

USING NO-TILL ONLY IN LEAN YEARS MEANS THROWING AWAY \$\$\$\$\$\$\$\$ \$\$\$\$\$\$\$\$ IN GOOD YEARS

TOP 3 WAYS FARMERS PLAN TO CUT COSTS IN 2015

Several times each year, *Farm Journal Media* conducts surveys across the U.S. to understand trends and topics that matter most to farmers. Earlier this spring, more than 700 farmers shared their plans for reducing costs – and improving profit margins – in 2015.

1. Reduce farm equipment purchases (67.9%)¹
2. Delay non-equipment capital purchases (44.1%)²
3. **EMPLOY NO- OR LOW-TILL PRACTICES (41.3%)³**

Number three on the list is something every farmer can do every year. If you save significant money by using no-till in years with low commodity prices, you save the same money when commodity prices are high. Why would a business person waste this opportunity to be more efficient and put additional money in his or her pocket?

NO-TILL: IT SAVES MONEY IN GOOD YEARS AND BAD YEARS.

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COMPARING NO-TILL, STRIP-TILL, AND CONVENTIONAL FARMING (RIP)

SURVEY: FARMERS OFFER THEIR BELT-TIGHTENING STRATEGIES

In a recent *Farm Futures* survey, hundreds of farmers revealed how they are making adjustments to cope with low grain prices.

“More cover crops to recycle nutrients and lower herbicide needs.”

“Prepay crop expenses; go all no-till.”

“We planted cover crops to, hopefully, decrease input costs and retain moisture.”

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COMPARISON PER ACRE			
DESCRIPTION	RIP	STRIP	NO-TILL
Total cost per acre	\$156.48	\$129.63	\$119.48
Difference from no-till	\$37.00	\$10.15	\$0.00
Crop protection products savings	(\$2.66)	\$0.00	\$0.00
Net difference	\$34.34	\$10.15	\$0.00
Corn yield to cover entire cost at \$3.50/bu	9.8 bpa	2.9 bpa	0 bpa
Soy yield to cover entire cost at \$10/bu	3.4 bpa	1.0 bpa	0 bpa

COSTS PER ACRE			
DESCRIPTION	RIP	STRIP	NO-TILL
Fuel	\$16.97	\$11.94	\$10.69
Labor	\$21.21	\$17.57	\$16.71
Repairs and maintenance	\$14.48	\$12.75	\$12.52
Capital	\$40.59	\$36.06	\$31.89
Depreciation	\$58.23	\$48.81	\$42.67
Custom hire	\$5.00	\$2.50	\$5.00
Total	\$156.48	\$129.63	\$119.48

LABOR AND FUEL			
DESCRIPTION	RIP	STRIP	NO-TILL
Tractor hours	1,642	900	797
Labor hours (in season)	4,133	3,397	3,231
Peak labor hours/day (Spring)	92	71	55
Fuel (gallons)	39,586	27,850	24,937

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