

Double Crop Opportunities (Prospects for Post Wheat/Canola Harvest Seeded Crops)



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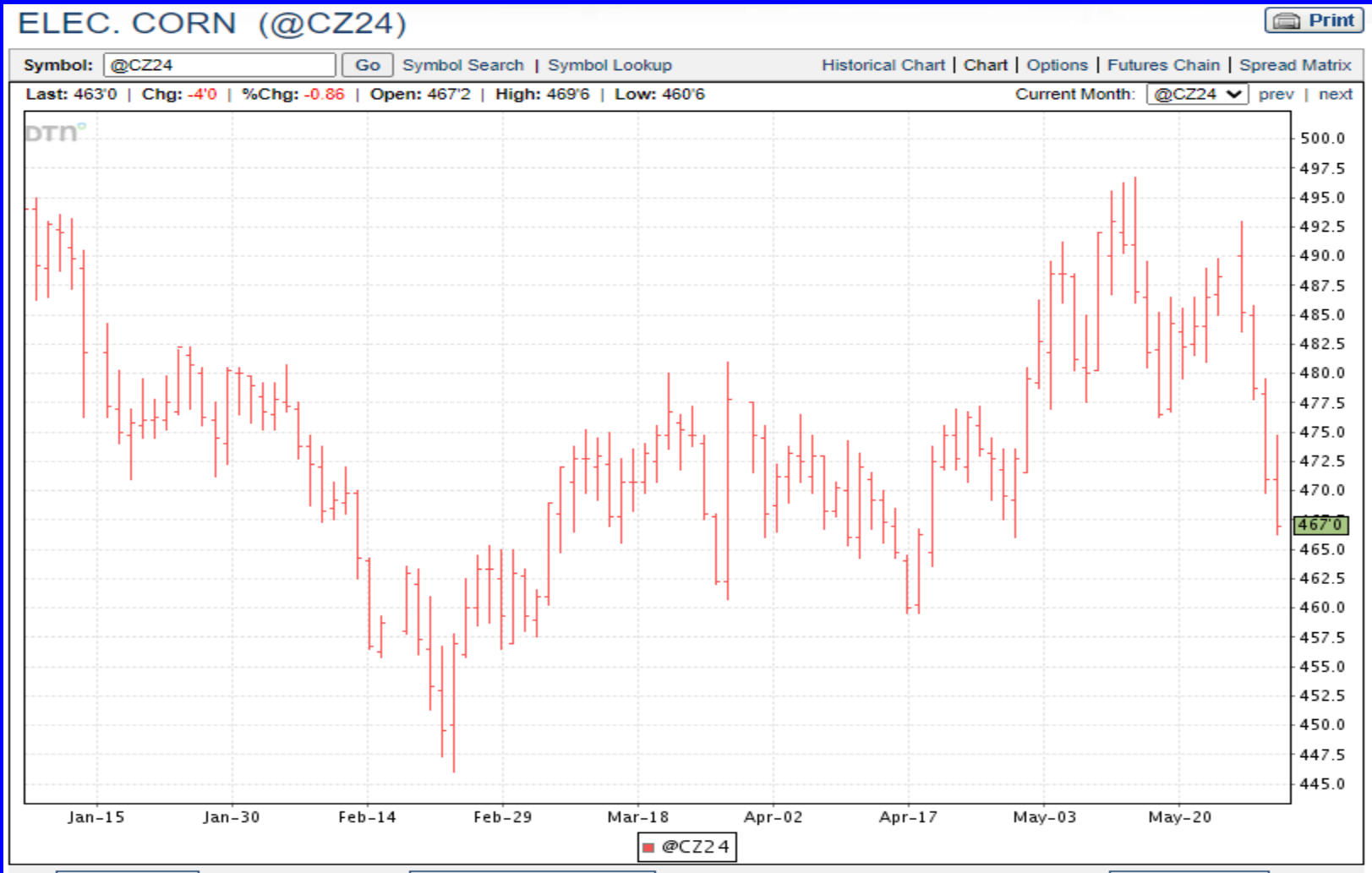
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Weather and Prices Dominate the Outlook

- Crop commodity prices have declined somewhat from the past few years
- Some cost components continue to come down a bit
- Weather and soil conditions look a bit more favorable than the past few years

Dec '24 Corn



What That Implies For a Current Local Price Forecast

- Local basis is not particularly strong at this time (that could change)
- Depending on location in Oklahoma, implies a local price forecast of \$4.60 to \$4.80 per bushel for both corn and milo
- Significantly lower than last few years.

Nov '24 Soybeans



What That Imply For a Current Local Price Forecast

- Around \$11.25 to \$11:50 per bushel would be a reasonable estimate.
- Lower than last few years, but on a relative scale not as much lower as milo and corn

Cost of Production Projection Summaries

- Grain Sorghum --- \$220 to \$240 per acre before land cost. Adding a land cost would add to that (discussion a bit later)
- Soybeans --- \$202 to \$225 per acre before land cost. Adding a land cost would add to that.

What Does That Imply for B.E. Yields

Milo

- Low cost no land charge, BE yield = 47
- High cost including a land charge, BE yield = 51
- Corn ?? Little higher due to seed costs.

Soybeans

- Low cost no land charge, BE yield = 18
- High cost including a land charge, BE yield = 20

Close to The Long-Term Normal Expectation

- Slim margin projections, not a lot of “economic” profit potential for “average” production expectations
- Low cost, or higher yielding producers can expect higher returns
- Some reluctance (caution) out there due to recent year’s production challenges for summer crops in general

Possibilities For Better Weather

- Depends on location. Most cropping areas of Oklahoma have better moisture now than last year. Current long term forecast looks a bit more favorable in terms of temperature and moisture

Possibilities For Better Margins

- Look at the Cost Components
 - Seed (it is what it is)
 - Fertilizer (manage through split applications)
 - Harvest
 - Pesticide
 - Crop Ins (depends on what county your in)
 - Machinery Operations (minimize for DC)
 - Interest
 - Misc
 - Rent or Land Charge

One Cost Component That We Should Talk About for Double Crop

- Rent: One of the most common questions we get about double cropping – what to do about “rent” (or land charge in general)
- One thing is for certain—traditional crop share rents for double crop will not work at all for the tenant--

- Several different points of view on the rent issue. My preference is to consider a small cash land contribution fee for the double cropping activity (it is not the primary crop for the farm for any given year). One of the reasons for double cropping is to inject some crop diversity (capture some benefits similar to cover cropping), while transitioning to a different seasonal crop for the following year.

Possibilities For Better Margins

- Revenue (marketing) opportunities
 - Market price moves are large from an historical perspective. Use forward pricing opportunities to take advantage when positive margins present themselves

Summary

- **Conditions in many areas of Oklahoma are better than they have been for a few years for double crop planting**
 - **Margin projections are a bit tight, a lot more investment per acre is on the line**
 - **There may be some potential for cost management**
 - **A market upswing may provide opportunity to lock in modest positive margins**

- Post any questions or comments in the chat box
- Please give us some feedback
- https://okstatecasnr.az1.qualtrics.com/jfe/form/SV_6sthXll6add1AG2