

Budget Update, March 20, 2008

Price volatility in the input and commodity markets has made it particularly difficult to estimate enterprise costs and returns for this crop year. The budgets in the table below use the exact same production parameters as the November releases, but show the results of prevailing prices in mid-March for row crops. In this volatile environment, the timing of purchasing and marketing contracts will have a major impact on net returns.

As always, users are encouraged to download the Crop Budget Generator (Excel spreadsheet) to customize costs and return estimates for particular situations. See the Software Tools section on the FAPRI website.

Missouri Crop Budgets for 2008* Based on input and commodity prices in mid-March 2008

	Dryland Corn	Irrigated Corn	Grain Sorghum	Soybeans	Soybeans Double crop	Wheat
<i>Yield, bushels</i>	155	200	110	50	25	60
<i>Price per bushel</i>	4.90	4.90	4.65	10.80	10.80	9.00
Income per acre						
Market returns	759.50	980.00	511.50	540.00	270.00	540.00
Net payments (fixed)	14.15	14.15	14.15	14.15	0.00	14.15
Total income per acre	\$773.65	\$994.15	\$525.65	\$554.15	\$270.00	\$554.15
Operating costs per acre						
Seed	60.00	72.00	16.74	36.27	46.67	24.00
Fertilizer	140.15	178.50	105.60	68.50	32.75	95.25
Crop protection	29.85	29.85	27.00	9.10	9.10	9.20
Crop supplies, storage, and marketing	1.00	1.00	1.00	1.00	1.00	1.00
Crop consulting and insurance	22.00	0.00	13.78	14.75	0.00	12.30
Custom hire and rental	4.50	4.50	4.50	0.00	0.00	9.00
Machinery fuel, drying, and irrigation energy	38.64	71.46	20.72	16.35	10.34	14.07
Machinery repairs and maintenance	19.59	39.70	12.94	11.74	9.14	10.30
Operator and hired labor	14.80	20.40	12.11	10.58	8.69	10.25
Operating interest	13.22	16.70	8.58	6.73	4.71	7.41
Operating costs per acre	\$343.75	\$434.10	\$222.97	\$175.02	\$122.40	\$192.79
Ownership costs per acre						
Farm business overhead	3.73	3.73	3.73	4.20	0.00	3.50
Machinery overhead	26.11	46.22	19.48	17.48	12.81	13.50
Machinery depreciation	35.82	55.97	23.96	22.09	16.28	17.64
Real estate charge	125.00	150.00	97.50	125.00	0.00	125.00
Ownership costs per acre	\$190.67	\$255.92	\$144.68	\$168.77	\$29.09	\$159.64
Total costs per acre	\$534.42	\$690.03	\$367.65	\$343.79	\$151.49	\$352.43
Income over operating costs per acre	429.90	560.05	302.68	379.13	147.60	361.36
Income over total costs per acre	239.23	304.12	158.00	210.36	118.51	201.72
Operating costs per unit	2.22	2.17	2.03	3.50	4.90	3.21
Ownership costs per unit	1.23	1.28	1.32	3.38	1.16	2.66
Total costs per unit	3.45	3.45	3.34	6.88	6.06	5.87

* These budgets are intended to represent mid-sized Missouri farms outside of the Bootheel region. Yields are above statewide trend averages. Crop prices are net of basis. No marketing charges are estimated.