

TECHNICAL NOTES

U. S. DEPARTMENT OF AGRICULTURE

Portland, Oregon

SOIL CONSERVATION SERVICE

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CARE, FEEDING AND USE OF CROP BUDGETS

Do not be confused by substitutes such as:

"Conservation Cost and Return Estimates",

"Enterprise Data Sheets", or

"Single Crop Enterprise Budgets",

All of the above are local names for crop budgets (Corrigenda cum grano salis). They are all estimates of the per acre cost of producing a crop. Sometimes they show net income or net return per acre, but they might show only the cost per acre or the cost per unit of production. They are a tool that can be used to help a cooperator choose between alternative conservation practices or systems.

A crop budget is needed for each crop grown in the rotation or cropping system. The budgets do not necessarily have to be all original or in a formal format. They are designed to be easily modified and should be adjusted to fit the farm or situation with which you are working. For example, a wheat budget, that fits the farm you are working with, might be modified to a barley budget by changing the yield, price received, and price of seed. You would not have to re-run the budget or make a whole new budget for this situation. The results would be off a little from actually making a complete new budget due to things like interest on operating capital, hauling costs, etc. However, the results would be close enough for the type of estimates that we need.

The attached table illustrates an easy way to calculate and display the data that you need for comparing alternatives. Changes such as yield, quality of products, or number of tillage operations are accounted for in modification or revision of the crop budgets. The results would be shown in the summary table.

Not all of the columns shown would have to be used. Crop, acres, net return per acre, and total net income might be the only information needed. Other items such as tons of hay produced, AUM's of grazing, or cost per acre could be shown in this same format. SCS-MGT-5A is a letter sized columner form that is convenient to use for this type of spreadsheet or table.

More information on crop budgets, partial budgets, determining annual costs, etc., can be found in "Economics of Conservation Handbook".

NORTH POWDER WATERSHED

CROP	ACRES	YIELD PER ACRE	PRICE RECEIVED	NET INCOME PER ACRE	TOTAL NET INCOME
<u>Present Conditions</u>				\$	\$
Alfalfa Estab.	42			-75.80	-3184
Alfalfa Hay	168	3 T.	76.40 T.	50.90	8551
Irrig. Pasture	175	360# beef	67.90	46.60	8155
Barley	70	1.5 T.	110 T.	14.90	1043
Spring Wheat	21	40 Bu.	4.30 Bu.	27.00	567
Winter Wheat	84	80 Bu.	4.30 Bu.	180.80	15,187
Meadow Hay	70	1.25 T.	62.40 T.	26.30	1842
Fallow	<u>70</u>	-	-	-78.90	<u>-5523</u>
Total	700				26,638
<u>With Pipes</u>					
Alfalfa Estab.	35	2.0 T.	76.40 T.	-42.00	-1470
Alfalfa Hay	210	4 T.	76.40 T.	139.50	29,295
Irrig. Pasture	175	540# Beef	67.90	125.50	21,962
Barley	84	2 T.	110 T.	68.00	5712
Spring Wheat	28	50 Bu.	4.30 Bu.	69.90	1957
Winter Wheat	98	100 Bu.	4.30 Bu.	265.10	25,980
Meadow	35	1.25 T.	62.40 T.	26.30	920
Fallow	<u>35</u>	-	-	-78.90	<u>-2762</u>
Total	700				81,594
Increased Net Income					54,956 ^{1/}

^{1/} This is the amount left to help pay for the conservation practices, structures, etc. It is an average annual figure and should be compared with the annual cost for the improvements.