

Cover Crops by Region: The Good, the Bad, and the Ugly in the Midwest Alejandro Plastina

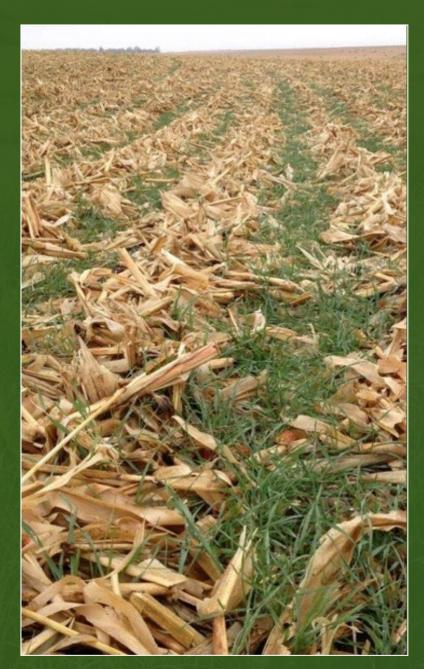


Photo courtesy: PFI

> What is a cover crop?

- A plant that covers the soil between cash crops
- > Why use cover crops? (THE GOOD)
- Water Quality
- Soil Health (↓ soil erosion)
- Pest management (?)
- Iowa Nutrient Reduction Strategy:
 %reduction in Nitrogen load 29%
 %reduction in Phosphorous load 28%

Adoption rate? (THE BAD)

• Iowa 1% in 2012 to 4% in 2017 (Census of Ag)

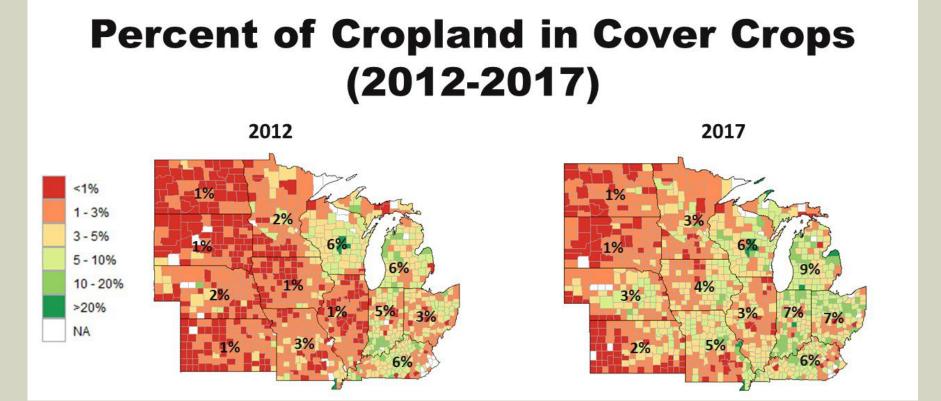


Photo courtesy: PFI

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Why is the adoption rate so low?

- 1. In crop-only Midwestern production systems, cover crops are not profitable for most farmers (THE UGLY)
- 2. Cost-share payments make net returns less negative among program participants, but only few experience positive profits
- 3. In mixed production systems with cows, cover crops can be profitable under the "right" conditions



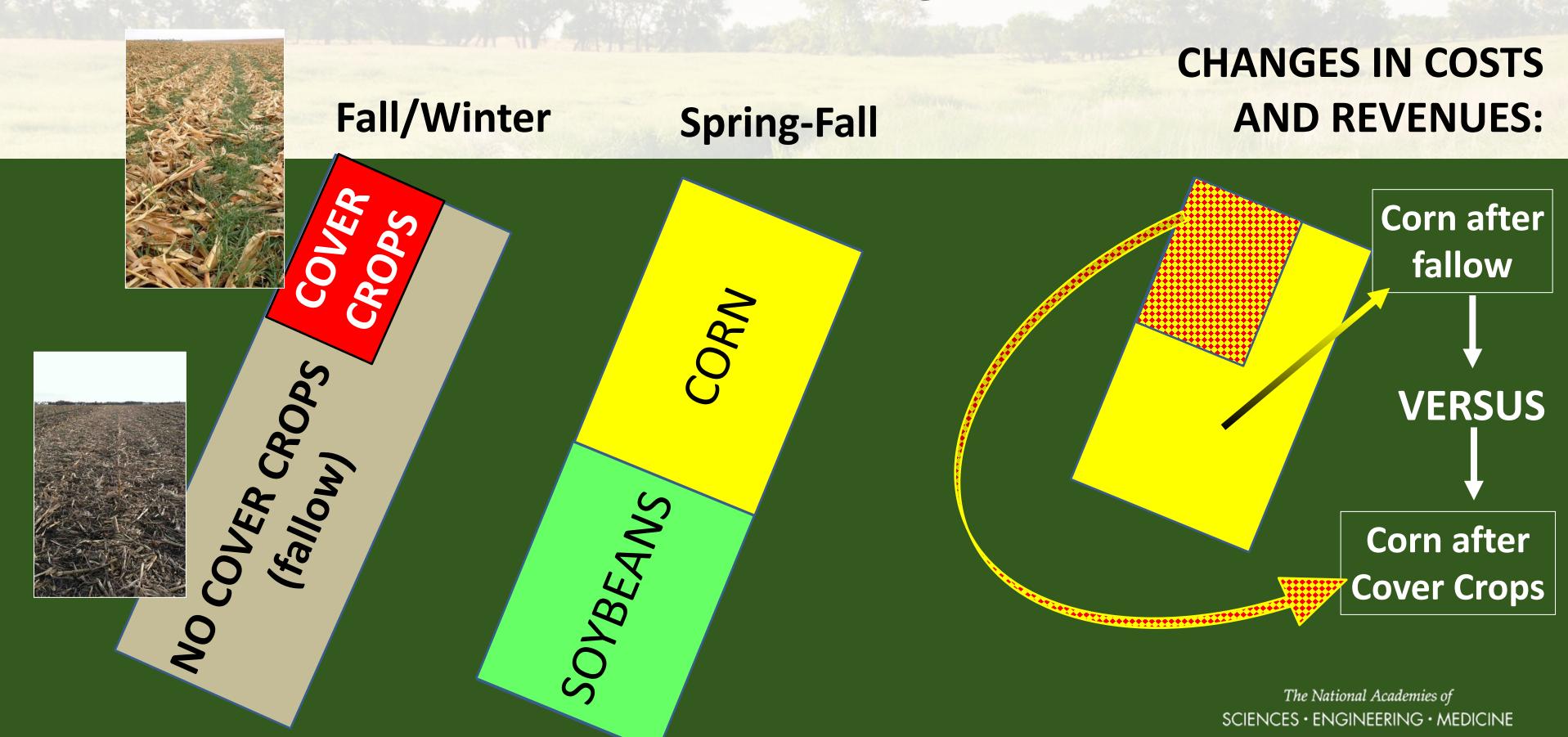
Study 1: Regional Online Survey

Study 2: Statewide Mail Survey (Iowa)

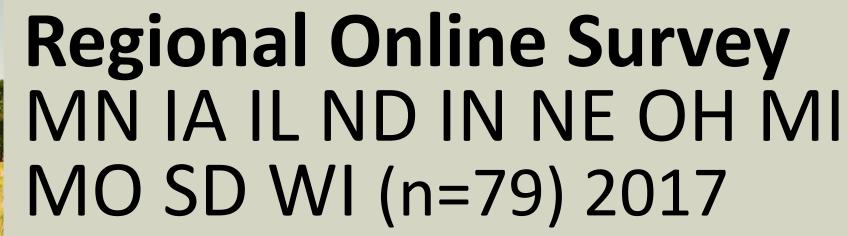
Study 3: Experimental Plots in Iowa

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Partial Budgets



Sources of changes in net	Cover crops	Cover crops
profits	terminated with	terminated with
	herbicides	herbicides
	followed by corn	followed by
	for grain (\$/acre)	soybeans (\$/acre)
A. Changes in revenue:		
Cash Crop Yield	-9.18	31.74
Cost-share program	25.33	28.07
Subtotal	16.16	59.81
B. Changes in costs:		
 Cover crop planting 	31.84	31.14
Herbicide expenses	4.05	3.82
Other Costs	1.02	-0.27
Subtotal	36.91	34.69
Net change in profit (A-B):	-20.76	25.13
Net change in profit without Cost-Share	-46.09	-2.95



https://works.bepress.com/alejandro-plastina/23/

Average Extra Costs: \$35-\$37 per acre

Average Payments from Cost-Share Program: \$25-\$28

Corn yield drag ~2 bushels/acre Soy yield bump ~3 bushels/acre Average Net Returns to cover crops:

-\$21 preceding corn +\$25 preceding soy

Net Returns Excluding Cost-Share:

- -\$46/acre preceding corn
- -\$3/acre preceding soy





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Statewide Mail Survey IA (n=440; 35% Resp. rate) 2017

Median Extra Costs: \$34-\$35 per acre

https://docs.lib.purdue.edu/jafe/vol2/iss2/2/

Source of Change in
Profits

CC Seed cost

CC Planting

Extra herbicide cost

Median Value of Change in \$/acre

CC followed CC followed by Corn

\$16 \$15

\$3 \$2

\$16

+\$7

\$0 \$0 +/- Other costs

\$35 \$34 A. Subtotal Extra Costs

Cost-share \$20 \$15 \$0 \$0 Value of yield change

B. Subtotal Extra Revenue \$20 \$15

-\$19 -\$15 C. Net Returns (B-A)

\$22 \$20 Feed cost savings

D. Net Returns w/ Livestock

by Soybeans

\$17

+1

Median Payments from Cost-Share Program: \$15 - \$20

Median Corn and Soy yields same as following fallow

Median Net Returns to cover crops (including cost-share payments):

- -\$15/a preceding corn
- -\$19/a preceding soy

Net Returns in Mixed Crop-Livestock system (incl. feed cost savings):

- +\$7/a preceding corn
- +\$1/a preceding soy

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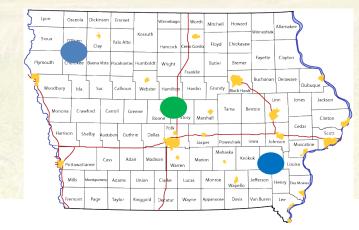
Net Returns to Cereal Rye preceding Corn

Treated vs. check plots

(324 data points)



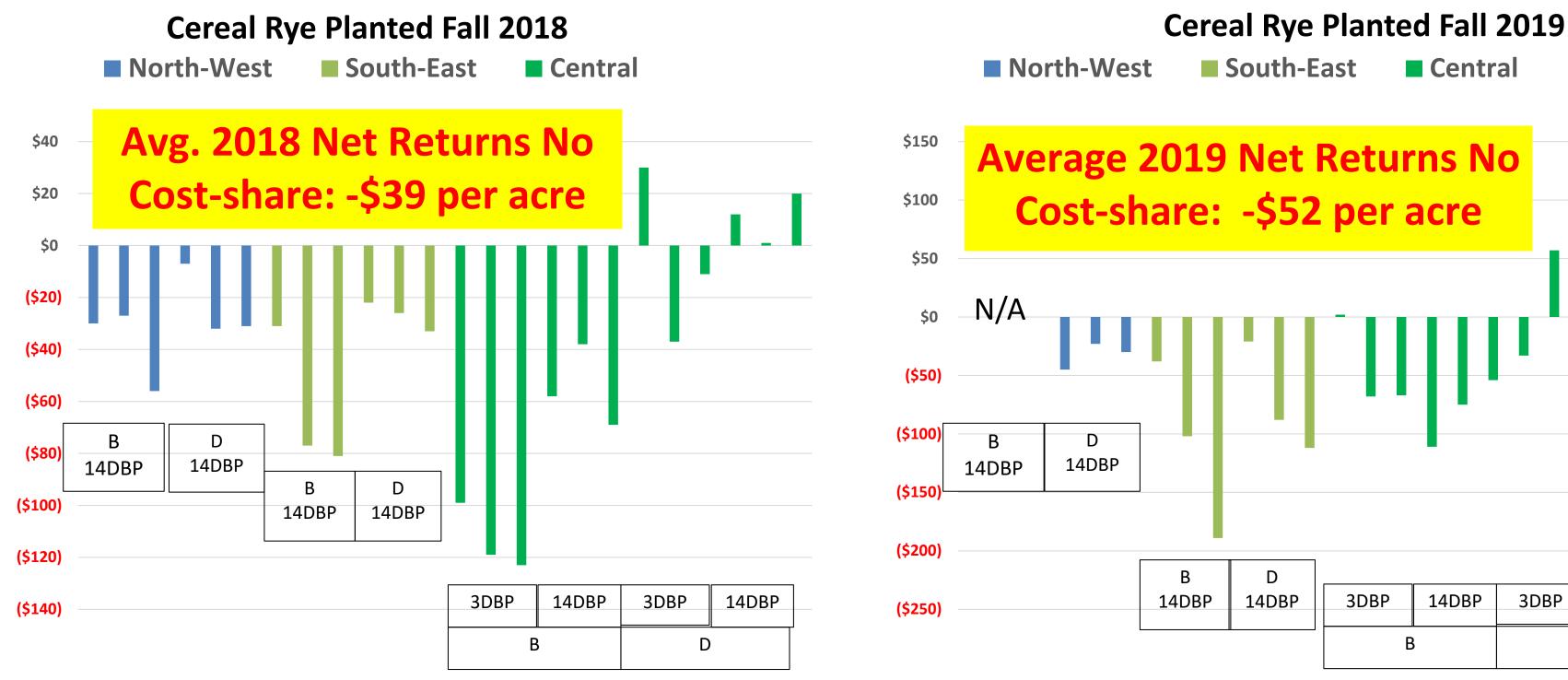
Pls: Alison Robertson and Mark Licht.



14DBP

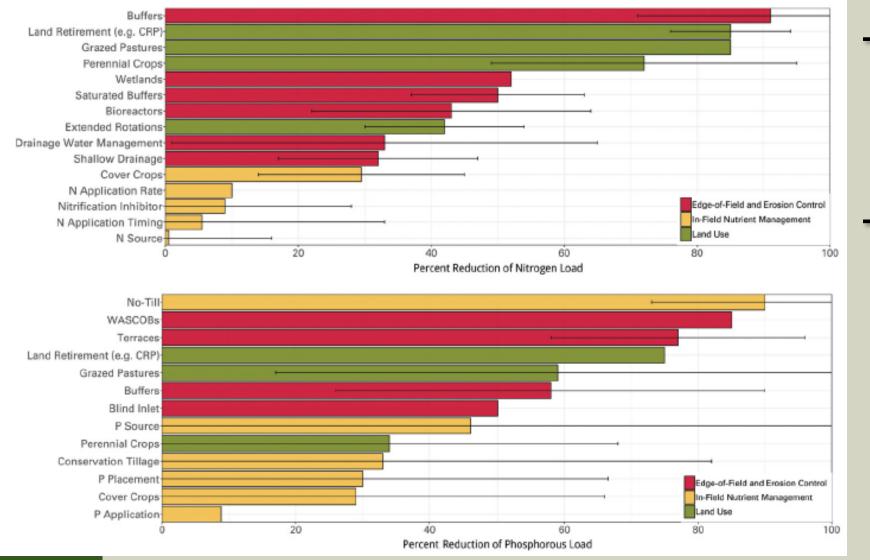
3DBP

D



Finalconsiderations

- Feed cost savings from grazing cover crops (in mixed production systems) depend on above-ground biomass in early spring >> Little biomass, little value
- Social benefits from cover crops also depend on biomass and precipitation:
 - No precipitation, little runoff/leaching, little social value
 - Little biomass, little social value



- The Iowa Nutrient Reduction Strategy ranks Cover crops 11th and 12th in Nitrogen and Phosphorous load reduction, respectively
- Cost-share payments are not always sufficient to cover all costs incurred by farmers
- Long-term: monetization of soil health, carbon seq. limited by disagreement on soil health metrics

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