

Buying High Moisture Corn at Harvest Time

1. Background

- Although dry corn prices will vary from year to year, they are traditionally lowest at harvest time when supplies are greatest.
- For local farmers who have appropriate storage available, buying high moisture corn at harvest, based on its dry corn value, may be of interest.
- Here's one method.

2. Example

- Let's say dairyman Smith has a field of 26% kernel moisture standing corn.
- Dairyman Jones wants to buy it for high moisture shell corn and will do the combining.
- How can Smith and Jones arrive at a value?

3. Procedure

- The value of high moisture corn depends initially on the kernel moisture content.
 - Using the chart below, we find that with 26% kernel moisture, there are 31.1 bushels of 15.5% shell corn in one ton of wet shelled corn.

Estimated pounds of corn at selected moisture levels to equal one bushel of shelled corn at 15.5% moisture and approximate number of bushels of 15.5% moisture shelled corn in one ton of wet corn (one-half of one percent has been included as dry matter loss).

Percent Moisture in Kernels	Pounds of Ear Corn to Equal 56# 15.5% Shelled Corn	Bushels of 15.5% Shelled Corn in One Ton of Wet Ear Corn	Pounds of Shelled Corn to Equal 56# 15.5% Moisture Shelled Corn	Bushels of 15.5% Shelled Corn in One Ton of Wet Shelled Corn
16.0%	69.5	28.8	56.6	35.3
17	70.8	28.2	57.3	34.9
18	72.1	27.7	58.0	34.5
19	73.4	27.2	58.7	34.1
20	74.8	26.7	59.5	33.6
21	76.2	26.2	60.2	33.2
22	77.7	25.7	61.0	32.8
23	79.2	25.3	61.8	32.4
24	80.8	24.8	62.6	31.9
25	82.4	24.3	63.4	31.5
26	84.1	23.8	64.3	31.1
27	85.8	23.3	65.2	30.7
28	87.6	22.8	66.1	30.3
29	89.4	22.4	67.0	29.9
30	91.3	21.9	68.0	29.4
31	93.2	21.5	69.0	29.0
32	95.1	21.0	70.0	28.6
33	96.9	20.6	71.1	28.1
34	98.8	20.2	72.2	27.7
35	100.7	19.9	73.3	27.3

3. **Procedure** (*continued*)

- b. Checking with a local elevator, we find that a local elevator that Smith and Jones work with is paying \$2.30/bushel for 15.5% moisture shell corn.
 - Thus a ton of our high moisture shell corn, with 31.1 bushels of 15.5% shell corn in it is worth about \$71.53 a ton. (31.1 bushels x \$2.30/bushel.)

- c. If Jones is doing the combining, adjustment for harvesting needs to be made.
 - One approach would be for Smith and Jones to review previous crop record yields from this particular field. Agreement is reached that typical yields are 110 dry corn bushels/acre.

 - It costs Jones \$22 per acre for combining or a per bushel charge of (\$22/acre ÷ 110 bushels/acre) 20¢/bushel.

 - This would bring the value down to \$65.31 a ton (31.1 x \$2.10)

- d. Compensation for savings in drying cost is also worth discussing. Farmers often split the savings in drying cost.
 - Current costs at the elevator suggest a drying rate of 2¢ per bushel per point to 15% moisture.

 - It's likely that this corn would not have been sold at this high of moisture. Thus, some compromise should be reached.

 - Smith and Jones agree to a 10¢/bu drying charge.

 - This would bring the value down to \$62.20/ton. (31.1 x \$2.00)

- e. Compensation for hauling distance is sometimes discussed. Fuel usage and value can be used as a basis.
 - For this example, we'll assume that Smith and Jones are neighbors and that compensation for hauling is not important.

- f. Jones will weigh a wagon empty, weigh a wagon full, and subtract to find the tons per wagon load. Jones will then keep track of the loads removed.

- g. This process can also be used for ground ear corn. Values used should be kept current from year to year.