



## SOYBEAN PRODUCTION BUDGET (Roundup Ready) - 2009

### No-Tillage Practices

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ITEM	EXPLANATION			YOUR PROD. NUMBERS	PRICE PER UNIT		YIELD (bu/A)			YOUR BUDGET	
							36	48	60		
<b>RECEIPTS</b>											
Soybeans <sup>1</sup>					\$9.00	bu	324.00	432.00	540.00	576.00	
LDP <sup>2</sup>	\$5.10 County Loan Price				\$0.00		0.00	0.00	0.00	0.00	
DP Yields											
Direct Payment <sup>3</sup>	29.75	36	44		44	\$0.44	17.00	20.63	25.08	25.08	
	96.1	116.8	141.6		141.6	\$0.28					
CC Yields											
C.C. Payment <sup>3</sup>	32.7	42.1	51.4		51.4	\$0.00	0.00	0.00	0.00	0.00	
<b>TOTAL RECEIPTS</b>							341.00	452.63	565.08	601.08	
<b>VARIABLE COSTS</b>											
Seed <sup>4</sup>	180000 seeds				180000	0.290	/1000	52.20	52.20	52.20	52.20
Fertilizer <sup>5</sup>	/acre						seeds				
P2O5(lbs)	28.8	38.4	48		51.2	0.7692	lb	22.15	29.54	36.92	39.38
K2O(lbs)	50.4	67.2	84		89.6	0.7167	lb	36.12	48.16	60.20	64.21
Lime(ton)		0.25			0.25	25	ton	6.25	6.25	6.25	6.25
Chemicals <sup>6</sup>	Herbicide							30.00	30.00	30.00	30.00
	Insecticide							0.00	0.00	0.00	0.00
	Fungicide							0.00	0.00	0.00	0.00
Trucking - Fuel Only					\$0.15	/bu		5.40	7.20	9.00	9.60
Fuel, Oil, Grease <sup>7</sup>								9.74	9.74	9.74	9.74
Repairs <sup>8</sup>								7.59	7.59	7.59	7.59
Crop Insurance <sup>9</sup>								20.20	20.80	22.30	24.50
Miscellaneous <sup>10</sup>								8.00	8.00	8.00	8.00
Int. on Oper. Cap. <sup>11</sup>	5 mo.					9.00%		7.21	7.96	8.74	9.07
Hired Labor <sup>12</sup>								0.00	0.00	0.00	0.00
<b>TOTAL VARIABLE COSTS</b>							204.86	227.43	250.94	260.54	
							5.69	4.74	4.18	4.07	
<b>FIXED COSTS</b>											
Labor Charge <sup>12</sup>	2 hours					13.50	/hr	27.00	27.00	27.00	27.00
Mach. and Equip. Charge <sup>13</sup>								52.45	52.45	52.45	52.45
Land Charge <sup>14</sup>								100.00	130.00	165.00	200.00
Management Charge	5% of gross income							17.05	22.63	28.25	30.05
<b>TOTAL FIXED COSTS</b>							196.50	232.08	272.70	309.50	
<b>TOTAL COSTS</b>											
<b>-Per Acre</b>							401.36	459.51	523.64	570.04	
<b>-Per Bushel</b>							11.15	9.57	8.73	8.91	
<b>RETURN ABOVE VARIABLE COSTS</b>							136.14	225.20	314.14	340.54	
<b>RETURN ABOVE TOTAL COSTS</b>							-60.36	-6.88	41.43	31.03	
<b>RETURN TO LABOR AND MANAGEMENT<sup>15</sup></b>							-16.31	42.75	96.69	88.09	
<b>RETURN TO LAND</b>							39.64	123.12	206.43	231.03	

Values highlighted in gold may be changed to assist in computing "Your Budget" Column using macros embedded within the spreadsheet.

Values highlighted in light blue are cells embedded with macros and will be calculated for the user based on data entered.

These cells may be input manually, but macros will be overwritten!

Values highlighted in gray are stand alone cells that require direct input from the user.

- <sup>1</sup> Price is based on up-to-date November futures minus \$0.70 Basis
- <sup>2</sup> LDP is calculated as loan rate minus market price. LDP is 0 if market price is greater than loan rate.
- <sup>3</sup> Direct Payments (DP) are calculated by averaging the corn and soybean direct payment per acre.  
 Program yields displayed for both. First line - soybeans; Second line - corn.  
 Direct payments are calculated by multiplying DP Yields by 85% by the DP Price of \$0.44/bu. (soybeans) and \$0.28/bu. (corn).  
 (Direct payments are paid only on 85% of base acres.) Direct payment yields are calculated as 85%,  
 80%, and 80% of the Program Yield 35/bushels per acre (bpa), 45/bpa, and 55/bpa, respectively.  
 Counter Cyclical Payments (CCP) are calculated and included when market price + DP is less than  
 the Target Price of \$5.80/bu. Calculation of the CCP is based on Counter Cyclical (CC) Yield multiplied  
 by 85% multiplied by the CCP Rate ((Target Price - (Mkt Price + DP)). CC Yield assumed to be 93.5%  
 of Program Yield (35, 45, and 55 bpa, respectively).
- <sup>4</sup> Seed costs are \$0.233 per 1000 seeds, treated.
- <sup>5</sup> Assumes only maintenance application of fertilizer needed, soil test values of 25 ppm P/A and 150 ppm K/A.  
 Fertilizer prices vary over time and by area. Check with local sources for current prices.  
 Assumes MAP(11-52-0): 800 /ton Potash(0-0-60): 860 /ton
- <sup>6</sup> Based on use of glyphosate/2,4-D Ester for burndown and post applications, application rates will vary  
 with weed pressure and previous crop. Roundup Ready soybeans are often used in part as a tool for perennial  
 weed control. While this intrinsic value is not included in the budget, it should be considered when exploring  
 opportunities with Roundup Ready soybeans.
- <sup>7</sup> See table below for specific calculations. Lubrication costs are assumed to be 10% of fuel costs.
- <sup>8</sup> See table below for specific calculations.
- <sup>9</sup> Crop Insurance cost is based on CRC Insurance at 70% coverage level and 100% Price Protection Level. 2008 cost estimates.
- <sup>10</sup> Includes supplies, utilities, soil tests, small tools, software/hardware, transport of supplies and equipment, etc...
- <sup>11</sup> Interest on all variable costs, except trucking, for 5 months at 9% interest rate.
- <sup>12</sup> Part or all of labor may be a variable cost if paid labor varies with acres farmed.  
 It's a fixed cost if labor costs do not change with acres farmed.
- <sup>13</sup> Reflects 1500 acres, no-till RR soybeans/conservation tillage corn. See table below for specific calculations.
- <sup>14</sup> Average based on 2007-2008 data. Land charges vary throughout the state, check your local rates.  
<http://aede.osu.edu/resources/docs/pdf/UDSIO6SG-9315-IQAW-X7QLG33KLHMNAZZ6.pdf>  
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- <sup>15</sup> Return to labor and management is the revenue less total expenses except operator labor and management.  
 It is a measure of the returns to the operator's labor and management.

### Machinery Inventory

	Number times used	Machinery Cost	Acres per Year	Cost per Acre	Acres/ Hr	Fuel* (\$/A)	Hours / Year	Repairs (\$/A)	
50 ft. Boom Sprayer	2	\$19,000	1500	\$1.72	25.6	0.20	117.14	0.72	
20 Ft Grain Drill	1	\$36,000	750	\$6.08	8.5	0.81	88.44	1.44	
Combine 275 HP	1	\$206,000	1500	\$19.29	-----	-----	101.08	2.32	
25' Grain Head	1	\$28,000	750	\$5.24	7.4	2.20	101.08	0.44	
Semi Tractor Trailer**	1	\$31,500	1500	\$2.81	-----	***	-----	1.75	
Fertilizer Spreader	1	\$11,550	1500	\$1.05	25.60	0.12	58.59	0.24	
200 HP Tractor	2	\$138,000	1500	\$12.33	-----	-----	147.04	0.45	
75 HP Tractor	2	\$29,000	1500	\$2.50	-----	-----	117.14	0.08	
Pickup Truck (1/2)**	1	\$16,000	1500	\$1.43	-----	0.21	-----	0.15	
						<b>Fuel</b>	<b>8.85</b>		
<b>Machinery and Equipment Charge</b>						<b>\$52.45</b>	<b>F&amp;L</b>	<b>9.74</b>	<b>Repairs</b>
								<b>7.59</b>	

**Price of Diesel Fuel** \$2.50

Machinery cost estimates, fuel estimates and cost calculations based on information from the "Farm Machinery Cost Estimates March 2008". See the reference online at:

<http://www.extension.umn.edu/distribution/businessmanagement/DF6696.pdf>

Machinery and Equipment charge =

Cost per Acre = Machinery Cost (New Cost) Assumes 8 Year Useful Life using Straight Line Depreciation,  
 6.0% Interest on Average Value, 0.5% Insurance Cost on Average Value and 1.0% Housing Cost on Average Value.  
 Salvage Values are based on ASAE formulas.

Machines are all assumed to be new and in the first year of use (Except for Semi Tractor Trailer and Pickup Truck).

\*Fuel calculations are based on the implement plus tractor.

\*\*Semi Tractor Trailer and Pickup Truck are assumed to be used equipment.

\*\*\*Fuel for Semi is included in Budget as Trucking - Fuel Only