

Crop Compare - 2008

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NDSU
Extension Service

Which crops to grow in 2008?

- Rotation
- Price and market outlook
- Marketing issues
- Machinery needs
- Profitability
- Return over variable costs

Input Costs and Availability

- Seed 10-200 percent increase
- Fertilizer 65 percent increase
- Fuel 25 percent increase
- Crop insurance 20 to 40 percent increase

Seed Price

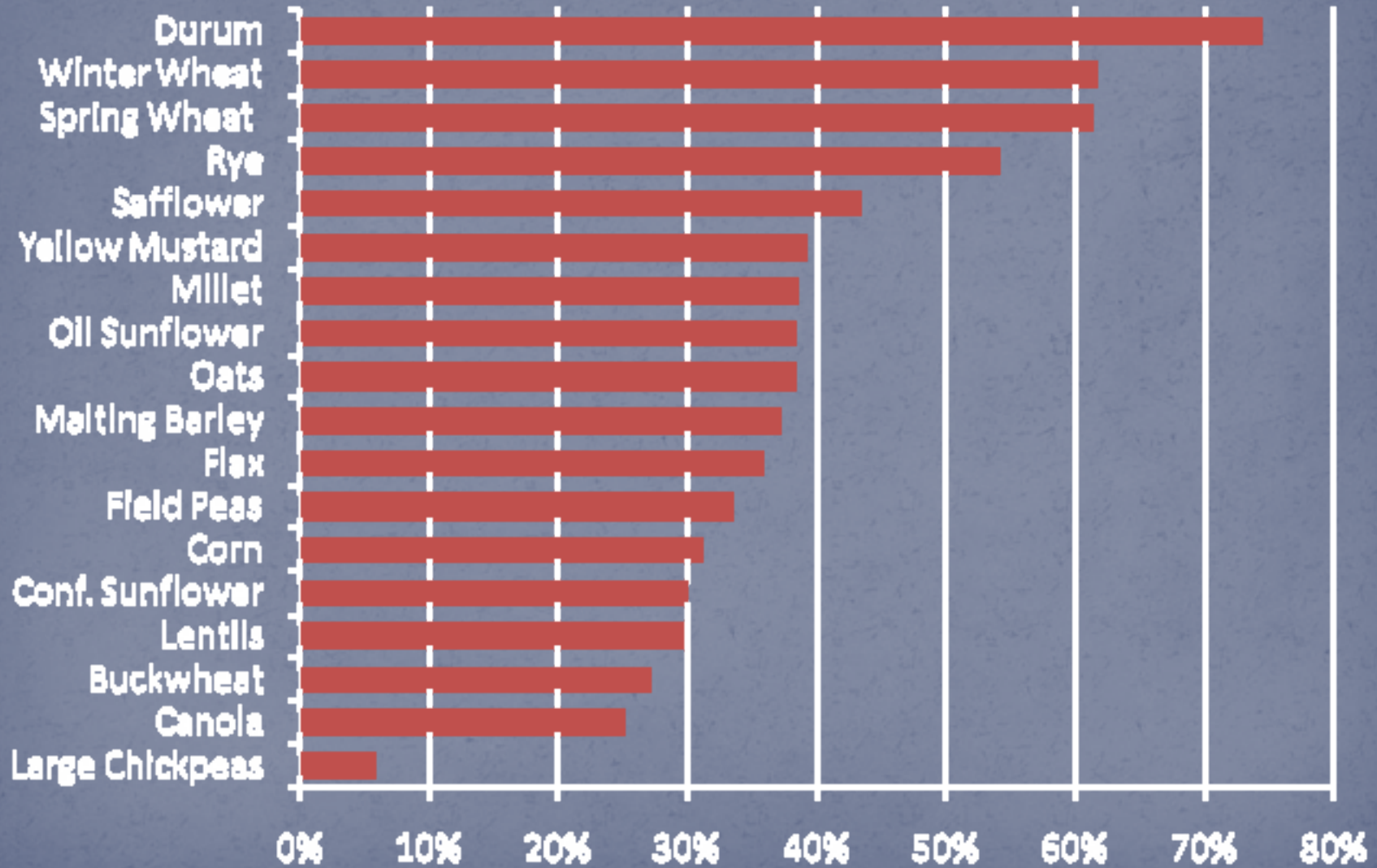
Wheat and Barley	↑ 50 to 200%
Corn	↑ about 15%
Soybean & Sunfl.	↑ 5 to 10%

RA Crop Insurance Base Prices

	2006	2007	2007 Increase	2008
Corn	2.59	4.06	57%	?
Soybean	5.93	8.09	36%	?
Wheat	4.22	5.23	24%	?
Canola	10.90	15.20	39%	?
Sunflower	10.90	14.80	36%	?

Southwest Budgets

Change in Direct Costs 2007-2008

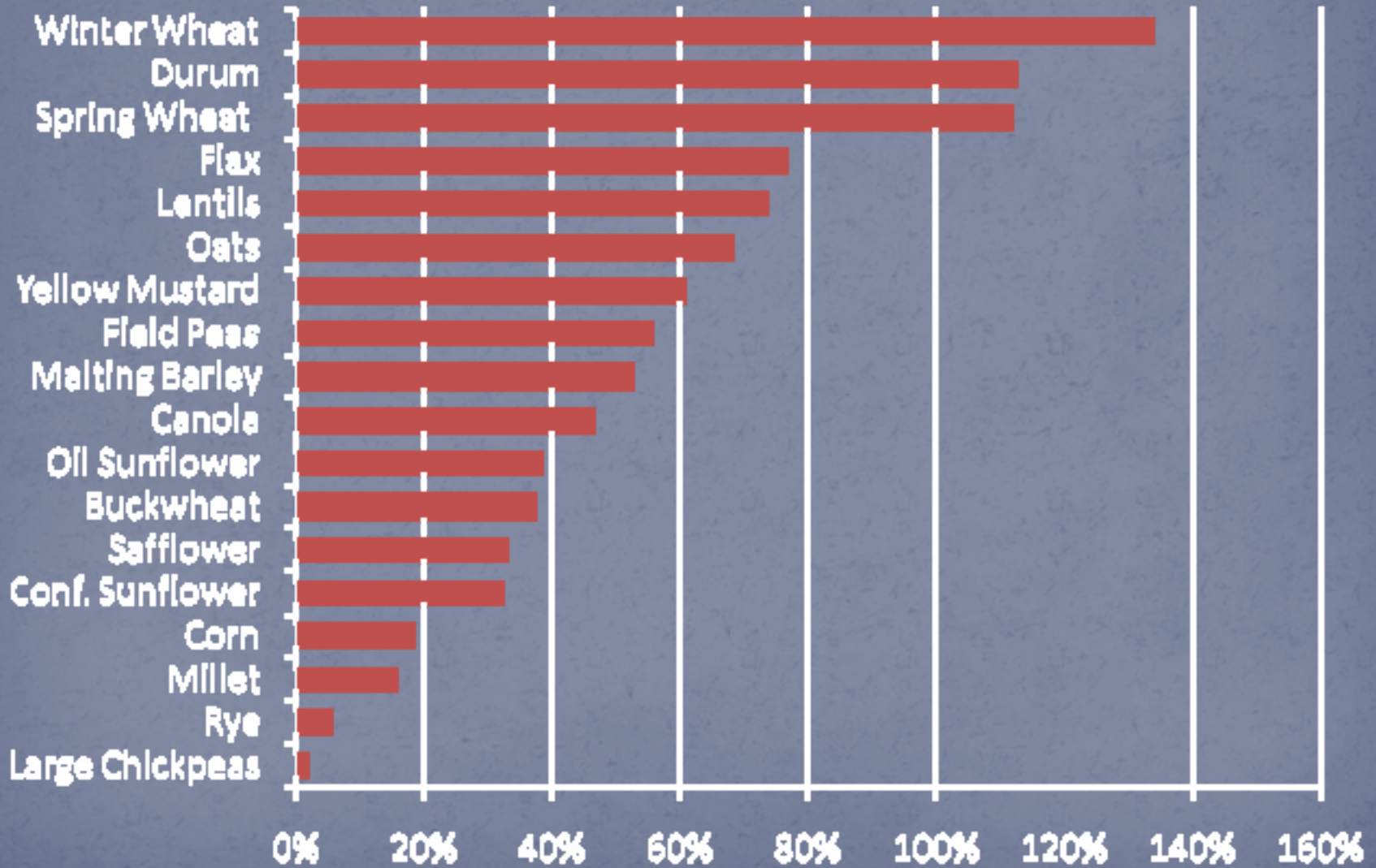


Direct Costs 2008



Southwest Budgets

Change in Price Projections 2007-2008



Price Projections 2008



Harvest 2008 Futures – Jan. 30

- Corn \$5.08
- Soybeans \$12.16
- Spring Wheat \$10.15
- Oats \$3.46

Objective

- The objective of “crop compare” is to calculate the cash price needed for other crops to yield the same return over variable costs as the base crop

User Input

- All yields
- All variable costs
- Futures price and basis for base crop

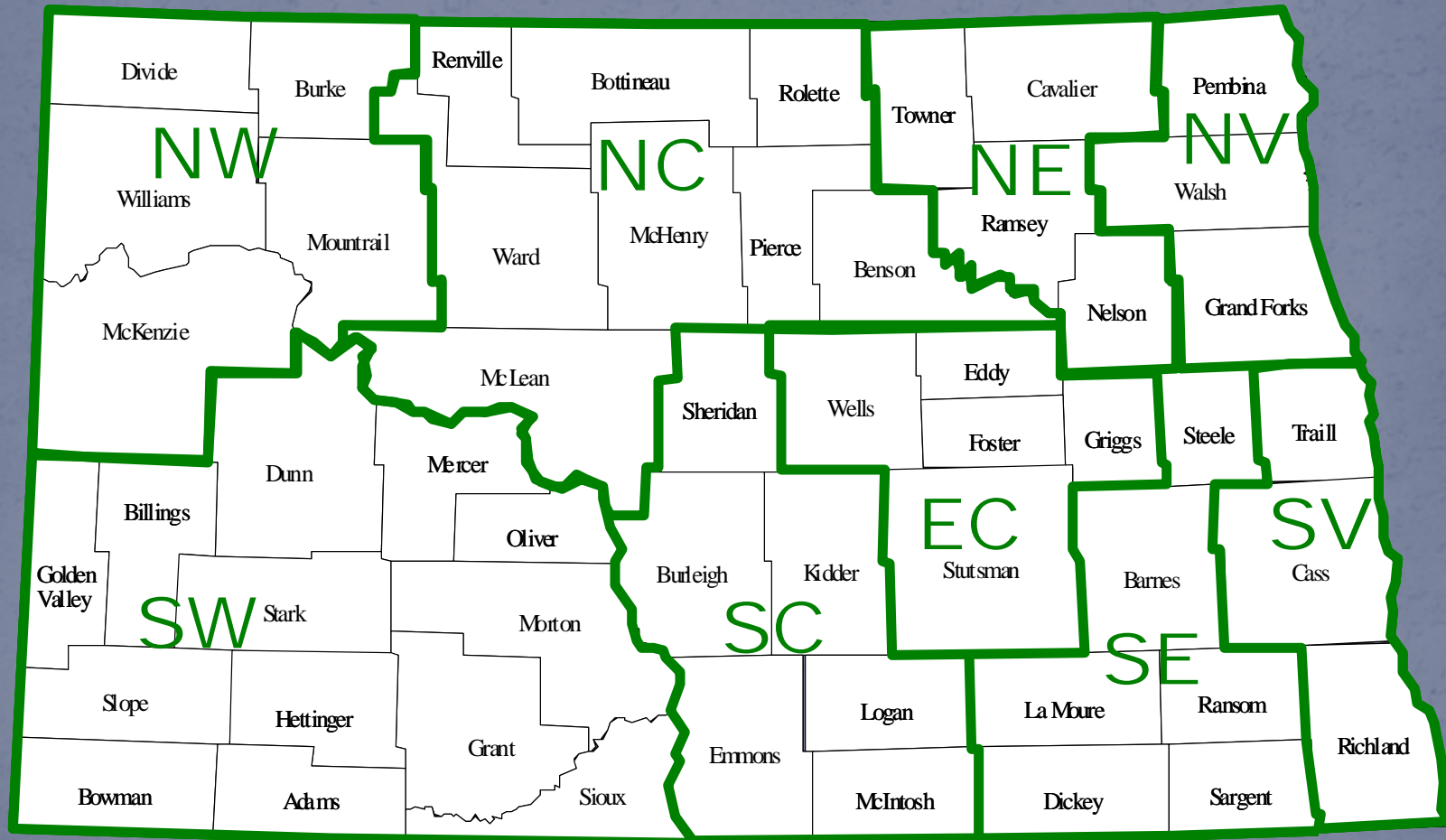
Shortcoming of Crop Compare

- Fixed costs are not included
 - Machinery ownership
 - Owner/operator labor
- Differences in management and risk are not included

Adjustments for fixed costs:

- Machinery
- Storage
- Labor
- Management
- risk

NDSU Crop Budget Regions





Crop Compare (an Excel spreadsheet)
available to download at:

[http://www.ag.ndsu.nodak.edu/aginfo/
farmmgmt/farmmgmt.htm](http://www.ag.ndsu.nodak.edu/aginfo/farmmgmt/farmmgmt.htm)