SAEA Enterprise Budget Survey and Summit Highlights

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Standard for Exchanging Costs and Returns Information
Long Beach, CA, July 30, 2002
2002 Survey Objectives

- Catalog budgets available
- Identify methodology used to develop those budgets
- Catalog enterprise budget generating software
- Identify resources used in developing and maintaining enterprise budgets
Survey responses

Southern region
- Alabama
- Clemson
- Louisiana State
- Mississippi State
- North Carolina State
- Oklahoma State
- Texas
- Univ. of GA
- Univ. of KY
- Univ. of TN
- Virginia Tech

Other
- Center for Dairy Profitability
  - WI
- Colorado State
- Kansas State
- North Dakota State
- Oregon State
- Univ. of IL
- Univ. of NE
- Washington State
Survey responses

Crop budgets - 568
- Alfalfa hay, cabbage, corn, corn silage, cucumbers, grass hay, pasture, potato, sorghum grain, soybean, squash, tomato, upland cotton, hard red winter wheat, winter wheat

Livestock budgets - 157
- Beef background steers, beef (cow-calf), beef grazing steers, dairy, dairy replacement heifers
Budgets are primarily

- Economic costs and returns
- For planning
- Steady state
- Forecast (or current)
- Single season (or longer run, normalized)
- Per unit in scale
Professional judgment is used in determining enterprise and farm:

- Structure
- Size
- Costs
- Practices
- Input use
- Yields
- Machinery and equipment complement
- Hired labor costs
- Farm overhead (if applicable)
Budget Components - Land

- No land charge
  - MS, NC, KY, VA, GA, OK
- Typical rent
  - Clemson, IL, KY, NE, VA, WSU, TX, OK
- Interest on investment
  - WI, KSU, OK, VA
- Tenancy alternatives?
Conform to AAEA recommendations?

- Don’t know
## Budget formats

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<th>Number</th>
<th>Percent</th>
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Budget generating software

- Not available to others: 56%
- Cost
  - 0 for 80%, $50 for 20%
- Software used
  - Excel 55%
  - Stand alone 42%
  - Quattro Pro 3%
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<th>How Often is Generating Software Updated?</th>
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<th>Every 3-4 Years</th>
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## Budget resources - FTEs

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<th>Hard $</th>
<th>Soft $</th>
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2002 SAEA Budget Summit Overview

- Survey results
- Budget generator presentations and discussion
  - Clemson – Wilder Ferreira
  - Mississippi State – David Laughlin
  - University of Tennessee, APAC – Kelly Tiller
  - NRCS – Kevin Boyle
2002 SAEA Budget Summit Overview (continued)

- Discussion of current multi-state efforts
  - GA/TN beef systems
  - MS with other states
- Gaps in tools, educational materials
  - Investment analysis
  - Whole farm planning, systems planning
  - Risk assessment
  - Hidden costs in new enterprises
- Search for common denominators that provide opportunities for multi-state cooperation
RME proposal

- Regional searchable database
- Publications on contract production and enterprise budgeting
- “Hands on” budget workshop highlighting budgeting methods and use of major budget generators
- Develop methods and/or standard set of cost input data sets available via WWW
2002 SEFMC Enterprise Budget Survey

Southern Extension Farm Management Committee
(SEFMC)

To participate in the survey, individuals must first register. Users who have previously registered may simply click on Log In.

Survey and pre-conference planning committee:
Damon Doye, Oklahoma State University
Gordon Groover, Virginia Tech
Geoff Benson, North Carolina State University
Larry Falconer, Texas Cooperative Extension Service
2002 SEFMC Enterprise Budget Survey

Please select a section for which you want to view or print the survey's results.

Section 1. Enterprise budget catalog

Choose a selection below
To list budgets for a State
To list budgets for an Organization/University
To list budgets for Crop Enterprises
To list budgets for Livestock Enterprises
To list budgets for a Farm Size
To list budgets for a Tillage system
To list budgets for organic, double crop, establishment, or contract production
To list budgets for a Format
To list budgets for a Contact person
www.agecon.okstate.edu/survey

- Information provided with query
  - Number or ID
  - Organization or university
  - Enterprise
  - Date issued
  - URL, if any
  - Format
  - Contact person
Things that I learned that aren’t in the survey results

- _____ at _____ has a bison budget
- Nobody at _____ does enterprise budgets on a regular basis, but someone just did a grape budget
- Delta States Farm Management group meets annually
- NCFMEC has “Suggested Procedures for Estimating Farm Machinery Costs for Extension Audiences” and “NC Region Farm Machinery Economic Cost Estimates” in review