

Pricing Drought-damaged Silage

Corn that has suffered severe drought damage is sometimes harvested as silage instead of as grain. It can still have significant feed value if harvested at the right stage. See the article “Alternatives for Drought-damaged Corn—Grain Crop or Forage” <http://www.extension.iastate.edu/CropNews/2012/0710barnhartelmore.htm> for harvesting recommendations. Any damaged acres that are covered by crop insurance should be viewed by an adjustor and released by the insurance company before harvesting takes place.

Grain producers may be willing to sell corn standing in the field to be harvested by a livestock producer or custom operator. The buyer and the seller must agree on a selling price. The seller would need to receive a price that would give at least as good a return as could be received from harvesting the corn as grain. The buyer would need to pay a price that would not exceed the feeding value of the corn. Within that range the price can be negotiated.

One ton of normal, mature standing corn silage at 60 to 70 percent moisture can be valued at about eight times the price of a bushel of corn. For a \$6 corn price, a ton of silage would be worth about \$48 per ton. However, drought stressed corn may have only 5 bushels of grain per ton of silage instead of the normal 6 to 7 bushels. A value of about six times the price of corn would more appropriate. For silage with little grain content, a factor of five times the price of corn can be used.

If the crop is sold after being harvested and transported, those costs must be added to that value, typically \$5 to \$10 per ton, depending on whether it is done by a custom operator or the buyer, and the distance it is hauled. A buyer would only consider the variable costs for harvesting and hauling, whereas a custom operator would need to recover fixed costs, as well.

An electronic spreadsheet for estimating a value for corn silage, for both the buyer and the seller, is available at <http://www.extension.iastate.edu/agdm/crops/html/a1-65.html>.

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