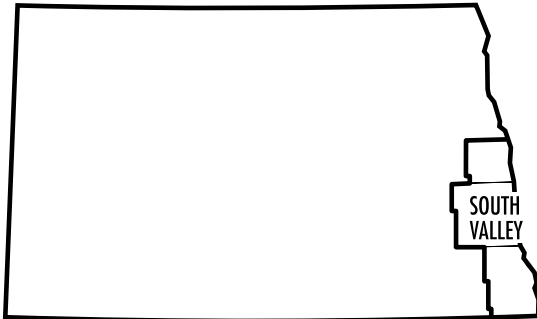




FARM MANAGEMENT PLANNING GUIDE

February 2025

Projected 2025 Crop Budgets



South Valley North Dakota

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Note: This region consists of three counties: Cass, Richland and Traill.

The 2025 crop budgets provide an estimate of revenues and costs for selected crops. Each set of budgets are developed for a multi-county region. There is considerable variation in soil type and productivity, weather conditions, as well as management and production practices within each region. Therefore, **THESE BUDGETS ARE ONLY INTENDED TO BE USED AS A GUIDE. EVERY INDIVIDUAL IS HIGHLY ENCOURAGED TO DEVELOP THEIR OWN BUDGETS!**

The profitability budget accounts for full economic opportunity costs for land and machinery investment, regardless of farm operator equity position. The bottom line is the return to labor and management. This is the expected “payment” to the producer for the labor and managerial efforts required by the crop enterprise. Each individual must make the decision whether it is sufficient.

The budget can be changed to conform to the more common definition of accounting profit (return to

unpaid labor and management and the owner equity) by replacing the machinery investment and land charge cost items with your per acre interest and rental expense of machinery and land, and real estate tax if land is owned.

The budget can be used for long run decisions if the revenues and costs are realistic for several years. (Crop prices, direct costs, and the land charge are best estimates for only the 2025 crop year, but crop yields are historic averages and machinery ownership costs are an average for the total length of ownership). If the budget shows a high return to labor and management, and is representative for several years, increased acreage and corresponding investment should be considered. However, if long-run returns to labor and management are unsatisfactory, the best decision may be to exit the crop enterprise and employ the machinery and land investment, and labor and management, in a different enterprise or investment.

For short-run planning decisions you can omit the indirect costs if the land and machinery required to produce the different enterprises are in place. Simply compare the crop enterprises by calculating return over direct costs. Labor requirements and risk should also be considered. Insurance is not available for some crops.

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The budget can be used to estimate cashflow by making a few modifications. Machinery depreciation should be omitted and the machinery investment number replaced with your per acre principal and interest payment on machinery debt. For owned land, the land charge should be replaced with your per acre real estate tax and principal and interest payment on land debt.

The 2018 Farm Bill continues the Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) support programs. PLC and ARC payments have been omitted from the budgets because those payments, if any, are tied to historic farm program base acres, not to current crop selection or production.

Primary Assumptions:

Crops are planted on dryland recrop ground. Costs of moving crop to local market/storage are included.

Market Price: Best estimates of NDSU Extension economists. The greater of projected market price and marketing loan rate is used.

Market Yields: Average yield for the 7-year period 2017-2023, after the low and high yield years are removed. Yields for safflower, yellow mustard, buckwheat, millet, rye and chickpea are from NDSU Extension agronomists and industry sources.

Fertilizer: Cost of fertilizer applied, based on soil test, to meet yield goal. N fertilizer can be reduced if previous crop was soybean, dry bean, field pea or lentil.

Fertilizer Prices:

Nitrogen	- .52/lb
Phosphorus	- .67/lb
Potassium	- .42/lb

Seed Prices:

Spring Wheat	14.00/bu
Barley	11.00/bu
Corn GM	3.00/thou.kern.
Soybean GM	.34/thou.kern.
Dry Bean	1.05/thou.kern.
Oil Sunflower	1.71/thou.kern.
Conf. Sunflower	3.02/thou.kern.
Oat	8.00/bu
Winter Wheat	12.00/bu

Fuel Prices:

Diesel	2.65/gal
Gasoline	2.90/gal

Lubrication Charge: 15% of fuel cost

Crop Insurance: Revenue Protection used for all wheat, barley, soybean, corn, canola, sunflower, field pea, dry bean and lentil with a 75% coverage level and enterprise units. APH insurance was used for other crops for which 70% coverage and optional units were assumed.

Miscellaneous: Soil testing, machinery rent and custom work.

Operating Interest: Direct costs charged 7.5% interest for 6-month period.

Misc. Overhead: Machinery housing and insurance at .5% and .85%, respectively, of average machinery investment (also, liability insurance and license fees of trucks). In addition, \$5.00 per acre is assumed for general farm utilities, farm publications, meetings, dues, income tax preparation, legal fees, etc.

Land Charge: Average cash rent.

Machinery Investment: 4.0% real interest rate, over the years of machine ownership, is charged on average machinery investment. The real, or inflation adjusted, rate is the commercial rate minus the inflation rate. Ave. mach. investment = (Purchase price + Disposal price)/2

Depreciation: (Purchase price - disposal price / years ownership)

Spring Wheat

Malting Barley

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	63	_____	84	_____
Market Price	6.39	_____	4.99*	_____
MARKET REVENUE	402.57	_____	419.16	_____
DIRECT COSTS				
-Seed	28.00	_____	22.00	_____
-Herbicides	21.70	_____	22.70	_____
-Fungicides	18.50*	_____	18.50**	_____
-Insecticides	0.00**	_____	0.00	_____
-Fertilizer	112.61	_____	91.03	_____
-Crop Insurance	4.80	_____	3.60	_____
-Fuel & Lubrication	20.54	_____	21.62	_____
-Repairs	26.14	_____	26.53	_____
-Drying	0.00	_____	0.00	_____
-Miscellaneous	10.00	_____	10.00	_____
-Operating Interest	9.09	_____	8.10	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	251.38	_____	224.08	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	11.08	_____	11.46	_____
-Machinery Depreciation	31.13	_____	32.33	_____
-Machinery Investment	16.07	_____	16.52	_____
-Land Charge	140.00	_____	140.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	198.28	_____	200.31	_____
SUM OF ALL LISTED COSTS	449.66	_____	424.39	_____
RETURN TO LABOR & MANAGEMENT	(47.09)	_____	(5.23)	_____
LISTED COSTS PER BUDGET UNIT	(bu) :		(bu) :	
-Direct Costs	3.99	_____	2.67	_____
-Indirect Costs	3.15	_____	2.38	_____
-Total Costs	7.14	_____	5.05	_____

Spring Wheat notes:

*Includes seed treatment, an early season foliar fungicide, and a late season fungicide which is recommended when conditions are favorable for fusarium head blight (scab).

**Cereal grain aphid insecticide would cost about \$4.

Barley notes:

*There is risk of not making malting barley quality. Use \$3.25 for feed barley.

**Includes seed treatment, an early season foliar fungicide, and a late season fungicide which is recommended when conditions are favorable for fusarium head blight (scab).

Corn Grain

Soybean

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	169	_____	40	_____
Market Price	4.00	_____	9.62	_____
MARKET REVENUE	676.00	_____	384.80	_____
DIRECT COSTS				
-Seed	100.50*	_____	65.80*	_____
-Herbicides	37.50	_____	46.00	_____
-Fungicides	0.00	_____	0.00	_____
-Insecticides	0.00	_____	4.00**	_____
-Fertilizer	157.70	_____	5.02	_____
-Crop Insurance	10.30	_____	5.60	_____
-Fuel & Lubrication	29.16	_____	17.02	_____
-Repairs	35.75	_____	24.14	_____
-Drying	33.80	_____	0.00	_____
-Miscellaneous	10.00	_____	2.00	_____
-Operating Interest	15.55	_____	6.36	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	430.26	_____	175.94	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	15.04	_____	10.40	_____
-Machinery Depreciation	50.04	_____	28.98	_____
-Machinery Investment	24.84	_____	14.77	_____
-Land Charge	140.00	_____	140.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	229.92	_____	194.15	_____
SUM OF ALL LISTED COSTS	660.18	_____	370.09	_____
RETURN TO LABOR & MANAGEMENT	15.82	_____	14.71	_____
LISTED COSTS PER BUDGET UNIT	(bu) :	_____	(bu) :	_____
-Direct Costs	2.55	_____	4.40	_____
-Indirect Costs	1.36	_____	4.85	_____
-Total Costs	3.91	_____	9.25	_____

Corn notes:

*GM corn with herbicide tolerance and above and below ground insect control traits.

Soybean notes:

*GM soybeans with herbicide tolerance. The cost includes \$8 for inculant and fungicide treatment in addition to seed expense.

**Insecticide for soybean aphid, spider mite, or foliage-feeding caterpillars.

Drybean

Oil Sunflower

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	2060	_____	2520	_____
Market Price	0.27	_____	0.205	_____
MARKET REVENUE	556.20	_____	516.60	_____
DIRECT COSTS				
-Seed	86.63	_____	41.04	_____
-Herbicides	54.70*	_____	28.60	_____
-Fungicides	20.00**	_____	0.00*	_____
-Insecticides	0.00	_____	5.00**	_____
-Fertilizer	72.28	_____	88.92	_____
-Crop Insurance	15.50	_____	10.50	_____
-Fuel & Lubrication	18.97	_____	20.76	_____
-Repairs	27.47	_____	25.44	_____
-Drying	0.00	_____	10.08	_____
-Miscellaneous	20.00	_____	20.00	_____
-Operating Interest	11.83	_____	9.39	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	327.38	_____	259.73	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	11.12	_____	11.99	_____
-Machinery Depreciation	33.47	_____	34.58	_____
-Machinery Investment	17.08	_____	18.26	_____
-Land Charge	140.00	_____	140.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	201.67	_____	204.83	_____
SUM OF ALL LISTED COSTS	529.05	_____	464.56	_____
RETURN TO LABOR & MANAGEMENT	27.15	_____	52.04	_____
LISTED COSTS PER BUDGET UNIT	(lb) :	_____	(lb) :	_____
-Direct Costs	0.159	_____	0.103	_____
-Indirect Costs	0.098	_____	0.081	_____
-Total Costs	0.257	_____	0.184	_____

Drybean notes:

*Includes dessicant prior to straight cutting.

**Fungicide for white mold. A second treatment may be necessary. Fungicide for rust at \$4-\$12 plus application maybe necessary.

Oil Sunflower notes:

*Fungicide for rust would cost \$4 plus application.

**One spraying for head feeding insects (red seed weevil, lygus bug and banded moths). Custom application cost of \$8 is under "Miscellaneous."

Confectionery Sunflower

Oat

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	1800	_____	100	_____
Market Price	0.287	_____	2.64	_____
MARKET REVENUE	516.60	_____	264.00	_____
DIRECT COSTS				
-Seed	60.40	_____	16.00	_____
-Herbicides	31.60	_____	6.20	_____
-Fungicides	0.00*	_____	0.00	_____
-Insecticides	10.00**	_____	0.00	_____
-Fertilizer	60.39	_____	93.18	_____
-Crop Insurance	15.50	_____	8.60	_____
-Fuel & Lubrication	19.43	_____	23.83	_____
-Repairs	24.69	_____	27.93	_____
-Drying	7.20	_____	0.00	_____
-Miscellaneous	30.00	_____	10.00	_____
-Operating Interest	9.72	_____	6.97	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	268.93	_____	192.71	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	11.53	_____	12.15	_____
-Machinery Depreciation	32.98	_____	34.77	_____
-Machinery Investment	17.59	_____	18.07	_____
-Land Charge	140.00	_____	140.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	202.10	_____	204.99	_____
SUM OF ALL LISTED COSTS	471.03	_____	397.70	_____
RETURN TO LABOR & MANAGEMENT	45.57	_____	(133.70)	_____
LISTED COSTS PER BUDGET UNIT	(lb) :	_____	(bu) :	_____
-Direct Costs	0.149	_____	1.93	_____
-Indirect Costs	0.112	_____	2.05	_____
-Total Costs	0.262	_____	3.98	_____

Confection Sunflower notes:

*Fungicide for rust would cost \$4 plus application.

**Two sprayings for head feeding insects (red seed weevil, lygus bug and banded moths) at about \$5 per application. Each custom application cost of \$8 is under "Miscellaneous."

Winter Wheat

	Per Acre	Your Figures
Market Yield	70*	_____
Market Price	5.71	_____
MARKET REVENUE	399.70	_____
DIRECT COSTS		
-Seed	15.60	_____
-Herbicides	26.80	_____
-Fungicides	10.00	_____
-Insecticides	0.00	_____
-Fertilizer	126.34	_____
-Crop Insurance	4.80	_____
-Fuel & Lubrication	18.94	_____
-Repairs	24.47	_____
-Drying	0.00	_____
-Miscellaneous	10.00	_____
-Operating Interest	8.89	_____
	=====	=====
SUM OF LISTED DIRECT COSTS	245.84	_____
INDIRECT (FIXED) COSTS		
-Misc. Overhead	10.76	_____
-Machinery Depreciation	29.75	_____
-Machinery Investment	14.90	_____
-Land Charge	140.00	_____
	=====	=====
SUM OF LISTED INDIRECT COSTS	195.41	_____
SUM OF ALL LISTED COSTS	441.25	_____
RETURN TO LABOR & MANAGEMENT	(41.55)	_____
LISTED COSTS PER BUDGET UNIT	(bu) :	_____
-Direct Costs	3.51	_____
-Indirect Costs	2.79	_____
-Total Costs	6.30	_____

Winter Wheat notes:

*Yield is per harvested acre. There is some risk of acreage abandonment in spring.

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