**Budgeting Rules of Thumb**

Crop Budgets:

* Use Actual Production History (APH) Crop Insurance Yields whenever possible
* FSA Commodity Price list must be used when applying for FSA loans- see website link
* Check fertilizer prices against the total provided by client (they are usually more)
* Ask about supplemental hail insurance along with Federal Crop Insurance?
* Ask about seed treatment along with the prices of seed, especially soybeans
* A reasonable cash rent is generally about 25% of gross crop value
* If possible break up chemical/fertilizer application from cost when custom hiring
* Labor hours should be included in each budget.
  + Most crops are around 2 hours per acre
  + Alfalfa 3 hours per acre
  + Prairie/brome 1.5 hours per acre
  + If a farm is no-till and has lots of custom hire, then less.
  + Smaller farms would have more, bigger farms less.
* To change pasture from AUM to acres, but a “1” in for yield, treat the rest of the FINPACK analysis as if pasture was in acre terms (not AUMs)

Livestock Budgets:

* Labor hours should be included in each budget.
  + Beef Cows around 8 hours per head
  + Backgrounding/Stocker around .2 hours per month per head
* Sale barns charge about 2% of sale value for marketing expense
* Death loss typically 1-5%, look at salebarn receipts for actual number of calves sold to evaluate
* Don’t forget to add trucking expenses on livestock budgets, if there is any
* Typical cowherd has 90% live calf crop with 15% withheld for replacements, therefore the sales quantity would be 75%
* Unless calves sold at weaning it’s best to wean calf off the cow at no price sold then enter into a backgrounding budget at no price paid. You will get a warning message but just ignore it.
* Growing budgets calculate intake at 2.5 to 2.75% Dry Matter
* Bull expenses calculation: Purchase price less salvage value divided into number of cows serviced over generally a 3 year period. Example: $6000 purchase price - $2000 salvage = $4000 value consumed / 25 cows = $53/cow/year
* 3 pounds of silage equals 1 pound of dry hay.
* Value a ton of silage is usually 9 or 10 times the value of a bushel of corn.