UNIVERSITY OF VERMONT EXTENSION
CULTIVATING HEALTHY COMMUNITIES

Farm Management Team Q & A's

By Glenn Rogers, Farm Management Specialist #5

(B) Author's Note: These fact sheets are a result of questions posed to me and answered in a national publication over the years.

How to Shave Rent and Crop Input Costs?

February 2006 /Revised June 2009

We've been cash-renting ground for nearly 50% of our corn and soybean production. Our initial budgets are flat out scary! Are there any new wrinkles to reducing our cash rent costs? If not, where do you recommend that we start shaving crop input costs?

As we progess forward into tighter times it will be interesting figuring out how to balance costs with expected incomes. This will hold true for crop production as well as milk production. Although energy prices have retreated from all time highs, they are expected to return to higher levels. The high energy prices are impacting fertilizer costs, and also the cost of machinery and even our labor, and supply bills. It ripples throughout the broad spectrum of agriculture.

Each year, more farmers are switching to post emergence nitrogen tests and doing more side-dressing of fertilizers. Manure analyses are much more the norm for not only fertilizer amounts being applied but also for nutrient management plan compliance. We also are seeing more farmers doing some fertilizer plots to just see how little they can get by on for one year. I hesitate to say that it's possible to rely on residual nutrients in the soil for 2 or more years without some soil testing and some discussion with your local agronomist.

I would hope that each year will bring more soil testing, more manure analysis, and more test plots, and more rotations along with fewer passes with equipment. This good management helps not only cut the costs but also helps the environment. We should also study those variety trial results to determine the most milk yield/ton and milk yield/acre vs. gross tonnage or dry matter per acre. In Vermont, farmers sell primarily milk, not corn. Finally, look at alternative crops, alternative ways to get manures into the soil, alternative ways to reduce erosion and alternative ways to increase yields with reduced costs. The cost/price squeeze is forcing us to look at alternatives and some of them may provide promising returns, but it may not be in the first year.

Long term rental rates will continue to remain high but it is more important to lock in those prices with the option to renew than to rely on short term rents and not be sure of the land in the future.