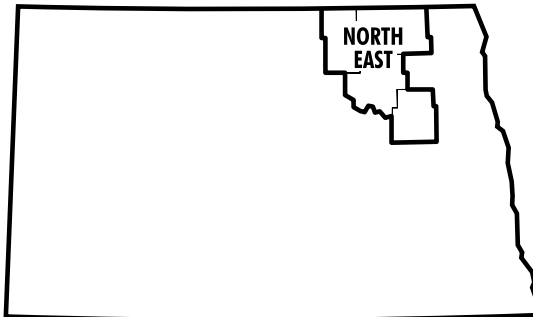




FARM MANAGEMENT PLANNING GUIDE

February 2022

Projected 2022 Crop Budgets



North East North Dakota

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Note: This region consists of four counties:
Cavalier, Nelson, Ramsey and Towner.

The 2021 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 HIS/HER 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 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 2022 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 2014-2020, after the low and high yield years are removed. Yields for safflower, yellow mustard, buckwheat, millet, rye and chickpeas 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 peas or lentil.

Fertilizer prices:

Nitrogen	- .94/lb
Phosphorus	- .65/lb
Potassium	- .53/lb

Seed Prices:

Spring Wheat	17.00/bu
Durum	19.00/bu
Barley	13.00/bu
Corn GM	2.69/thou.kern.
Soybean GM	.34/thou.kern.
Dry Beans	.75/thou.kern.
Oil Sunflower	1.55/thou.kern.
Conf. Sunflower	2.75/thou.kern.
Canola	12.40/lb
Flax	27.00/bu
Field Peas	20.00/bu
Oats	10.00/bu
Mustard	1.00/lb
Buckwheat	.40/lb
Millet	.60/lb
Winter Wheat	12.00/bu

Fuel prices:

Diesel	2.90/gal
Gas	3.10/gal

Lubrication charge: 15% of fuel cost

Crop Insurance: Revenue Protection was used for all wheat, barley, soybeans, corn, canola, sunflowers, field peas, dry beans and lentils 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 4.5% 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, \$4.00 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

Durum

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	59	_____	56	_____
Market Price	7.54	_____	9.02*	_____
MARKET REVENUE	444.86	_____	505.12	_____
DIRECT COSTS				
-Seed	29.75	_____	38.00	_____
-Herbicides	31.50	_____	31.50	_____
-Fungicides**	17.00	_____	17.00	_____
-Insecticides***	0.00	_____	0.00	_____
-Fertilizer	137.70	_____	127.26	_____
-Crop Insurance	9.50	_____	11.50	_____
-Fuel & Lubrication	19.29	_____	19.10	_____
-Repairs	20.77	_____	20.68	_____
-Drying	0.00	_____	0.00	_____
-Miscellaneous	1.50	_____	1.50	_____
-Operating Interest	6.01	_____	6.00	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	273.02	_____	272.54	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	8.85	_____	8.80	_____
-Machinery Depreciation	24.09	_____	23.93	_____
-Machinery Investment	14.11	_____	14.03	_____
-Land Charge	55.00	_____	55.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	102.05	_____	101.76	_____
SUM OF ALL LISTED COSTS	375.07	_____	374.30	_____
RETURN TO LABOR & MANAGEMENT	69.79	_____	130.82	_____
LISTED COSTS PER BUDGET UNIT	(bu):		(bu):	
-Direct Costs	4.63	_____	4.87	_____
-Indirect Costs	1.73	_____	1.82	_____
-Total Costs	6.36	_____	6.68	_____

Wheat notes:

*Durum price is for milling quality. There is high risk of lower quality and lower price.

**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. Wheat midge insecticide would cost about \$6.

Malting Barley

Corn Grain

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	74	_____	121	_____
Market Price	5.91*	_____	4.45	_____
MARKET REVENUE	437.34	_____	538.45	_____
DIRECT COSTS				
-Seed	26.00	_____	82.05*	_____
-Herbicides	21.70	_____	51.30	_____
-Fungicides	17.00	_____	0.00	_____
-Insecticides	0.00	_____	0.00	_____
-Fertilizer	91.91	_____	145.79	_____
-Crop Insurance	5.00	_____	15.00	_____
-Fuel & Lubrication	20.11	_____	27.95	_____
-Repairs	20.94	_____	27.39	_____
-Drying	0.00	_____	22.14	_____
-Miscellaneous	1.50	_____	1.50	_____
-Operating Interest	4.59	_____	8.40	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	208.75	_____	381.52	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	9.09	_____	11.98	_____
-Machinery Depreciation	24.70	_____	39.75	_____
-Machinery Investment	14.38	_____	22.65	_____
-Land Charge	55.00	_____	55.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	103.17	_____	129.38	_____
SUM OF ALL LISTED COSTS	311.92	_____	510.90	_____
RETURN TO LABOR & MANAGEMENT	125.42	_____	27.55	_____
LISTED COSTS PER BUDGET UNIT	(bu):		(bu):	
-Direct Costs	2.82	_____	3.15	_____
-Indirect Costs	1.39	_____	1.07	_____
-Total Costs	4.22	_____	4.22	_____

Barley notes:

*There is risk of not making malting barley quality. Use \$4.00 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 notes:

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

Soybeans

Drybeans

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	31	_____	1570	_____
Market Price	11.45	_____	0.33	_____
MARKET REVENUE	354.95	_____	518.10	_____
DIRECT COSTS				
-Seed	65.80*	_____	61.88	_____
-Herbicides	56.00	_____	46.90*	_____
-Fungicides	0.00	_____	20.00**	_____
-Insecticides	4.00**	_____	0.00	_____
-Fertilizer	17.88	_____	35.13	_____
-Crop Insurance	9.00	_____	19.00	_____
-Fuel & Lubrication	18.51	_____	21.01	_____
-Repairs	21.24	_____	23.94	_____
-Drying	0.00	_____	0.00	_____
-Miscellaneous	5.00	_____	13.50	_____
-Operating Interest	4.44	_____	5.43	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	201.87	_____	246.79	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	8.75	_____	9.42	_____
-Machinery Depreciation	24.85	_____	29.19	_____
-Machinery Investment	14.75	_____	17.16	_____
-Land Charge	55.00	_____	55.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	103.35	_____	110.77	_____
SUM OF ALL LISTED COSTS	305.22	_____	357.56	_____
RETURN TO LABOR & MANAGEMENT	49.73	_____	160.54	_____
LISTED COSTS PER BUDGET UNIT	(bu):		(lb):	
-Direct Costs	6.51	_____	0.157	_____
-Indirect Costs	3.33	_____	0.071	_____
-Total Costs	9.85	_____	0.228	_____

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 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

Confection Sunflower

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	1790	_____	1320	_____
Market Price	0.251	_____	0.352	_____
MARKET REVENUE	449.29	_____	464.64	_____
DIRECT COSTS				
-Seed	34.10	_____	52.25	_____
-Herbicides	36.00	_____	38.90	_____
-Fungicides	0.00*	_____	0.00*	_____
-Insecticides	5.00**	_____	10.00**	_____
-Fertilizer	57.99	_____	24.99	_____
-Crop Insurance	15.00	_____	24.00	_____
-Fuel & Lubrication	19.94	_____	18.99	_____
-Repairs	20.95	_____	20.52	_____
-Drying	5.13	_____	3.60	_____
-Miscellaneous	10.00	_____	18.50	_____
-Operating Interest	4.59	_____	4.76	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	208.70	_____	216.51	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	9.44	_____	9.16	_____
-Machinery Depreciation	26.32	_____	25.50	_____
-Machinery Investment	16.19	_____	15.77	_____
-Land Charge	55.00	_____	55.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	106.95	_____	105.43	_____
SUM OF ALL LISTED COSTS	315.65	_____	321.94	_____
RETURN TO LABOR & MANAGEMENT	133.64	_____	142.70	_____
LISTED COSTS PER BUDGET UNIT	(lb):		(lb):	
-Direct Costs	0.117	_____	0.164	_____
-Indirect Costs	0.060	_____	0.080	_____
-Total Costs	0.176	_____	0.244	_____

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."

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."

Canola

Flax

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	2040	_____	25	_____
Market Price	0.26	_____	14.10	_____
MARKET REVENUE	520.20	_____	352.50	_____
DIRECT COSTS				
-Seed	62.00	_____	27.00	_____
-Herbicides	32.30	_____	34.60	_____
-Fungicides	0.00*	_____	0.00*	_____
-Insecticides	0.00	_____	0.00	_____
-Fertilizer	133.92	_____	35.31	_____
-Crop Insurance	11.00	_____	15.00	_____
-Fuel & Lubrication	18.77	_____	18.27	_____
-Repairs	20.54	_____	21.25	_____
-Drying	0.00	_____	0.00	_____
-Miscellaneous	1.50	_____	1.50	_____
-Operating Interest	6.30	_____	3.44	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	286.33	_____	156.37	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	8.65	_____	8.67	_____
-Machinery Depreciation	24.78	_____	24.85	_____
-Machinery Investment	14.16	_____	14.70	_____
-Land Charge	55.00	_____	55.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	102.59	_____	103.22	_____
SUM OF ALL LISTED COSTS	388.92	_____	259.59	_____
RETURN TO LABOR & MANAGEMENT	131.28	_____	92.91	_____
LISTED COSTS PER BUDGET UNIT	(lb):		(bu):	
-Direct Costs	0.140	_____	6.25	_____
-Indirect Costs	0.050	_____	4.13	_____
-Total Costs	0.191	_____	10.38	_____

Canola notes:

*Fungicide for white mold would cost about \$18 plus application.

Flax notes:

*Fungicide treatment for pasmo has shown good yield response.

Field Peas

Oats

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	42	_____	88	_____
Market Price	9.00	_____	3.50	_____
MARKET REVENUE	378.00	_____	308.00	_____
DIRECT COSTS				
-Seed	60.00	_____	20.00	_____
-Herbicides	42.00	_____	5.90	_____
-Fungicides	1.50	_____	0.00	_____
-Insecticides	0.00	_____	0.00	_____
-Fertilizer	21.67	_____	95.20	_____
-Crop Insurance	9.50	_____	14.50	_____
-Fuel & Lubrication	19.26	_____	22.79	_____
-Repairs	21.95	_____	22.64	_____
-Drying	0.00	_____	0.00	_____
-Miscellaneous	9.50	_____	1.50	_____
-Operating Interest	4.17	_____	4.11	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	189.55	_____	186.64	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	8.98	_____	9.84	_____
-Machinery Depreciation	26.37	_____	27.81	_____
-Machinery Investment	15.12	_____	16.40	_____
-Land Charge	55.00	_____	55.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	105.47	_____	109.05	_____
SUM OF ALL LISTED COSTS	295.02	_____	295.69	_____
RETURN TO LABOR & MANAGEMENT	82.98	_____	12.31	_____
LISTED COSTS PER BUDGET UNIT	(bu):		(bu):	
-Direct Costs	4.51	_____	2.12	_____
-Indirect Costs	2.51	_____	1.24	_____
-Total Costs	7.02	_____	3.36	_____

Yellow Mustard

Buckwheat

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	900	_____	950	_____
Market Price	0.450	_____	0.316	_____
MARKET REVENUE	405.00	_____	300.20	_____
DIRECT COSTS				
-Seed	12.60	_____	20.50	_____
-Herbicides	21.00	_____	13.00	_____
-Fungicides	0.00	_____	0.00	_____
-Insecticides	6.00*	_____	0.00	_____
-Fertilizer	17.73	_____	13.22	_____
-Crop Insurance	25.00	_____	0.00*	_____
-Fuel & Lubrication	17.32	_____	20.08	_____
-Repairs	20.19	_____	22.15	_____
-Drying	0.00	_____	0.00	_____
-Miscellaneous	1.50	_____	1.50	_____
-Operating Interest	2.73	_____	2.04	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	124.07	_____	92.49	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	8.41	_____	8.91	_____
-Machinery Depreciation	23.47	_____	25.43	_____
-Machinery Investment	14.15	_____	15.62	_____
-Land Charge	55.00	_____	55.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	101.03	_____	104.96	_____
SUM OF ALL LISTED COSTS	225.10	_____	197.45	_____
RETURN TO LABOR & MANAGEMENT	179.90	_____	102.75	_____
LISTED COSTS PER BUDGET UNIT	(lb):		(lb):	
-Direct Costs	0.138	_____	0.097	_____
-Indirect Costs	0.112	_____	0.110	_____
-Total Costs	0.250	_____	0.208	_____

Yellow Mustard notes:

*Insecticide seed treatment for flea beetles.

Buckwheat notes:

*Crop insurance is not available in this region.

Millet

Winter Wheat

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	1600	_____	60*	_____
Market Price	0.21	_____	6.52	_____
MARKET INCOME	336.00	_____	391.20	_____
DIRECT COSTS				
-Seed	17.50	_____	14.40	_____
-Herbicides	3.70	_____	34.30	_____
-Fungicides	0.00	_____	9.00	_____
-Insecticides	0.00	_____	0.00	_____
-Fertilizer	13.65	_____	141.18	_____
-Crop Insurance	0.00	_____	9.00	_____
-Fuel & Lubrication	19.21	_____	15.37	_____
-Repairs	21.02	_____	17.93	_____
-Drying	0.00	_____	0.00	_____
-Miscellaneous	1.50	_____	8.25	_____
-Operating Interest	1.72	_____	5.61	_____
	=====	=====	=====	=====
SUM OF LISTED DIRECT COSTS	78.30	_____	255.04	_____
INDIRECT (FIXED) COSTS				
-Misc. Overhead	8.78	_____	8.09	_____
-Machinery Depreciation	24.75	_____	20.87	_____
-Machinery Investment	14.81	_____	11.53	_____
-Land Charge	55.00	_____	55.00	_____
	=====	=====	=====	=====
SUM OF LISTED INDIRECT COSTS	103.34	_____	95.49	_____
SUM OF ALL LISTED COSTS	181.34	_____	350.53	_____
RETURN TO LABOR & MANAGEMENT	154.36	_____	40.67	_____
LISTED COSTS PER BUDGET UNIT	(lb):		(bu):	
-Direct Costs	0.049	_____	4.25	_____
-Indirect Costs	0.065	_____	1.59	_____
-Total Costs	0.114	_____	5.84	_____

Winter Wheat notes:

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

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