

2022 Sugarbeet Enterprise Budget: Southeastern and Southcentral Idaho



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Resources Measurement: This budget assumes the economic resources measurement, which includes non-cash expenses such as depreciation.

Variation: There will likely be variations between this budget and actual sugarbeet farm budget values, due to differences in such things as production practices, operation size, and relationships with suppliers. Additionally, management plays a major role in cost minimization and efficient use of resources. Lastly, this budget does not assume income from any other farm activities. **You are highly encouraged to download the Excel version of this budget and use your own figures!** This is also available on the Idaho Ag Biz website.

Please note that this is not a benchmark for your farm's performance. This is simply intended to give a picture of what costs/returns may look like for a typical farm, given certain assumptions. Prices included are those obtained from surveys of various sources in Idaho and represent point-in-time prices for 2022 as gathered from suppliers in the area.

Assumptions: Aside from specific prices that will vary with your local area, the numbers included in this budget are based on a "model" sugarbeet farm. This model farm has 550 acres of sugarbeet production, has no other income, owns its own equipment, does its own pesticide application and pesticide application falls in the midpoint of possible applications (i.e. if the max applications per season for a product was three, this budget assumes two applications). Where there was variation in figures, the high estimate was used. 60% of costs are assumed to be paid with an operating loan.

Where 2022 figures were either not available or unreliable, 2021 numbers were used. Places where these were used included trucking/hauling charges and some pesticide prices.

For some numbers, statewide USDA data were used. For agricultural land rent, industry expert estimated value of \$350/acre was used. For yield, 39.5 tons/acre is assumed based off the USDA 2021 Crop Summary. Washington's average yield from this report the same year was 45.9 tons/acre.

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NOTE: 2022 prices are significantly impacted by continuing supply chain issues and substantial inflationary pressures. Additionally, nothing in this document should be taken as a recommendation concerning production practices or as a benchmark for operational costs.

Want to help improve this project? We would love to hear feedback from industry professionals on how to make these more useful! Feel free to get in touch with the authors using the contact information below:

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*If you are looking for additional resources or help preparing your own enterprise budget(s), please contact your county's extension office

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- Food safety
- Personal financial management
- Youth development (4-H)
- Community development

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Enterprise Budget

Item	Price Received	Unit	Yield/Acre	Per Acre
<u>Revenues</u>				
Net Revenue from Sugarbeets	\$56	ton	39.5	\$2,206.08
Government Payments	\$0			\$0.00
Total Revenues				\$2,206.08

<u>Variable Costs</u>	Cost	Unit	Application Rate/Acre	
Seed	\$414.00	100,000 Units	0.6	\$248.40
Fertilizer				
<i>Bulk Dry Urea</i>	\$1,000.00	ton	0.03	\$30.00
<i>Bulk Phosphorus (11-52-0)</i>	\$1,065.00	ton	0.02	\$23.96
<i>Bulk Dry Potash (0-0-60)</i>	\$900.00	ton	0.03	\$29.25
<i>Bulk Dry Ammonium Sulfate (21-0-24)</i>	\$718.33	ton	0.03	\$19.75
<i>Dicap (0-31-50)</i>	\$13.00	per acre	1.00	\$13.00
Pesticides				
<i>Roundup</i>	\$60.00	gal	0.42	\$25.32
<i>Kicker Plus</i>	\$10.28	gal	5.00	\$51.40
<i>Inspire XT</i>	\$390.85	gal	0.11	\$42.60
Labor				
<i>General Farm Labor (Seasonal)</i>	\$18.12	Effective Wage	1.74	\$31.53
<i>Truck Drivers (harvest)</i>	\$24.02	Effective Wage	2.88	\$69.16

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<i>Irrigation Labor (HL & WL)</i>	\$24.78	Effective Wage	1.40	\$34.69
<i>Equipment Operator</i>	\$22.31	Effective Wage	3.42	\$76.30
Irrigation				
<i>Electricity - Pumping</i>	\$6.57	kWh	17.40	\$114.32
<i>Surface Water Assessment</i>	\$76.00	Acre	1.00	\$76.00
<i>General Irrigation Repairs</i>	\$20.00	Acre	1.00	\$20.00
Fuel				
<i>Unleaded Gas</i>	\$4.24	gal	3.27	\$13.88
<i>Diesel</i>	\$5.20	gal	5.09	\$26.47
<i>Off-Road Diesel</i>	\$4.64	gal	17.82	\$82.61
Hauling/Trucking	\$5.90	ton	39.5	\$233.05
Crop Insurance				\$0.00
Other Variable Costs				
<i>Soil Testing</i>	\$16.00	acre	\$16.00	\$16.00
<i>Assorted Variable Costs (\$1,500/month)</i>	\$32.73	acre	\$32.73	\$32.73
Interest on 6-Month Operating Loan @ 6.5%				\$24.92
Total Variable Costs				\$1,338.53
 <u>Fixed and Other Costs</u>				
Machinery and Equipment Depreciation				\$203.64
Land Rent				\$350.09
Insurance				\$16.36
Other Fixed Costs*				\$98.18
Total Fixed Costs				\$668.27
Total Estimated Costs				\$2,006.80

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Net Profit/Loss	\$199.28
Net Profit Margin	9%

Notes for Fixed and Other Costs:

This figure includes...

- A monthly cost of \$4,000 that is intended to cover general “overhead”, which includes all utilities, maintenance, facility upkeep, administrative supplies, shop supplies, tool purchases, miscellaneous fees and most other farm expenses not included in a dedicated line item. A high estimate was used here.
- A general repairs expense of \$500, which includes parts, oil changes, regular upkeep and related expenses.

Note for Taxes:

Other than labor, this budget does not account for taxes. When creating your own budget, include property taxes under the misc. fixed costs section.

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Sensitivity Analysis

<i>Price</i>	-10%	-5%	Base	+5%	+10%
	\$50.40	\$53.20	\$56.00	\$58.80	\$61.60
Variable Cost Breakeven Yield	26.56	25.16	23.90	22.76	21.73
Fixed Cost Breakeven Yield	13.26	12.56	11.93	11.37	10.85
Total Cost Breakeven Yield	39.82	37.72	35.84	34.13	32.58

<i>Yield</i>	-10%	-5%	Base	+5%	+10%
	35.55	37.53	39.5	41.48	43.45
Variable Cost Breakeven Price	\$37.65	\$35.67	\$33.89	\$32.27	\$30.81
Fixed Cost Breakeven Price	\$18.80	\$17.81	\$16.92	\$16.11	\$15.38
Total Cost Breakeven Price	\$56.45	\$53.48	\$50.81	\$48.39	\$46.19