

2004 Crop Budget for Southwest Minnesota

November 1, 2003

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Below are projected budgets for production of the 2004 corn and soybean crops in SW Minnesota. Listed are both a high yield and a low yield scenario for each crop. Expenses are based on data from SW Minnesota Farm Business Management Association farms and include projected expense changes for 2004. Use this budget as a guide only and use your own yields and expense projections to arrive at an accurate budget for your farm.

The government program **Direct** payments are based on a 112 Bu. yield base for corn and a 44 Bu. yield base for soybeans x .78% (34 Bu.). The government program 2004 **Counter Cyclical** payment is based on a final 12-month marketing year (starting on September 1, 2004) price of 20 cents for a 140 Bu. corn base and no counter cyclical payments are projected for the soybean crop.

Prices used are 35 cents under Chicago Board of Trade prices for November 2004 soybeans and December 2004 corn. Other expenses listed are based on our data and include general farm insurance, marketing, utilities and various miscellaneous expenses.

Soybean aphid control and use of corn rootworm technology are built into the budget calculations below.

	CORN			BEANS		
	Low	High	Your Farm	Low	High	Your Farm
Yield Bushel/Acre	130	160		38	50	
Price \$/Bushel	\$2.15	\$2.15		\$5.65	\$5.65	
Gross/Acre \$	\$279	\$344		\$215	\$282	
USDA Direct Pymts	\$27	\$27		\$13	\$13	
USDA Counter Cyclical Pymts	\$24	\$24		---	---	
Total Income Per Acre \$	\$330	\$395		\$228	\$295	
Seed	\$39	\$46		\$20	\$23	
Fertilizer	\$35	\$47		\$10	\$10	
Herbicide/Insecticide	\$30	\$44		\$25	\$25	
Crop Insurance	\$9	\$10		\$9	\$10	
Drying Fuel	\$6	\$8				
Fuel/Oil	\$10	\$12		\$7	\$9	
Machinery Repairs	\$20	\$22		\$16	\$18	
Machine Leases/Machine Hire	\$9	\$9		\$11	\$11	
Interest on Operating	\$8	\$9		\$5	\$6	
Operator Labor	\$30	\$30		\$30	\$30	
Hired Labor	\$5	\$6		\$3	\$4	
Depreciation on Machinery	\$26	\$26		\$20	\$20	
Other Expenses	\$14	\$14		\$11	\$11	
Total Expenses per Acre	\$241	\$283		\$167	\$177	
Net Return to Land or the Amount Available to Pay Rent	\$89	\$112		\$61	\$118	