Calculating the Crop Cost of Production
By Katie Wantoch, Extension Dunn County Agriculture Agent

Enterprise budgets for crop production are increasingly important as the market price for grain commodities and the cost of inputs to grow these commodities continues to be volatile each year. Extension agriculture agents identified a need for a simple and concise way to compare the potential production costs and returns for various crops. There are numerous spreadsheets that have been developed as a way for producers to compile sample enterprise budgets for their operations. Most of these spreadsheets are extremely detailed and complicated for those producers with limited computer knowledge. According to the 2013 edition of the Wisconsin Agricultural Statistics provided by USDA's National Agricultural Statistics Service (NASS), 76 percent of farms had computer access while only 46 percent of farms used a computer for their farm business.

In response to this need, an Excel workbook with individual budget spreadsheets for corn, soybeans, winter wheat, seeding alfalfa and established alfalfa was developed. Detailed directions are provided as the cursor is moved from cell to cell in the Excel spreadsheet. Each spreadsheet is concise enough to print on a standard 8½ x 11 sheet of paper and complete as well.

Producers are able to customize the spreadsheet for input costs, including the cost per ton for the fertilizer that is used as well as the amount applied per acre. Seed cost is calculated by entering the cost per bag and the population being planted. Tillage costs are covered by using custom rates for each operation. The grower may change these rates and simply enter a 0, 1 or 2 to indicate which tillage system is used and how many passes are made in the field.

Harvest, drying and trucking charges are included for harvest expenses or may be adjusted to local costs. A cell is incorporated for land cost to determine whether it is owned or rented land. At the bottom of the spreadsheet the producer is able to enter the expected yield and the anticipated selling price for the commodity.

The corn and soybean budget spreadsheets also have a sensitivity analysis table included. This table allows the producer to make changes to their cost of production along with adjusting the sales price of the commodity. These adjustments permit the producer to review how 10 and 20 percent positive and negative yield and price changes of the commodity may affect their net return per acre.

The main goal of this project was to develop an understandable, easy to use Excel spreadsheet to input the major expenses in a crop production enterprise. Producers have stated that they are concerned with covering their major costs for this upcoming crop year while still being able to compare the potential returns from alternative crops. This Crop Budget Analyzer Excel spreadsheet is available for download from the Extension Dunn County website - https://dunn.extension.wisc.edu/agriculture/crops-soils/.

Cultivating Your Farm's Future Workshop

Monday, March 25th
9:30 a.m. Registration
9:45 a.m.-2:30 p.m. Program

Chippewa County Courthouse
711 N Bridge St
Chippewa Falls, WI 54729

Cost (includes lunch and materials): $15 per person
This workshop is partially funded by UW-Center for Dairy Profitability and the UW-Extension FARM team.

Register online at https://www.eventbrite.com/e/cultivating-your-farms-future-tickets-57529653743
or by calling
Extension Dunn County at 715-232-1636

Farm Business Blueprint:
A conceptual three step process on how you can begin to prepare and plan for your farm's future.

Family Business Dynamics:
Developing your goals and vision for family business. During this interactive session, participants will review family goals needed to be discussed before visiting an attorney.

Farm Financial Basics
Katie Wantoch, Agriculture Agent, Extension Dunn County

Cost of Production Analysis
Jerry Clark, Agriculture Agent, Extension Chippewa County, & Simon Jette-Nantel, Farm Management Specialist