

By the Numbers

by Roger Long

Any good farm manager knows his numbers: COGS, break-evens, expense ratios, etc., but few have as good a command of their numbers—and are so willing to share—as Mike Jordan. The north-central Kansas grower spews out production statistics like a proud mother rattling off her children's birthdates. Milo cost of production in '06 was \$1.94/bu, first-year wheat was \$2.42/bu, second-year wheat \$2.40/bu, average fuel consumption is 2 gal/a with 1 gal/a for harvest and 1 gallon for planting and spraying. Jordan, a self-proclaimed numbers-lover, says, "I like doing records," and is as comfortable with a computer and an Excel spreadsheet as most growers are with a pair of pliers and baling wire. What numbers he can't recall are retrieved—literally within seconds—on the business computer. Few growers slice, dice, and scrutinize their operation from so many different angles.



Every detail of every operation—from tractor hours per field to the number of tender truck trips per operation—is credited to a field in Mike's FarmWorks software. Such detail may appear tedious and unnecessary on the surface, but his refined records later steer decisions toward greater profitability. Every farm expense finds its way to an individual field, which makes his low cost-of-production numbers all the more impressive. Mike's overall average wheat yield in '06 was 49 bu/a, and when divided into expenses gave him an average cost per bushel of \$2.41 (which included cash rent, and a land charge to himself for owned land, but didn't include his or his wife's labor). Considering most of his wheat was following sunflowers in '06 and that he is seeing an average 5-bushel bump for second-year wheat (+17 bu/a

in '06), his cost may even be less in 2007 due to increased use of second-year wheat. His '06 second-year wheat averaged 63 bu/a, with the only costs being pre-plant stubble spraying, planting, fertilizer, seed, a little in-crop herbicide, and harvest.

Mike is quick to point out that gross revenue per acre of wheat was actually a bit higher when he was tilling and fallowing, but his net profit is much, much higher with no-till: "Cost of production of wheat was \$60 to \$90/a higher in tillage than in no-till." Keep in mind that he is comparing no-till to minimum-pass mulch-tillage, not the more costly multiple disking and field-cultivating of full-bore, clean tillage! How ugly would that be? Mike is now growing a crop on every acre every year, as opposed to just 2 crops in 3 years under his old tillage system, which certainly keeps costs down.

While Jordan's gift for analysis keeps him on his no-till track, the impetus for his no-till start is quite likely inherent: "My dad disliked tillage.

He parked the plows in about 1960 or '61 and went mulch-tillage. He was also one of the first to try atrazine in a chemical-fallow program." Since

Mike's father was his largest landlord, Mike's move to no-till was helped along: "[Dad] just didn't like the waste that went along with tillage—the bare soil, the loss of water, and then the erosion and gullies it created—it just didn't make any sense." Once begun, Mike's transition to no-till went rather quickly: "In 1995, I quit tilling one field as an experiment, then another and another. Yields got better and I never found any reason to till any of them again. After a 4-year transition, I was done with tillage."

Mike's close relationship with his dad, until his passing a few years ago, certainly smoothed the conversion to no-till, especially since his dad had such a big influence on Mike's farming career. "He always liked trying new things. When I first talked to him about trying sunflowers, he said, 'I've been trying to kill them off ever since I've been farming, but if you can find a way to make money off of 'em, I'm all for it!'" And Mike recalls back to his youth, to the very first crop that was *his*—another idea nurtured by his father: "My first crop was 6 acres of

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Jordan's second-year wheat, fall of '06.