

James Valley Multi-District Career/Technology Center
910 12th Ave NE
Jamestown, ND 58401-6513

FARM BUSINESS MANAGEMENT

A COOPERATIVE EDUCATIONAL PROGRAM TO ASSIST
FARMERS WITH MANAGEMENT DECISION-MAKING

Virgil Dagman, Coordinator
952-4261
Cell- 730-4782
virgil.dagman@sendit.nodak.edu

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09 Crop Selections

Enclosed with this newsletter is a copy of an excel spreadsheet comparing the returns and costs of 6 different crops that you may raise in 2009. **It is intended for the farmer to put in his own yields, price and expenses and then compare.** Using a 3 to 5 year history from your own farm enterprises, especially for yields may make for more accurate comparisons. If you have Excel on your computer and would like a copy, let me know and I will send you one. If you want to make some comparisons at my office feel free to stop.

I have sent out basically the same spreadsheet several other times, but I have been updating it as time goes along. I have been changing the commodity price by looking at harvest 09 futures prices and then subtracting a normal harvest basis. With the declining price of fertilizer, I have been lowering that expense as well.

In this example I may using a cash rent figure of \$75 per acre. For overhead costs I am using \$60 / acre. Some of the major costs included here would be hired labor, machinery leases and depreciation, insurance, utilities, interest on intermediate liabilities, and family living. I am using a \$12 / acre FSA payment that is listed under miscellaneous payments. Near the bottom of the page you will see the initials "BEP", which stands for "Break Even Price". Just for an example—you would need to sell wheat at \$6.66 to cover direct and overhead costs with an estimated yield of 50 bushels.

This spreadsheet is intended for each farmer to input his/her best 2009 estimates for each crop and then compare which may have the best returns.

2008 Close Outs

Enclosed with this newsletter you will find input forms for your balance sheet, income-expense and crop enterprising. I will be calling you to set up a close-out date. However, **do not hesitate to call if you are ready**, even if I have not contacted you. For those of you using computerized accounting ---if you need assistance in closing out 2008 and going into 2009 give me a call.

Christmas-New Year's Schedule

The office will be closed December 26, 2008. I should be around most of the other days. If you have anything you want assistance with, call and set up an appointment.

Season's Greetings!

