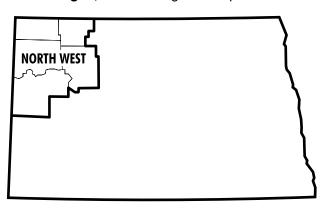


Projected 2012 Crop Budgets North West North Dakota

Andrew Swenson, Farm Management Specialist Ron Haugen, Farm Management Specialist



The 2012 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

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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 ears. (Crop prices, direct costs, and the land charge are best estimates for only the 2012 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.

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.

Direct and counter-cyclical payments under the Farm Bill are omitted from the budgets because those payments are tied to historic farm program base acres and payment yields, not to current crop selection or production. Direct payments for this region are \$7.50 per acre when averaged over all crop acreage. Counter-cylclical payments, which occur if the national average price of program crops are below a certain level, are not expected with the price levels used in the budgets.

Primary Assumptions:

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

The budgets for the South West, North West, South Central and North Central regions typically represent production systems where soil disturbance only occurs at seeding.

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 2004-2010, 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 of 130% of market yield. N fertilizer can be reduced if previous crop was soybean, dry bean, field peas or lentil.

Soil test - recrop: Nitrogen - 35 lb Phosphorus 6 ppm Potassium - 328 ppm

Fertilizer prices:

Nitrogen - .58/lb Phosphorus - .58/lb Potassium - .52/lb

Seed Prices:

Spring Wheat Durum 14.00/bu Barley 12.00/bu Corn grain RR 2.37/thou.kern. Oil Sunflower 1.35/thou.kern. Canola 9.10/lb Flax 18.00/bu Field Peas 13.50/bu Oats 5.75/bu Lentils .42/lb Mustard 1.60/lb Safflower .50/lb Buckwheat .65/lb .32/lb Millet Small Chickpeas .70/lb Winter Wheat 10.50/bu Rye 9.50/bu

12.75/bu

Fuel prices:

Diesel 3.20/gal Gas 3.40/gal

Lubrication charge: 15% of fuel cost

Crop Insurance: Coverage levels are 70% on all insurable crops. Yield Protection or APH insurance estimates are used, except for Revenue Protection on all wheat, soybeans, corn, canola and sunflowers.

Miscellaneous: soil testing, machinery rent and custom work.

Operating Interest: Direct costs charged 4.60% 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, \$3 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: 4.5% 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	29		30	
Market Price	7.30		8.39*	
MARKET INCOME	211.70		251.70	
DIRECT COSTS				
-Seed	15.94		21.00	
-Herbicides	21.50		21.50	
-Fungicides**	5.50		5.50	
-Insecticides***	0.00		0.00	
-Fertilizer	48.99		51.38	
-Crop Insurance	12.60		15.00	
-Fuel & Lubrication	12.68		12.73	
-Repairs	13.37		13.39	
-Drying	0.00		0.00	
-Miscellaneous	6.50		6.50	
-Operating Interest	3.15		3.38	
· · · · ·	======	=========	=======	
SUM OF LISTED DIRECT COSTS	140.24		150.39	
INDIRECT (FIXED) COSTS				
-Misc. Overhead	5.79		5.80	
-Machinery Depreciation	15.17		15.21	
-Machinery Investment	8.40		8.41	
-Land Charge	33.60		33.60	
OUM OF LIGHTED INDIDEOT COOTS	=======	=========	=======	=========
SUM OF LISTED INDIRECT COSTS	62.96		63.03	
SUM OF ALL LISTED COSTS	203.20		213.42	
RETURN TO LABOR & MANAGEMENT	8.50		38.28	
LISTED COSTS PER BUDGET UNIT	(bu):		(bu):	
-Direct Costs	4.84		5.01	
-Indirect Costs	2.17		2.10	
-Total Costs	7.01		7.11	

Wheat notes:

^{*}Durum price is for milling quality. There is risk of lower quality and price.

^{**}Includes seed treatment (\$1.50-\$2) and early season foliar fungicide (\$2-\$4.50). Although late season fungicides are often not warranted in this region, prothioconazole or metconazole containing products are recommended for fusarium head blight (scab) control when conditions are favorable for infection.

^{***}Wheat midge and/or cereal grain aphid insecticide would cost about \$6 per acre plus application.

Malting Barley Corn Grain

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	52		76	
Market Price	6.39*		5.30	
MARKET INCOME	332.28		402.80	
DIRECT COSTS				
-Seed	15.00		46.22*	
-Herbicides	19.50		15.00	
-Fungicides	5.50**		0.00	
-Insecticides	0.00		0.00	
-Fertilizer	57.53		73.45	
-Crop Insurance	11.60		30.00**	
-Fuel & Lubrication	15.55		16.20	
-Repairs	14.85		14.31	
-Drying	0.00		15.20	
-Miscellaneous	6.50		6.50	
-Operating Interest	3.36		4.99	
	======	=========	=======	=========
SUM OF LISTED DIRECT COSTS	149.38		221.86	
INDIRECT (FIXED) COSTS				
-Misc. Overhead	6.51		7.05	
-Machinery Depreciation	17.68		20.82	
-Machinery Investment	10.08		11.28	
-Land Charge	33.60		33.60	
SUM OF LISTED INDIRECT COSTS	67.87		72.76	
SUM OF ALL LISTED COSTS	217.26		294.62	
RETURN TO LABOR & MANAGEMENT	115.02		108.18	
LISTED COSTS PER BUDGET UNIT	(bu):		(bu):	
-Direct Costs	2.87		2.92	
-Indirect Costs	1.31		0.96	
-Total Costs	4.18		3.88	

Barley notes:

Corn notes:

^{*}On average, about 30% of production is feed quality. Use \$4.28 estimate for feed barley price.

^{**}Includes seed treatment (\$1.50-\$2.00) and early season foliar fungicide (\$2-\$4.50).

^{*}Roundup (glyphosate) resistant corn. Cost includes insecticide seed treatment for wireworm, rootworm, white grub and suppression of cutworm.

^{**}Crop insurance only available by written agreement.

Oil Sunflower

Canola

	Day Aaya	Your	Day Aaya	Your
	Per Acre	Figures	Per Acre	Figures
Market Yield	1320		1380	
Market Price	0.221		0.211	
Warret 1100	0.221		0.211	
MARKET INCOME	291.72		291.18	
DIRECT COSTS				
-Seed	31.73*		45.50*	
-Herbicides	28.20		18.00	
-Fungicides	0.00**		0.00	
-Insecticides	7.00***		0.00	
-Fertilizer	43.50		79.06	
-Crop Insurance	19.70		9.70	
-Fuel & Lubrication	13.68		14.22	
-Repairs	14.27		14.37	
-Drying	2.64		0.00	
-Miscellaneous	13.50		6.50	
-Operating Interest	4.01		4.31	
	=======	=========	=======	=========
SUM OF LISTED DIRECT COSTS	178.21		191.66	
INDIRECT (FIXED) COSTS				
-Misc. Overhead	6.31		6.13	
-Machinery Depreciation	17.30		16.80	
-Machinery Investment	9.74		9.63	
-Land Charge	33.60		33.60	
	=======	========	=======	=========
SUM OF LISTED INDIRECT COSTS	66.95		66.17	
SUM OF ALL LISTED COSTS	245.16		257.83	
RETURN TO LABOR & MANAGEMENT	46.56		33.35	
LISTED COSTS PER BUDGET UNIT	(lb):		(lb):	
-Direct Costs	0.14		0.14	
-Indirect Costs	0.05		0.05	
-Total Costs	0.19		0.19	

Oil Sunflower notes:

Canola notes:

^{*}Cost includes seed treatment for control of wireworm and flea beetle.

^{**}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 \$7 is under "Miscellaneous." Insecticide treatment for cutworms would cost about \$5 plus application (usually tank mixed with herbicide).

^{*}Cost includes insecticide seed treatment for flea beetles.

Flax

Field Peas

		Your		Your
	Per Acre	Figures	Per Acre	Figures
Market Yield	18		31	
Market Price	12.45		8.10*	
MARKET INCOME	224.10		251.10	
DIRECT COSTS				
-Seed	10.80		40.50	
-Herbicides	25.50		30.50	
-Fungicides	0.00		1.50	
-Insecticides	0.00		0.00**	
-Fertilizer	30.35		14.73	
-Crop Insurance	9.60		9.60	
-Fuel & Lubrication	13.03		15.35	
-Repairs	14.07		15.70	
-Drying	0.00		0.00	
-Miscellaneous	1.50		9.00	
-Operating Interest	2.41		3.15	
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SUM OF LISTED DIRECT COSTS	107.26		140.02	
INDIRECT (FIXED) COSTS				
-Misc. Overhead	5.88		6.32	
-Machinery Depreciation	15.59		18.34	
-Machinery Investment	9.04		10.09	
-Land Charge	33.60		33.60	
-Land Onlarge	=======		=======	
SUM OF LISTED INDIRECT COSTS	64.11		68.35	
SUM OF ALL LISTED COSTS	171.37		208.37	
RETURN TO LABOR & MANAGEMENT	52.73		42.73	
LISTED COSTS PER BUDGET UNIT	(bu):		(bu):	
-Direct Costs	5.96		4.52	
-Indirect Costs	3.56		2.20	
-Total Costs	9.52		6.72	
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Field Pea notes:

^{*}Food quality price. Feed quality peas would have a lower price.
**Insecticide treatment for cutworms and/or pea aphids would cost about \$5 per acre plus application.

Oats

Lentils

		Your		Your
	Per Acre	Figures	Per Acre	Figures
Market Yield	54		1320	
Market Price	3.17		0.22	
			·	
MARKET INCOME	171.18		290.40	
DIRECT COSTS				
-Seed	11.50		29.40	
-Herbicides	8.25		34.00*	
-Fungicides	0.00		0.00**	
-Insecticides	0.00		0.00***	
-Fertilizer	48.84		10.45	
-Crop Insurance	10.20		16.00	
-Fuel & Lubrication	15.65		15.31	
-Repairs	14.88		16.14	
-Drying	0.00		0.00	
-Miscellaneous	6.50		9.00	
-Operating Interest	2.66		3.00	
· · · · ·	======	========	=======================================	
SUM OF LISTED DIRECT COSTS	118.48		133.29	
INDIRECT (FIXED) COSTS				
-Misc. Overhead	6.54		6.29	
-Machinery Depreciation	17.75		18.52	
-Machinery Investment	10.11		10.28	
-Land Charge	33.60		33.60	
	======	========		
SUM OF LISTED INDIRECT COSTS	68.00		68.69	
SUM OF ALL LISTED COSTS	186.49		201.98	
RETURN TO LABOR & MANAGEMENT	(15.31)		88.42	
LISTED COSTS PER BUDGET UNIT	(bu):		(lb):	
-Direct Costs	2.19		0.10	
-Indirect Costs	1.26		0.05	
-Total Costs	3.45		0.15	

Lentil notes:

^{*}Includes pre-harvest dessicant.

^{**}Fungicide treatment for ascochyta would cost about \$16 plus application.
***Insecticide treatment for cutworms would cost about \$5 per acre plus application.

Yellow Mustard Safflower

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	900		950	
Market Price	0.353		0.27	
MARKET INCOME	317.70		256.50	
DIRECT COSTS				
-Seed	16.00		12.50	
-Herbicides	16.00		19.00	
-Fungicides	0.00		0.00*	
-Insecticides	0.00		0.00	
-Fertilizer	39.28		27.55	
-Crop Insurance	15.00		17.50	
-Fuel & Lubrication	14.44		12.48	
-Repairs	14.79		13.30	
-Drying	0.00		0.00	
-Miscellaneous	6.50		6.50	
-Operating Interest	2.81		2.50	
	=======	=========	=======	=========
SUM OF LISTED DIRECT COSTS	124.82		111.34	
INDIRECT (FIXED) COSTS				
-Misc. Overhead	6.19		5.73	
-Machinery Depreciation	17.01		15.04	
-Machinery Investment	10.13		8.33	
-Land Charge	33.60		33.60	
	=======	=========	=======	========
SUM OF LISTED INDIRECT COSTS	66.94		62.70	
SUM OF ALL LISTED COSTS	191.76		174.04	
RETURN TO LABOR & MANAGEMENT	125.94		82.46	
LISTED COSTS PER BUDGET UNIT	(lb):		(lb):	
-Direct Costs	0.14		0.12	
-Indirect Costs	0.07		0.07	
-Total Costs	0.21		0.18	

Safflower notes:

^{*}Fungicide for alternaria leaf spot would cost \$17 plus application.

Buckwheat

Millet

	Per Acre	Your Figures	Per Acre	Your Figures
MandankWinled	050		1000	
Market Yield	850		1300	
Market Price	0.281		0.125	
MARKET INCOME	238.85		162.50	
DIRECT COSTS				
-Seed	32.50		8.00	
-Herbicides	14.50		6.50	
-Fungicides	0.00		0.00	
-Insecticides	0.00		0.00	
-Fertilizer	20.05		24.30	
-Crop Insurance	13.60*		0.00	
-Fuel & Lubrication	13.89		14.25	
-Repairs	14.25		14.38	
-Drying	0.00		0.00	
-Miscellaneous	1.50		6.50	
-Operating Interest	2.54		1.70	
	=======	=========	=======	=========
SUM OF LISTED DIRECT COSTS	112.82		75.62	
INDIRECT (FIXED) COSTS				
-Misc. Overhead	6.03		6.14	
-Machinery Depreciation	16.56		16.80	
-Machinery Investment	9.52	=	9.64	
-Land Charge	33.60		33.60	
Land Onlings	=======		=======	
SUM OF LISTED INDIRECT COSTS	65.72		66.18	
SUM OF ALL LISTED COSTS	178.54		141.80	
RETURN TO LABOR & MANAGEMENT	60.31		20.70	
LISTED COSTS PER BUDGET UNIT	(lb):		(lb):	
-Direct Costs	0.13		0.06	
-Indirect Costs	0.13		0.05	
-Total Costs	0.21		0.11	

Buckwheat notes: *Crop insurance is not available in most counties of the region.

Small Chickpeas*

Chickpeas* Winter Wheat

	Per Acre	Your Figures	Per Acre	Your Figures
Market Yield	1400		38*	
Market Price	0.37		5.96	
MARKET INCOME	518.00		226.48	
DIRECT COSTS				
-Seed	84.00		10.50	
-Herbicides	34.00		18.50	
-Fungicides	36.00**		9.00	
-Insecticides	0.00		0.00	
-Fertilizer	16.53		70.50	
-Crop Insurance	17.30		14.60	
-Fuel & Lubrication	17.56		12.95	
-Repairs	18.90		13.61	
-Drying	0.00		0.00	
-Miscellaneous	8.00		6.50	
-Operating Interest	5.34		3.59	
	=======	=========	=======	=========
SUM OF LISTED DIRECT COSTS	237.63		159.75	
INDIRECT (FIXED) COSTS				
-Misc. Overhead	6.84		5.86	
-Machinery Depreciation	22.00		15.31	
-Machinery Investment	12.06		8.34	
-Land Charge	33.60		33.60	
.	=======		=======	
SUM OF LISTED INDIRECT COSTS	74.49		63.11	
SUM OF ALL LISTED COSTS	312.13		222.86	
RETURN TO LABOR & MANAGEMENT	205.87		3.62	
LISTED COSTS PER BUDGET UNIT	(lb):		(bu):	
-Direct Costs	0.17		4.20	
-Indirect Costs	0.05		1.66	
-Total Costs	0.03		5.86	
Total Oosto	0.22		5.00	

Small Chickpea notes:

Winter Wheat notes:

^{*}A kabula variety with medium size seed, about 7-8mm, which has better ascochyta resistance than large kabula's.

^{**}Two fungicide treatments for ascochyta blight. Additional treatments may be necessary.

^{*}Yield is per harvested acre, 2003-2009 acreage abandonment averaged 7%.

Rye

	Per Acre	Your Figures
Market Yield Market Price	36 6.47	
MARKET INCOME	232.92	
DIRECT COSTS -Seed -Herbicides -Fungicides -Insecticides -Fertilizer -Crop Insurance -Fuel & Lubrication -Repairs -Drying -Miscellaneous	11.40 3.50 0.00 0.00 65.72 6.60 12.63 12.90 0.00 6.50	
-Operating Interest	2.74	
SUM OF LISTED DIRECT COSTS INDIRECT (FIXED) COSTS -Misc. Overhead -Machinery Depreciation -Machinery Investment -Land Charge	5.79 14.93 8.17 33.60	
SUM OF LISTED INDIRECT COSTS	62.49	
SUM OF ALL LISTED COSTS	184.48	
RETURN TO LABOR & MANAGEMENT	48.44	
LISTED COSTS PER BUDGET UNIT -Direct Costs -Indirect Costs -Total Costs	(bu): 3.39 1.74 5.12	

notes:

2012 Machinery List

Machine	Purch. Price	Annual Use	Years to trade	Trade in	Deprec.	Invest.	Repairs	Ac/hr
2WD 100HP Tractor	64600	400hr	20	20830	5.47 /hr	4.81 /hr	6.58 /hr	
2WD 160HP Tractor	109900	500hr	15	32513	10.32 /hr	6.41 /hr	11.19 /hr	
4WD 330HP Tractor	190700	500hr	15	56409	17.91 /hr	11.12 /hr	11.09 /hr	
SP Combine (base unit)	241000	250hr	12	59947	60.35 /hr	27.09 /hr	39.12 /hr	
Tandem Truck (used)	34800	150hr	15	11100	10.53 /hr	6.89 /hr	6.93 /hr	
Semi & Trailer (used)	39100	150hr	10	11200	18.60 /hr	7.55 /hr	8.53 /hr	
Pick-up Truck	27500	300hr	10 5400 7.37 /hr 2.47 /hr		3.13 /hr			
Swather 25 ft	22000	1000ac	20	5198	0.84 /ac	0.61 /ac	0.38 /ac	12.1
Sprayer 90 ft	34800	5000ac	10	15792	0.32 /ac	0.23 /ac	0.45 /ac	42.5
Heavy Harrow 70 ft	27800	2000ac	20	16234	0.29 /ac	0.50 /ac	0.31 /ac	39.7
Air Seeder 40 ft	162200	2400ac	12	76449	2.97 /ac	2.23 /ac	5.61 /ac	17.0
Planter 12-30	51100	800ac	20	17011	2.13 /ac	1.92 /ac	2.82 /ac	10.6
Corn head	43900	600ac	20	4137	3.31 /ac	1.80 /ac	1.02 /ac	6.8
Grain head w/pu	14000	800ac	15	2924	0.92 /ac	0.48 /ac	0.27 /ac	8.5
Grain str. cut 30 ft	23400	2000ac	8	9409	0.87 /ac	0.37 /ac	0.36 /ac	10.2
Head w/sunf pans 30 ft	28100	600ac	20	2871	2.10 /ac	1.16 /ac	0.43 /ac	10.2
Rock picker	20000	50hr	20	6386	0.45 /ac	0.40 /ac	0.30 /ac	29.1
Grain auger	8700	50hr	20	630	8.07 /hr	4.20 /hr	4.30 /hr	

Example Sequence of Operations

Field operations sequence for spring wheat and durum

OP. NO.	DESCRIPTION	(FEET) WIDTH	(MPH) SPEED	(AC/HR) Fld Cap	(\$/AC) FUEL & LUBE	(\$/AC) EST. REPAIRS
1	Pick Rocks				0.59	0.52
2	Spray (burn-dowr	n) 90	6.0	42.5	0.40	0.60
3	Plant	40	5.0	17.0	3.35	6.27
4	Spray	90	6.0	42.5	0.40	0.60
5	Combine	30	4.0	10.2	4.39	4.20
	Trucks*				1.46	0.53
	Grain auger (pto)				0.23	0.09
	Pickup truck alloc	ation		_	1.86	0.56
		Total			12.68	13.37

^{*} Truck costs will vary between crops.

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