-32.8%	Crude Oil (Brent futures, \$/barrel)	85.91	76.55	-10.9%
Soybeans (Central IL, \$/bu)	15.02	12.77	-15.0%	Fuel Oil (Futures, No. 2, NY, \$/ gal)	3.36	2.62	-22.0%
Hard Red Winter Wheat (CME futures, \$/bu)	8.88	6.43	-27.6%	Natural Gas (Henry Hub, \$/Mmbtu)	4.48	2.49	-44.4%
Soybean meal (CME futures, \$/ton)	479	406	-15.2%	Ethanol (FOB Chicago, \$/gal)	2.20	1.68	-23.6%
Soybean oil (CME futures, ¢/lb)	63.8	50.0	-21.7%	Spot Silver (\$/oz)	23.86	23.87	+0.0%
Cotton (North Delta, \$/lb)	85.37	77.43	-9.3%	Spot Gold (\$/oz)	1,820	2,018	+10.9%
Rice (Long grain milled, white, AR, \$/cwt)	36.12	35.88	-0.7%	Aluminum (CME, \$/metric ton)	2,410	2,234	-7.3%
Sorghum (#2, Texas panhandle, \$/bu)	7.17	4.90	-31.7%	Copper (CME, \$/lb)	3.81	3.87	+1.6%
Thomson Reuters CRB Total Return Index	301	302	+0.3%	Steel (HRC,FOB U.S. Midwest Mills, \$/ton)	744	1,068	+43.5%
Livestock, Food and Dairy				Financial			
Eggs (\$/dozen, Lg grade A whls., Midwest)	5.29	1.61	-69.6%	U.S. Dollar Index	103.5	102.6	-0.9%
Broilers (\$/lb, Nat'l Composite, ¢/lb)	1.22	1.26	+3.9%	U.S. Prime Rate	7.50%	8.50%	+1.00%
Milk (Class III futures,\$/cwt)	20.47	16.14	-21.2%	U.S. 10-year Treasury note price	112.3	112.2	-0.1%
Butter (CME futures, \$/lb)	2.38	2.49	+4.6%	S&P 500	3,840	4,719	+22.9%
Coffee (CME futures, \$/lb)	1.67	2.02	+20.8%	NASDAQ Composite	10,467	14,814	+41.5%
Flour (Hard red winter, Kansas City, \$/cwt)	22.10	18.30	-17.2%	Fertilizer, Transportation, Lumber			
Hogs (CME Lean Hog Index, \$/cwt)	80.74	67.75	-16.1%	Anhydrous Ammonia (Illinois,retail, \$/ton)	1,308	843	-35.6%
Steer/heifer ave, 5-area, dressed, (\$/cwt)	251.19	266.78	+6.2%	Baltic Dry Index (Ocean Freight Index)	1,515	2,348	+55.0%
Feeder Cattle (CME Feeder Cattle Index; \$/cwt)	181.93	219.07	+20.4%	Lumber (\$/1,000 bd. Feet)	497	540	+8.7%
Sources: CME, USDA AMS, Stockcharts.com, DTN Prophetx							

Source: Brock Report, December 21, 2023.

Overall Inflation Moderates

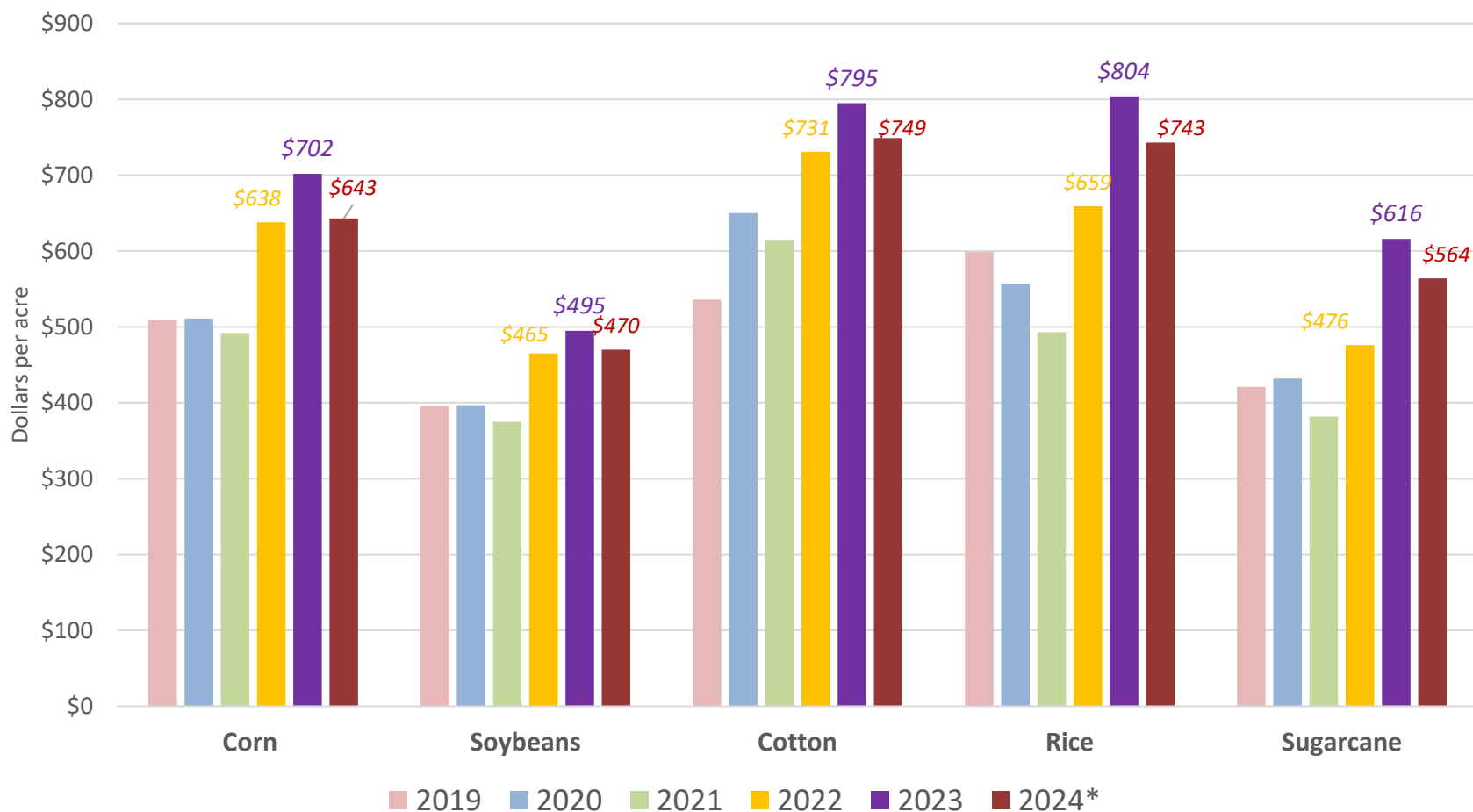
However, core inflation shows slower declines



Source: U.S. Bureau of Labor Statistics Consumer Price Index, author's calculations and U.S. Bureau of Economic Analysis Personal Income and Outlays.

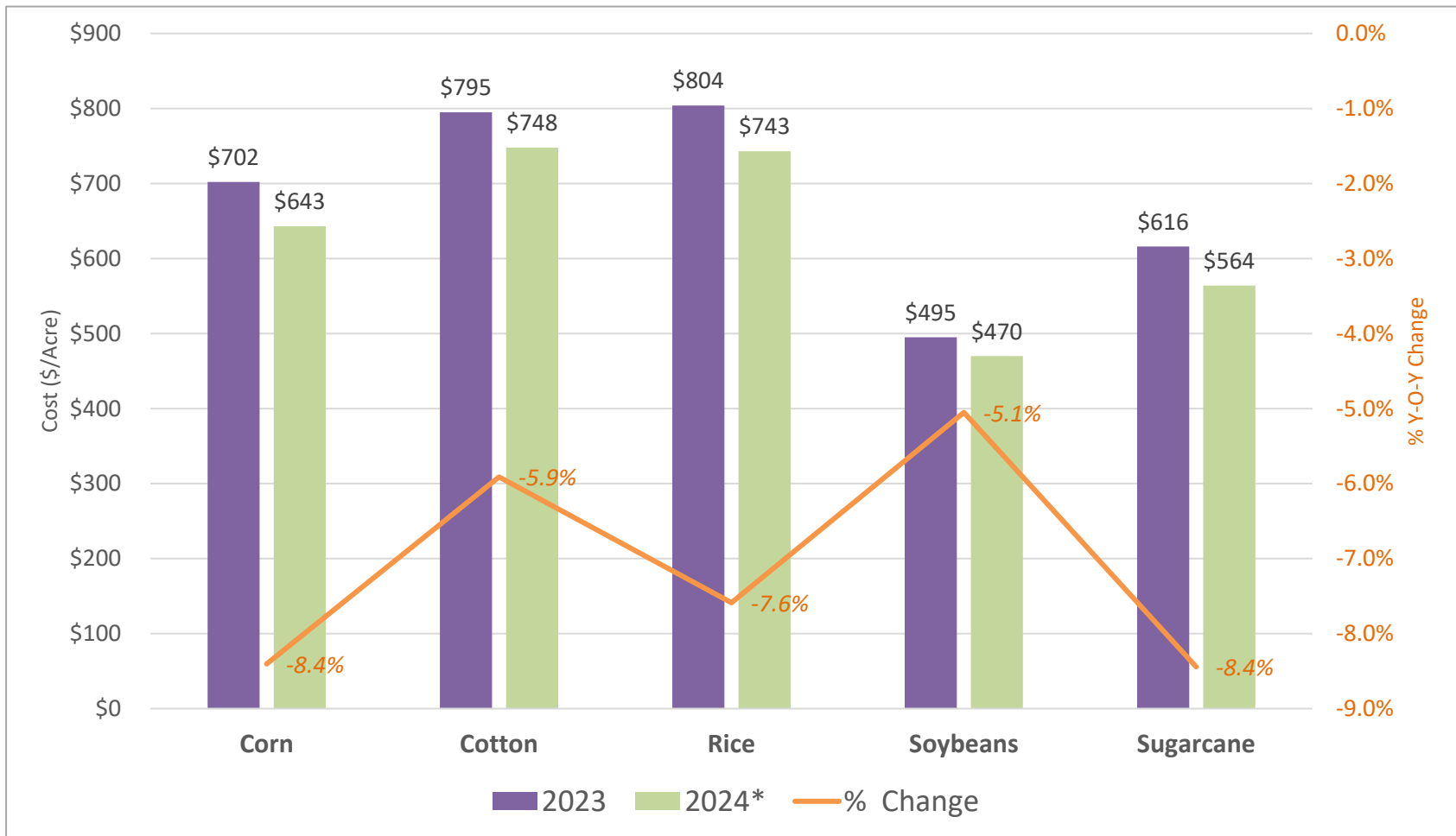
Estimated Production Costs for Louisiana Crops

Direct expenses are expected to decline in 2024 but remain elevated



Estimated Production Costs for Louisiana Crops

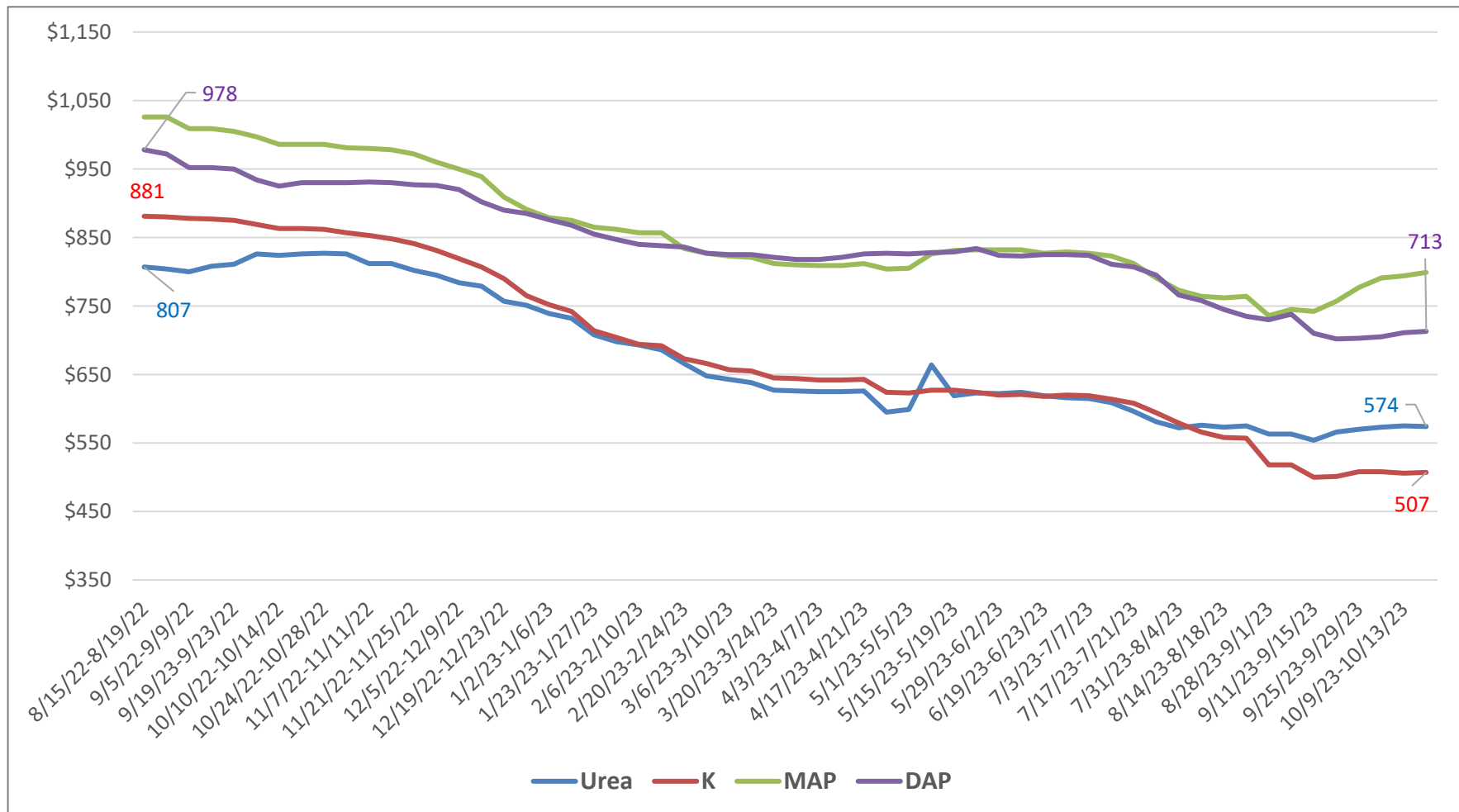
Y-O-Y Change



Source: LSU AgCenter.

National Retail Fertilizer Prices

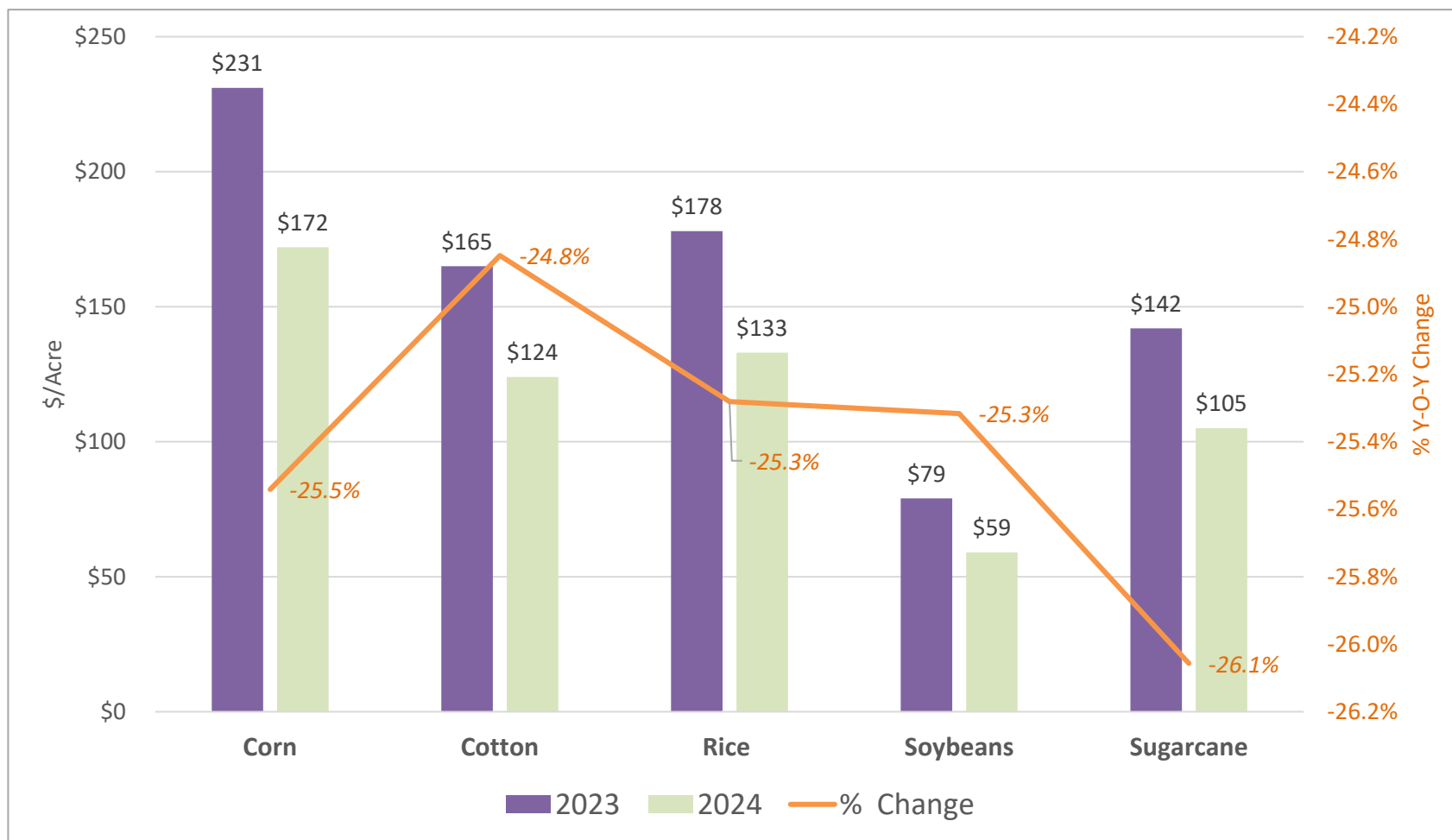
Survey of retailer price quotes (\$/ton) from August 2022 to October 2023



Source: DTN.

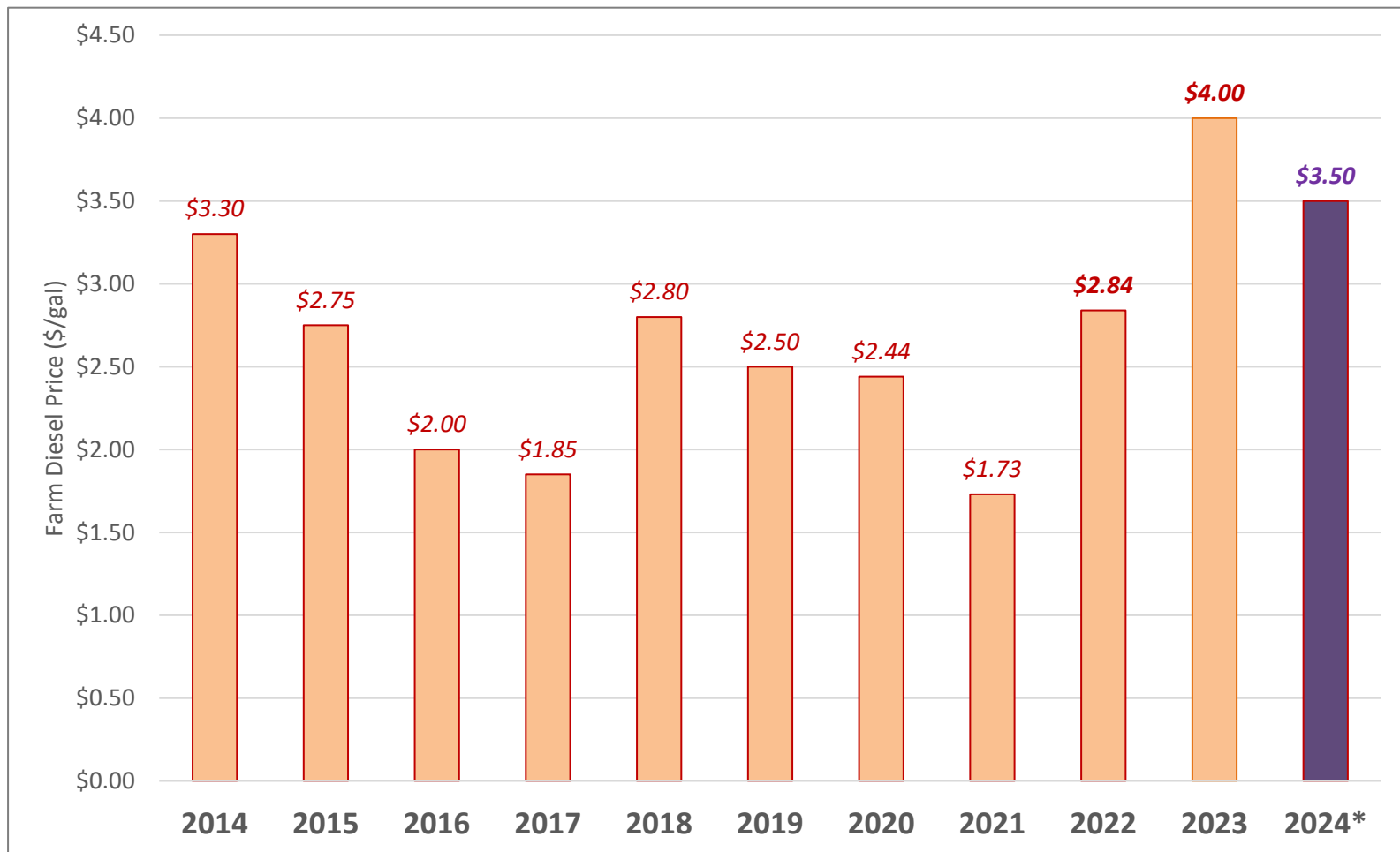
Fertilizer Costs for Selected Row Crops

Y-O-Y Change



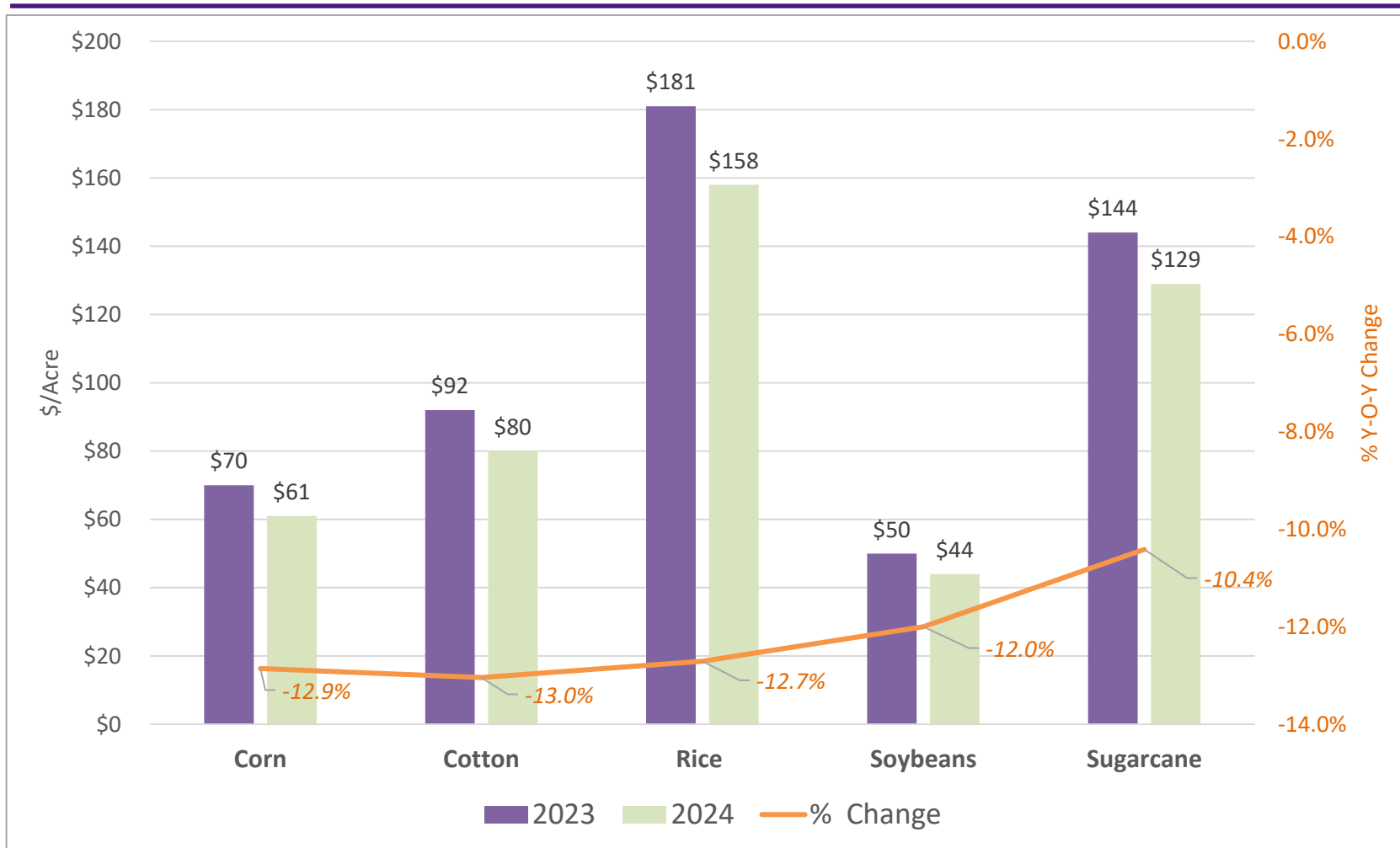
Farm Diesel price per gallon – Louisiana Estimates

Projected farm diesel price in November of previous year



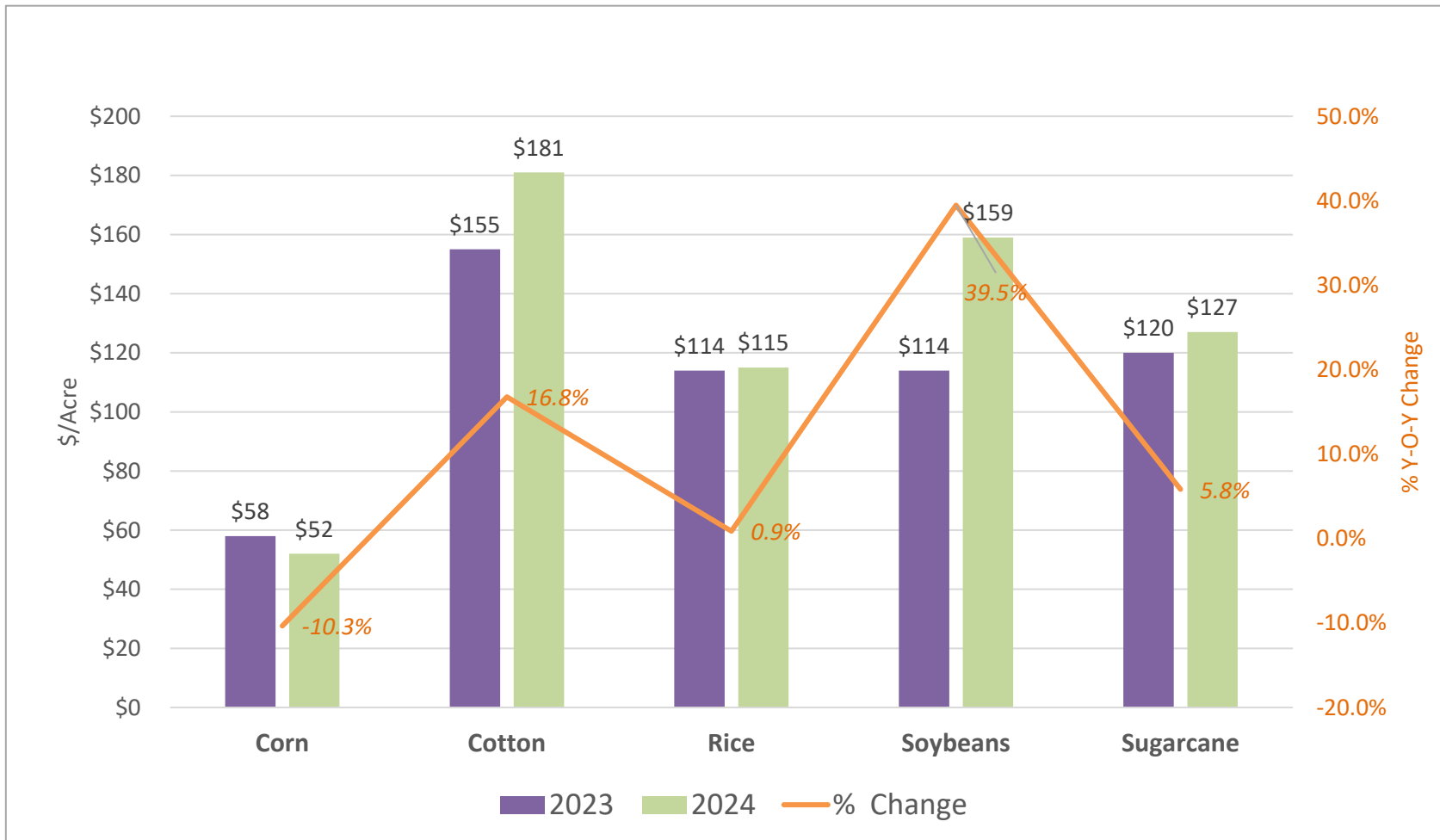
Fuel Costs for Selected Row Crops

Obtained from the AgCenter's projected commodity cost and returns



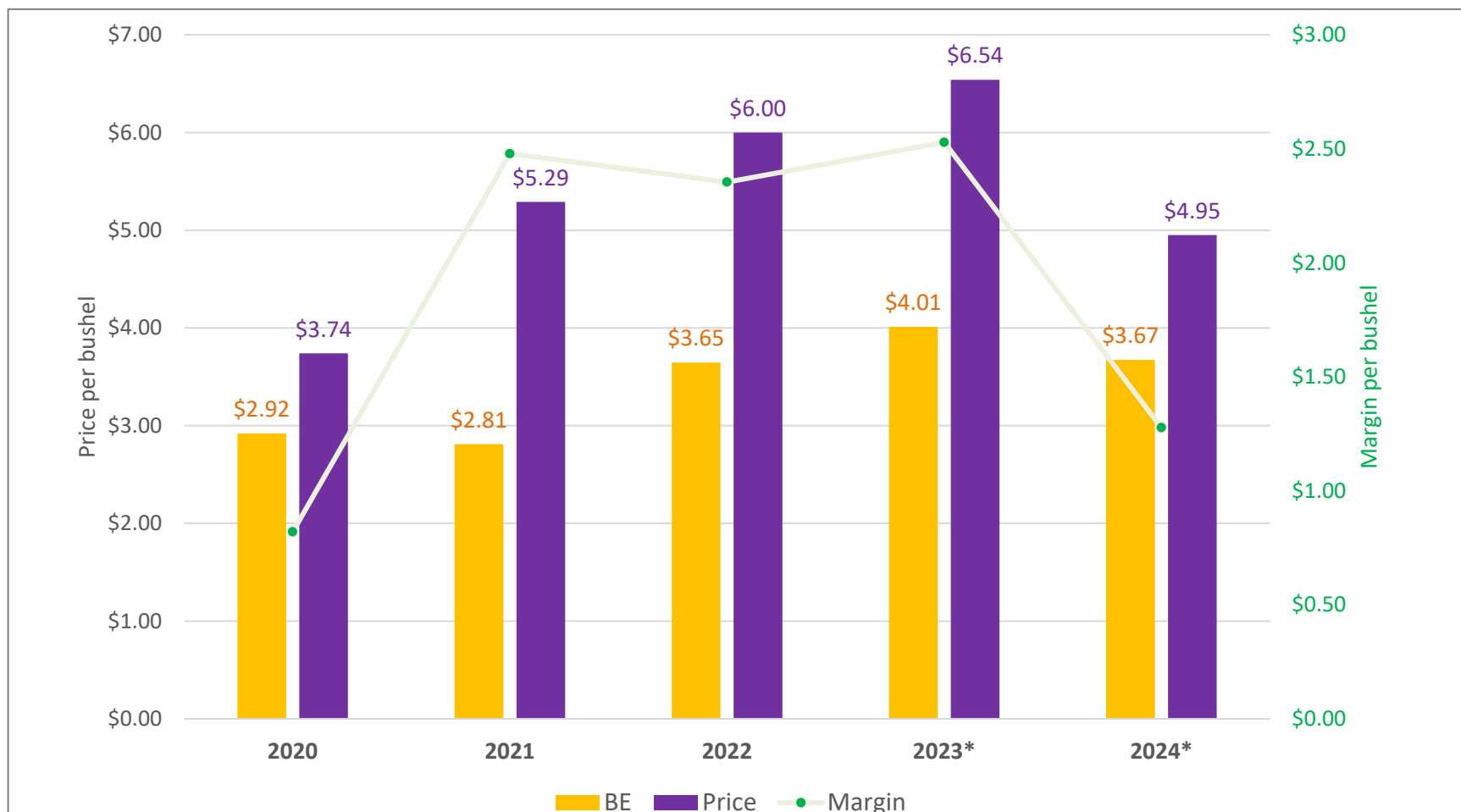
Chemical Costs for Selected Row Crops

Y-O-Y Change



Estimated Breakeven and Margin for LA Corn

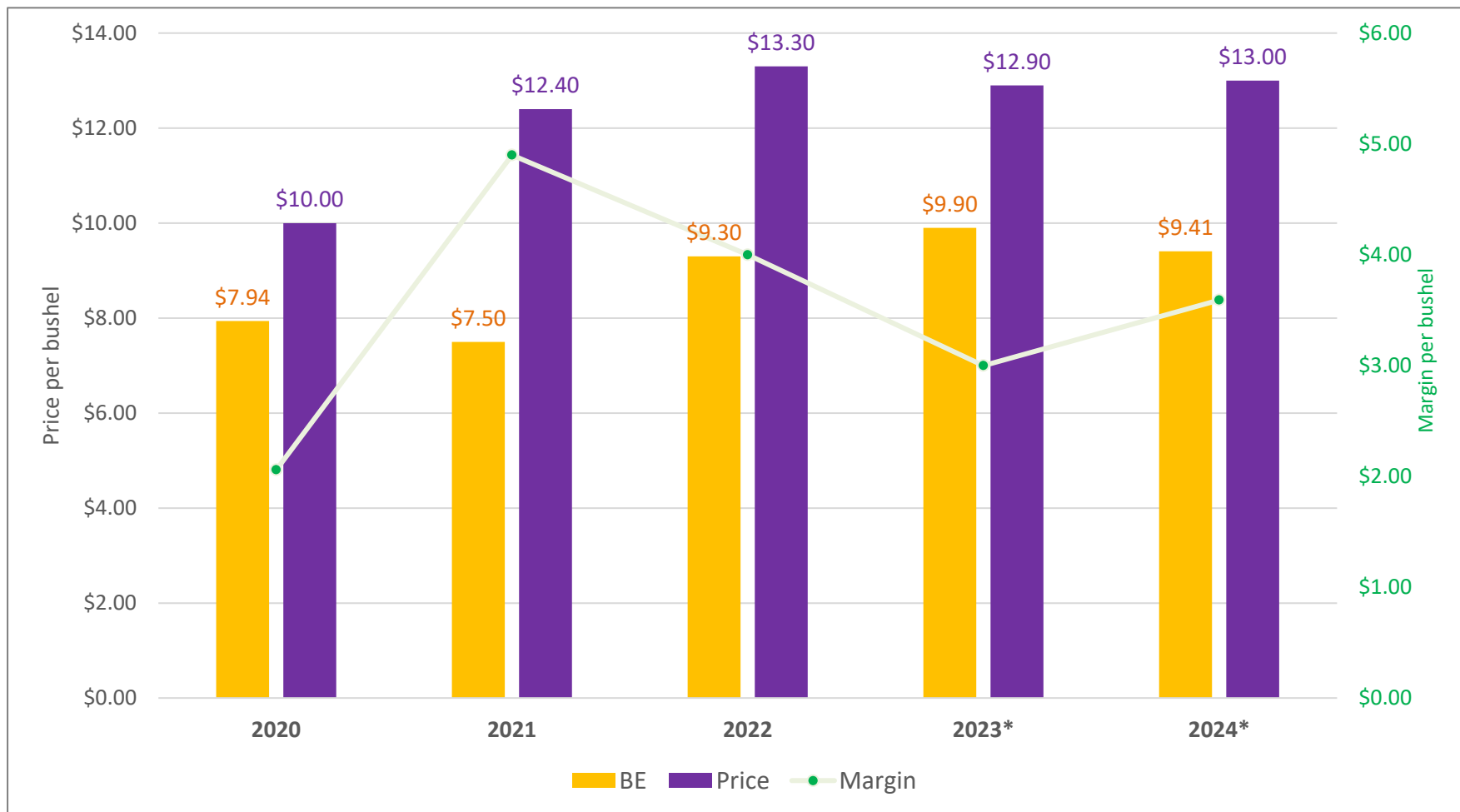
Historical breakeven C.O.P, price, and margin (NRAVC) per unit



estimates assumes yield of 175 bu/ac and \$643 per acre direct cost estimate for 2024.

Estimated Breakeven and Margin for LA Soybeans

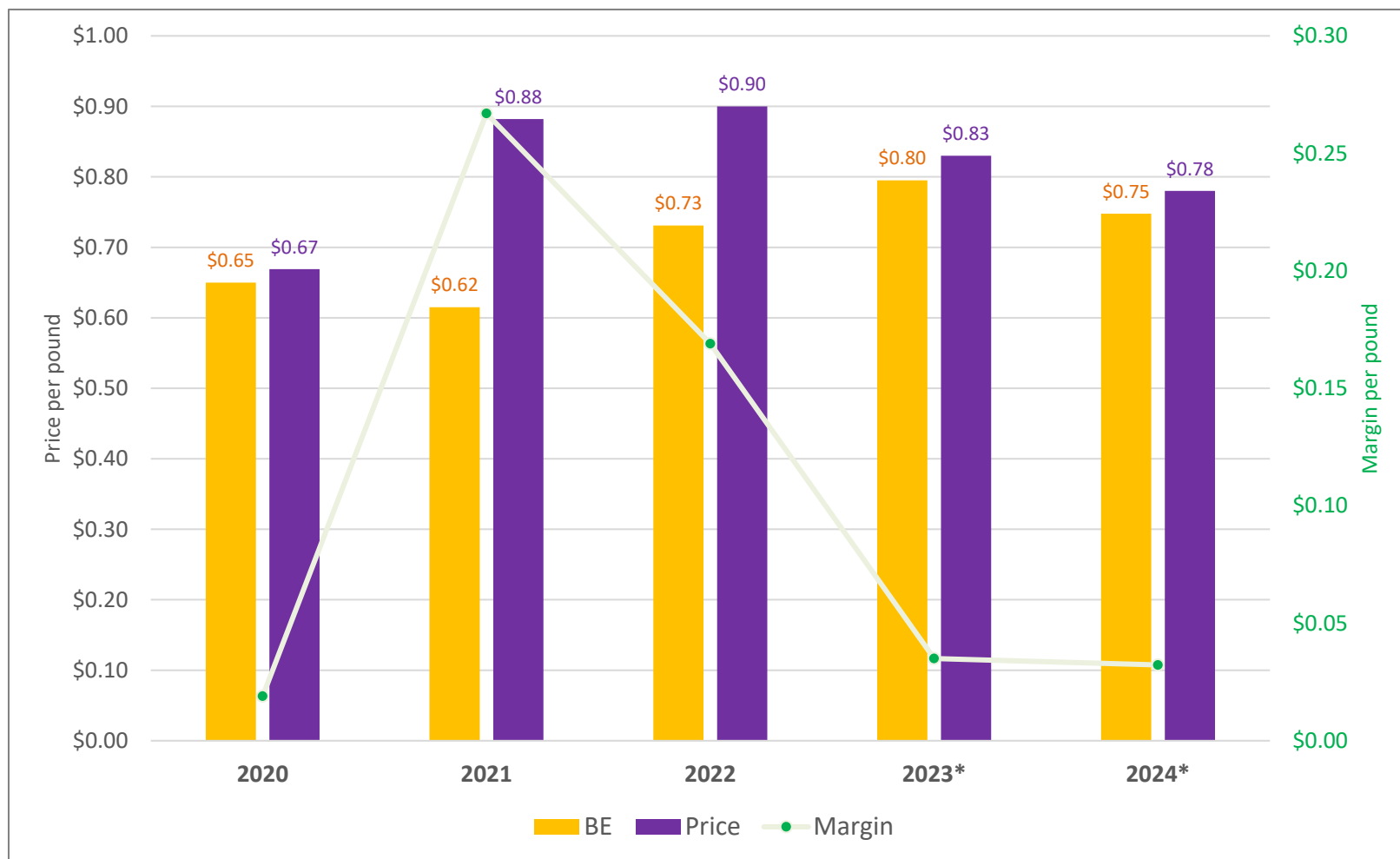
Historical breakeven C.O.P, price, and margin (NRAVC) per unit



estimates assumes yield of 50 bu/ac and a \$470 direct cost estimate for 2024.

Estimated Breakeven and Margin for LA Cotton

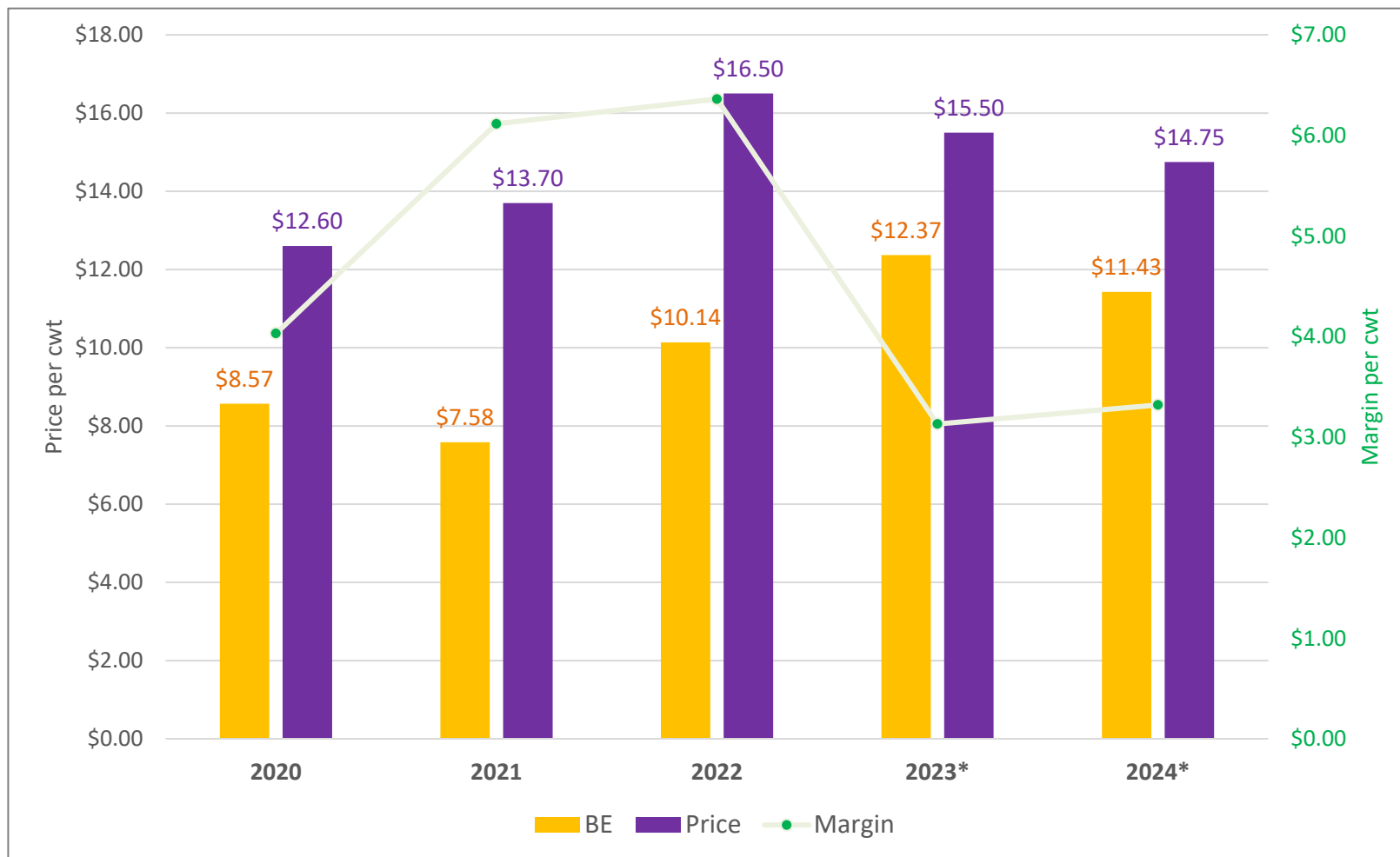
Historical breakeven C.O.P, price, and margin (NRAVC) per unit



estimates assumes yield of 1,000 lbs./ac and a \$748 direct cost estimate for 2024.

Estimated Breakeven and Margin for LA Rice

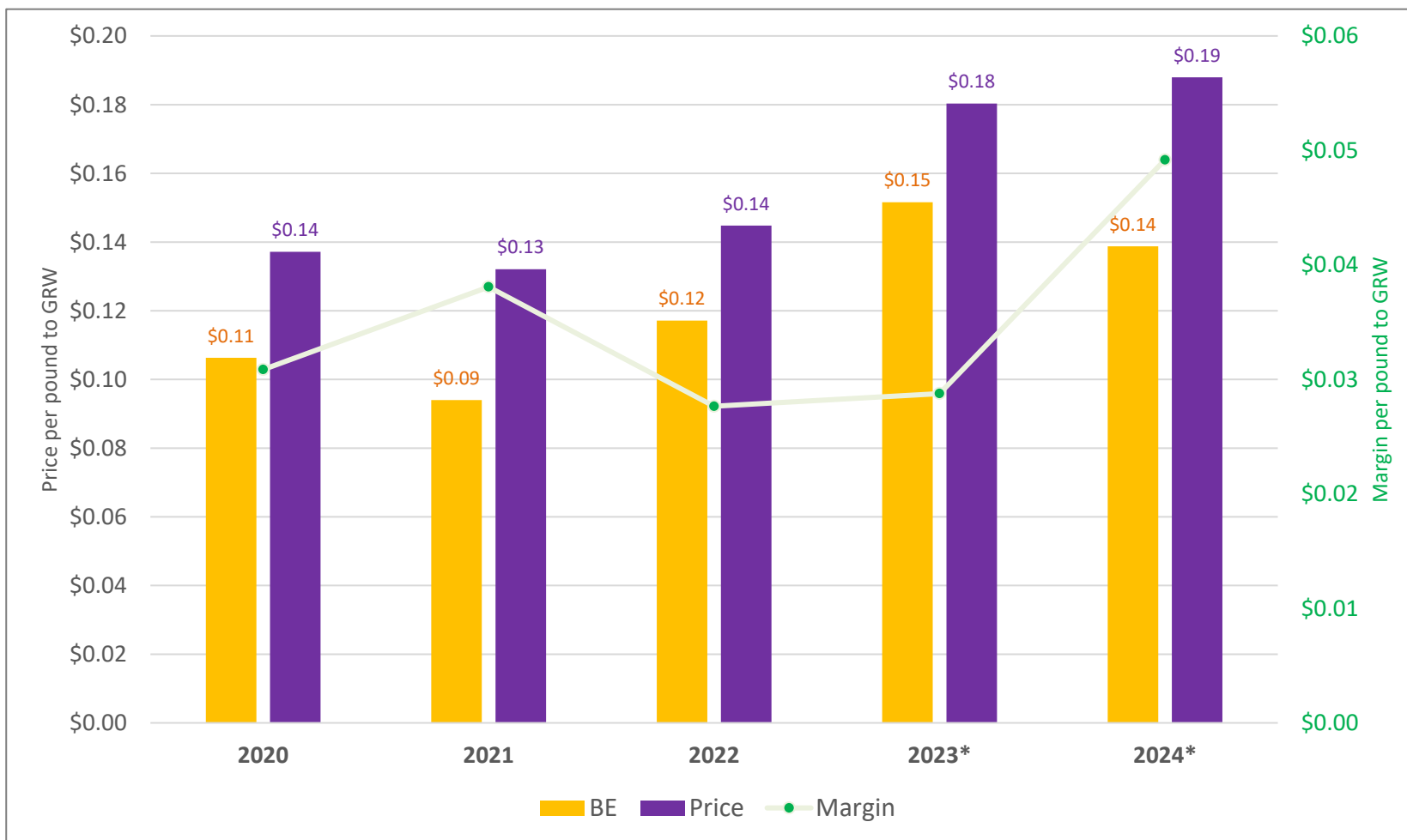
Historical breakeven C.O.P, price, and margin (NRAVC) per unit



estimates assume yield of 65 cwt/ac and a direct cost estimate of \$743 per acre in 2024.

Estimated Breakeven and Margin for LA Sugarcane

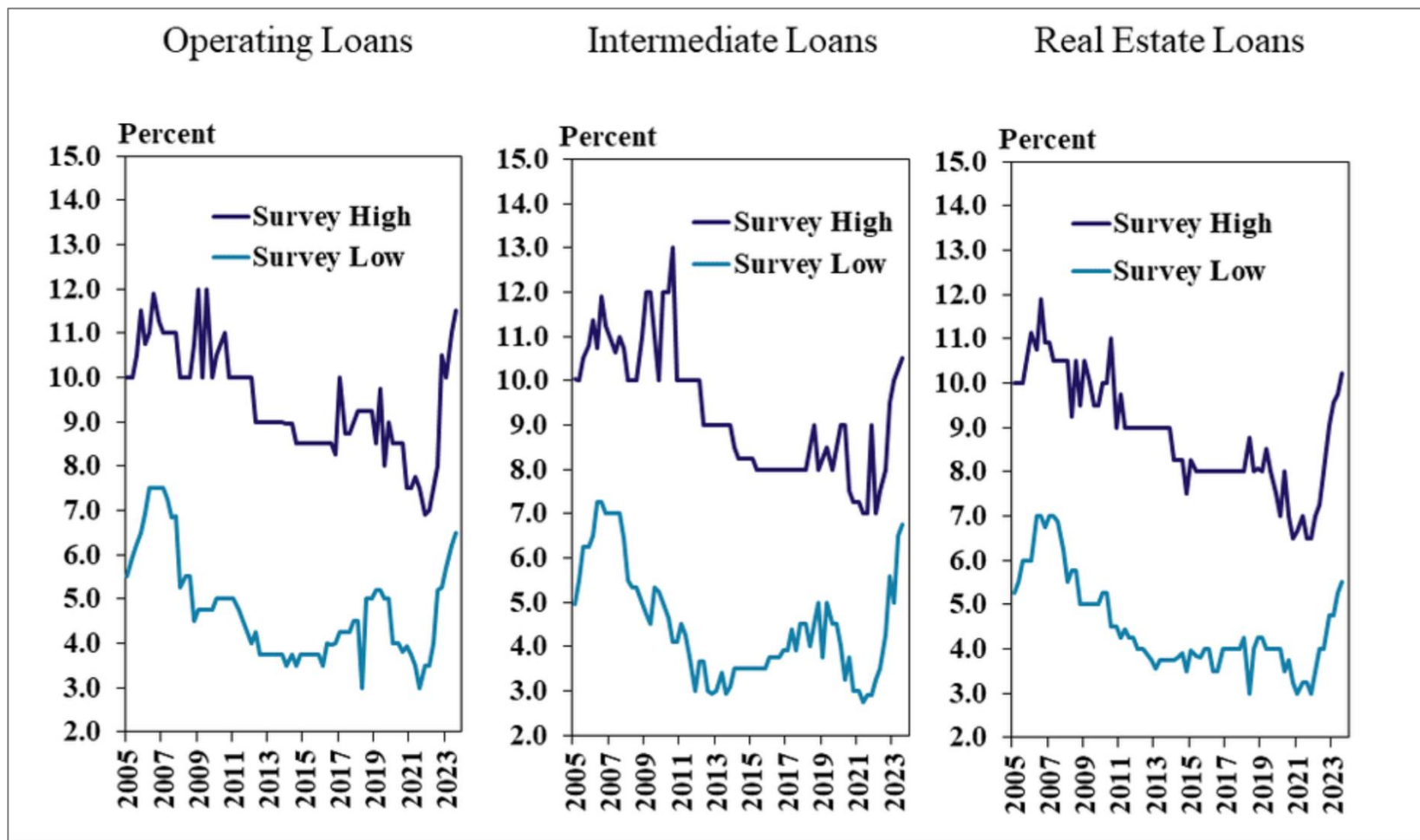
Historical breakeven C.O.P, price, and margin (NRAVC) per unit



Estimates assumes yield of 8,000 lbs./ac and a 1/6 share rent reflects grower's (GRW) share of raw sugar price. Reflects a \$564 weighted farm direct cost per acre for 2024.

Interest Rates in Agriculture

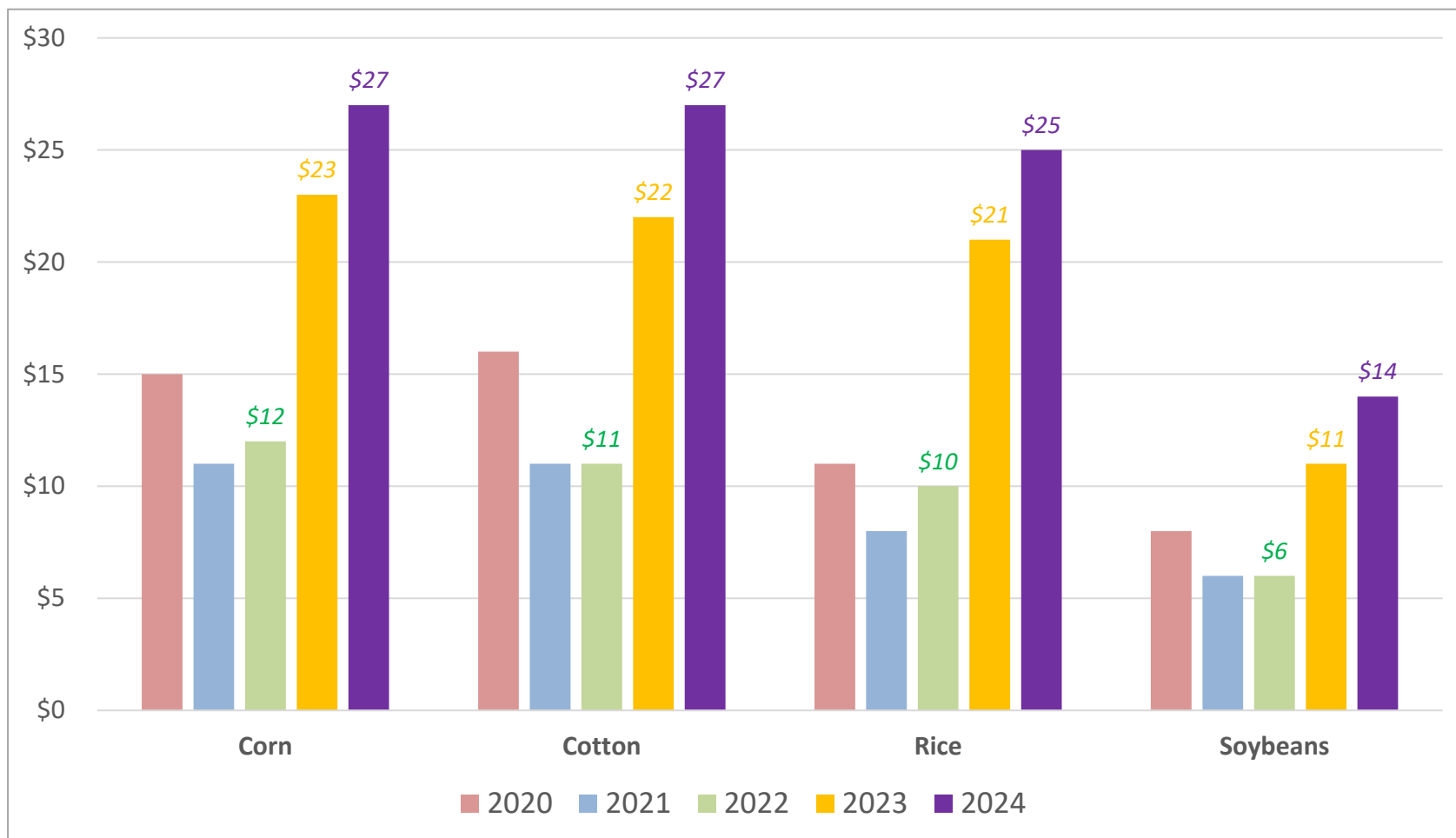
Average Tenth District interest rate, by loan type



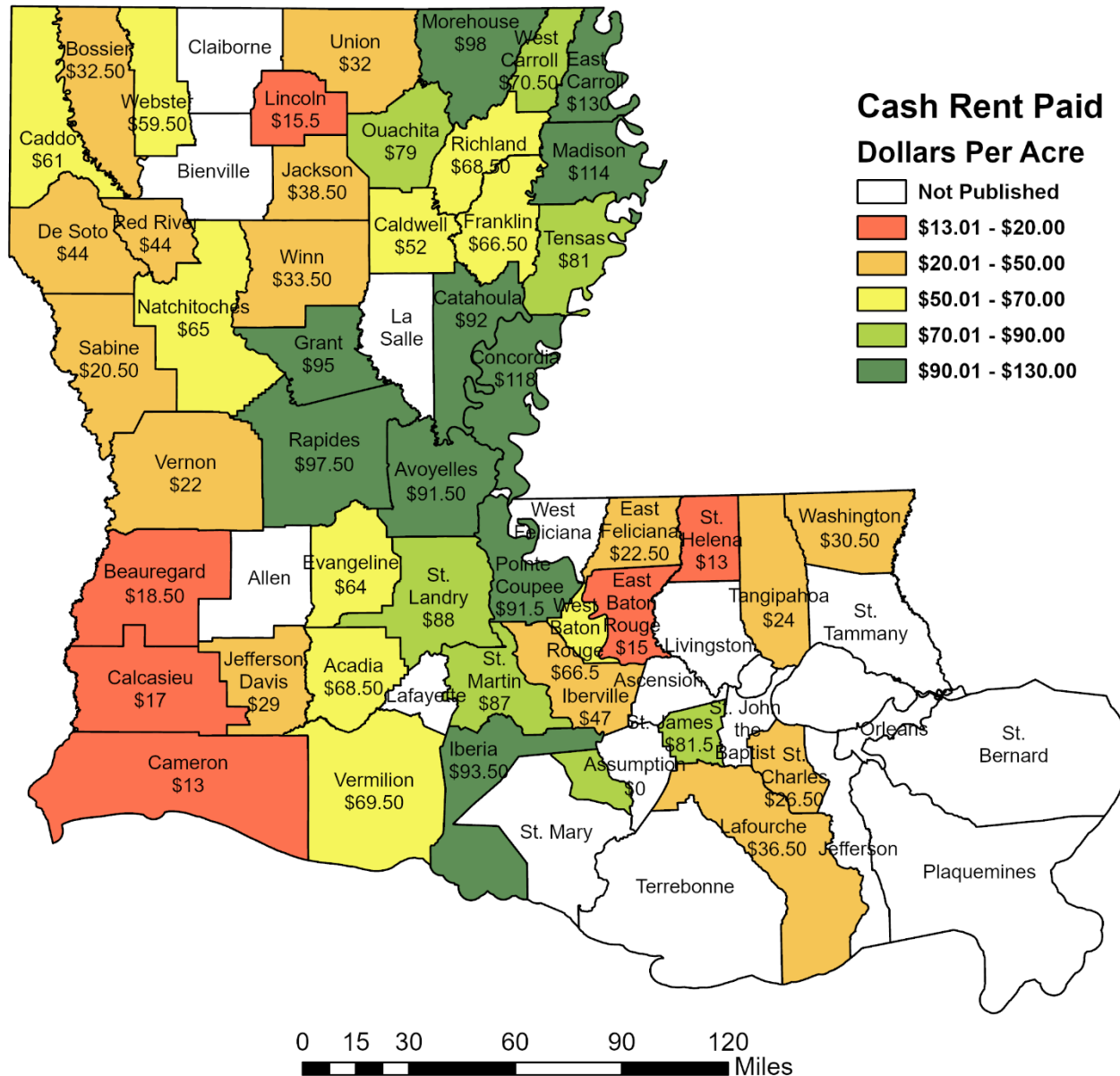
Source: Kansas City Federal Reserve, Ag Credit Survey, November 2023.

Interest for Selected Row Crops

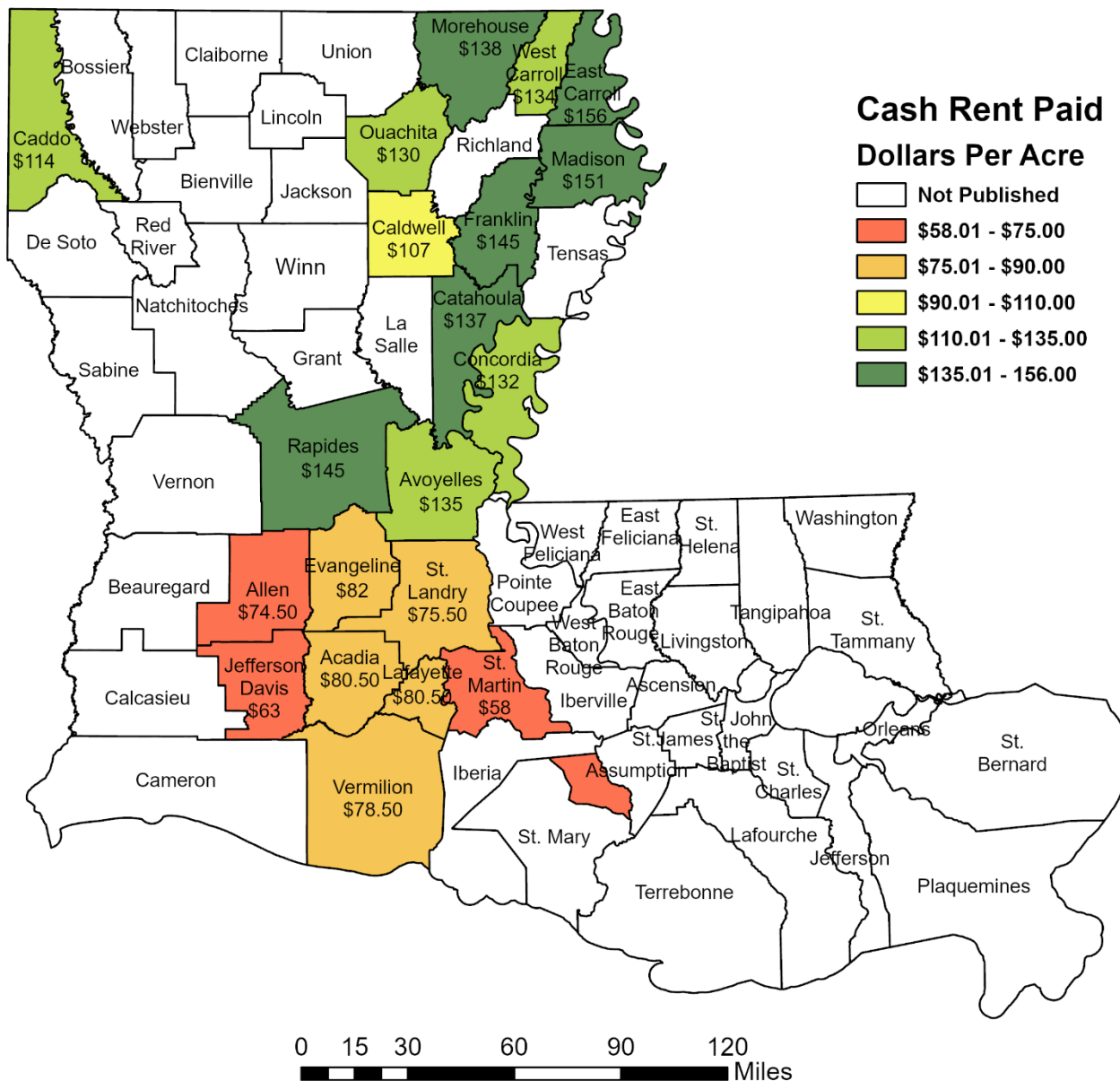
Obtained from the AgCenter's projected commodity cost and returns



2023 Non-Irrigated Cropland Cash Rent Paid Per Acre Louisiana



2023 Irrigated Cropland Cash Rent Paid Per Acre Louisiana



*Appreciation for this farm management research
is extended to the following groups.*

