

Soybean and Maize Production Costs

Hueliton Nordt Switalski*

Agronomic Engineering Course, Campo Real University Center, Guarapuava, Brazil

***Corresponding Author:** Hueliton Nordt Switalski, Agronomic Engineering Course, Campo Real University Center, Guarapuava, Brazil.

Received: April 29, 2019; **Published:** May 07, 2019

DOI: 10.31080/ASAG.2019.03.0467

The article "Cost Management in corn and soybean production", published by Artuzo., *et al.* in the Brazilian Journal of Business Management – RBGN, in June 2018, addresses the identification and analysis of the relationship between the elements that comprise the production costs of maize and SoJ. The revenue of their respective productive activities [1].

Through this article and based on the complementary references of other researches, it is possible to compare the differences in the management of the production costs in the soybean and maize productive chain and its cost in the raw material until the final product was obtained. For the authors, the increase of the value in the final product is due to the technologies implemented in the production that consequently over the years it was possible to have a higher productivity in the same cultivated area and even with a higher cost in the production the profit also increases with respect to production costs with increased productivity and added value in the product [2].

The search to achieve the maximization of income in soybean and maize production depends on the information in the management of production costs that help the rural manager in decision making [1]. For the authors, it is essential to find the main techniques to manage these costs in order to achieve a balance between the initial cost of production and the final market value. To better understand this concept, it is necessary to analyze the information obtained through previous productions, future objections and market research. As MARTIN [3] states, "Production cost data, in addition to its importance at the level of rural administration, is also intensively used at government level, such as subsidies to rural credit Policies and Minimum Prices", it is clearly possible to realize that this information is important and necessary for the formation of the market value of agricultural commodities as well

as for public policies in the marketing of the product [3].

In relation to the agribusiness market in Brazil there are security measures for the commercialization of agricultural commodities as forms of guarantee that establish the minimum market price, purchase of production by the government, storage of the product and Rural credit financing, in order to ensure market supply and demand, internal food security and the export of the commodity as a raw material or with industrialization and the value-added product. According to the authors, through these basic concepts of agribusiness and how the commercialization of agricultural products are influenced by factors interconnected to each other, it is possible to realize that the market value of soybeans and maize depends on the costs of Production in addition to market resources as supply and demand [2].

For the authors, the analysis of the production costs of soybean and maize are the variables that integrate the cost of production and can be independent as in the case the gross revenue ha^{-1} QUE is the price paid per sack of 60kg multiplied by productivity ($SC ha^{-1}$) and dependent variables such as operation with machines, labor, seeds, fertilizers, pesticides, among other inputs and implements costs [1]. Through the research carried out, according to the authors, there are oscillations in the production costs in recent years, according to the implementation of technologies in the field and the factors that influence productivity. Observing these factors based on the aforementioned research and the importance of cost management and their influence in the formation of market value.

As the authors affirm, in the research carried out the results obtained through market analysis was an increase in the cost value for soybean and maize production influenced by the value of applied technology in the field, but also an increase in productivity of the same cultivated space which added the value of the final price of

the product. As the authors explain, it is understood that through all the data analyzed and the information obtained for market analysis, the values of the production cost of soja and maize infer from several factors that directly influence the rural management of Production chain [1].

The importance of the relationship between the factors influencing the soybean and maize production chain is essential for the analysis and management of production costs, as it was possible to perceive through the articles presented, the big question is that most producers Does not carry out the market study to better leverage the market value of the product and with this ends perdendo at the market price, in addition there are many intermediaries in the sale of the final product as cooperatives, brokers, companies and even the Government. Due to the internal infrastructure and lack of government incentive, much of the domestic production is marketed as raw material for industry and export, which could be the industrialized product in the country and sold already with the added value of commodity, consequently would result in a great return on production income.

Bibliography

1. Artuzo FD., *et al.* "Management Corn and soybean production costs". *Brazilian Journal of Business Management São Paulo* 20.8 (2018): 273-294.
2. Castro SH., *et al.* "Production costs of soybean cultivated under no-tillage system: multicase Study in Western Bahia Science and Agrotechnology". *Lavras* 30 (2006): 1146-1153.
3. Martin NB., *et al.* "Costs: agricultural production Cost system". *Economic Information, São Paulo* 24.9 (1994).

Volume 3 Issue 6 June 2019

© All rights are reserved by Hueliton Nordt Switalski.