

Suggested Closing Inventory Prices For 2019 Records

Ag Decision Maker

File C1-40

Grain (bushels)

Corn	\$ 3.60
Soybeans	8.60
Oats	3.00
Wheat	4.50
Barley (feed)	2.50
Sorghum (per cwt.)	6.00
Flax seed	9.00

Silage (ton)

Corn silage	\$ 32.00
Oat silage	42.00
Haylage	57.00

Hay and Straw

Alfalfa - per ton	\$ 159.00
- per bale, large rd. or sq.	117.00
- per bale, small square	6.30
Grass legume - per ton	\$ 114.00
- per bale, large rd. or sq.	78.00
- per bale, small square	5.00
Straw - per ton	\$ 95.00
- per bale, large rd. or sq.	48.00
- per bale, small square	4.70
Cornstalks - per ton	\$ 60.00
- per bale, large rd. or sq.	35.00

Suggested Prices for Home-used Production

(average price for the year)

Broilers - per lb.	\$.49
Turkeys - per lb.	.56
Eggs - per dozen	.74
Hogs - per live cwt.	52.76
Cattle - per cwt.	63.00
Lamb - per cwt.	141.00
Whole milk - per cwt.	18.55

Livestock

Heifer calves	- per cwt.	\$ 138.00
Steer calves	- per cwt.	158.00
Yearling heifers	- per cwt.	134.00
Yearling steers	- per cwt.	143.00
Market heifers (live weight)	- per cwt.	119.00
Market steers (live weight)	- per cwt.	119.00
Weaned pigs (10-12 lbs.)	- per head	41.00
Feeder pigs (40 lbs.)	- per head	51.00
Market hogs (live weight)	- per cwt.	46.00
Feeder lambs (90-110 lbs.)	- per cwt.	194.00
Market lambs (live weight)	- per cwt.	153.00
Hens	- each	5.00
Broilers (live weight)	- per lb.	.80
Turkeys (live weight)	- per lb.	.80

Livestock Held for Breeding

Beef cows	- per head	\$ 1,100.00
Dairy cows	- per head	1,100.00
Heifer calves	- per head: beef	800.00
	- per head: dairy	600.00
Bred heifers	- per head: beef	1,200.00
	- per head: dairy	1,100.00
Ewes	- per head	130.00
Gilts	- per head	215.00
Sows	- per head	225.00

Pasture Rates

Improved pasture	- per acre	\$ 75.00
Permanent pasture	- per acre	51.00
Per animal unit month		17.00

Suggested Values for Opportunity Costs of Unpaid Resources

Farm net worth		4%
Operator labor	\$3,000 per month	
Unpaid family labor	\$2,500 per month	

FM 1490 Revised December 2019

Suggested Closing Inventory Prices

A uniform set of closing inventory prices for farm products can be used for several purposes. A net worth statement or balance sheet should be developed on or around January 1 to measure the financial progress of the farm from year to year. An up-to-date balance sheet is also requested by most lenders when a loan application is made. Inventory prices can be used to value the crops, livestock, and supplies that the farm has on hand at the time the statement is taken.

Inventory prices are also used for developing an accrual net income statement. Year-to-year changes in inventories need to be considered to accurately estimate the net income that a farm earns each year. Farmers who use the accrual accounting method to complete IRS Schedule F - Profit or Loss from Farming for their income tax return also need to accurately value their inventory of crops, livestock, and products.

The inventory list also includes suggested values to use for home used products. The value of crops, livestock, or livestock products that are consumed rather than sold should be added to the gross income of the farm when an income statement is completed. The value of farm products consumed at home does not need to be included in taxable income. However, the cost of producing these products should be deducted from the business expenses included on IRS Schedule F. *Publication FM 1421 (Ag Decision Maker file B1-15)*, [Deductible Livestock Costs for Adjusting 2019 Income Tax Returns](https://store.extension.iastate.edu/product/1783), <https://store.extension.iastate.edu/product/1783>, lists some suggested cost adjustments for farm products consumed at home.

Some farm operators like to deduct opportunity costs for farm labor that was not paid an actual wage and for equity capital that was invested in the farm business to calculate a return to management. This is the amount of income left over after all resources, including unpaid labor and equity capital, have been paid a return. It is useful for comparing the profitability of the business over time and with that of other farms. The suggested values represent typical rates of return earned on farm assets and by farm employees. The suggested pasture costs can be used to estimate the returns to livestock enterprises such as beef cows, dairy, or a ewe flock.

Grain, silage, hay and straw, and feeder livestock can be valued at their potential selling price on the date of the inventory rather than the suggested prices. Prices should be adjusted to reflect local market conditions and differences in quality. Selling and transportation costs should be deducted to arrive at “on-farm” values. Feed supplements and other supplies can be valued at their purchase price rather than the suggested price.

Breeding livestock prices should also be modified to reflect differences in quality. However, unit values for breeding livestock on the same farm should be held constant from year to year to avoid unrealistic swings in net income and net worth. Sires and recently acquired female animals can be valued at their purchase prices.