

Think Break #3

- Fill in the VMP column in the table using \$3/bu for the corn price.

$$\text{VMP} = \$3 \times \text{MP}$$

- What is the profit maximizing N fertilizer rate if the N fertilizer price is \$0.5/lb?

Where $\text{VMP} = r$, somewhere between $N = 150$ and 175

N lbs/A	Yield bu/A	MP	VMP
0	30	---	---
25	45	0.6	1.80
50	75	1.2	3.60
75	105	1.2	3.60
100	135	1.2	3.60
125	150	0.6	1.80
150	165	0.6	1.80
175	168	0.12	0.36
200	170	0.08	0.24
225	171	0.04	0.12

= 0.50
in here

