A new crop year is near and double digit price increases in input costs are on farmer’s minds. One way to put recent fertilizer, seed and chemical price increases in context is compare major expenses and net returns per acre over time.

The USDA National Agricultural Statistics Service (NASS) collects farm financial data from the Ag Resource Management Study (ARMS). This project is sponsored by the USDA’s Economic Research Service (ERS). Annual national, regional and state expense and farm financial indicators are generated.

Locally, the University of Minnesota’s Center For Farm Financial Management compiles annual farm financial data from participating operations. The FINBIN database includes 12 states and provides a detailed income statement for 13 commodity enterprises for Minnesota.

These data are valuable to farmers because there is constant pressure to reduce cost and this can point to areas that might still have room for savings on your farm. You can also show that cash rent is often the largest expense, certainly relevant when negotiating with the increasing number of landlords without farming experience.

It’s valuable to lending institutions because it provides two independent sources of farm financial information that benchmarks an average for comparison to the details of a farms annual business plan.

The data is valuable to those outside of agriculture too. It explains the net effect of input costs on returns to a farmer’s business in a way that consumers will understand.

The following pages show a 25 year history of corn, soybean and wheat production costs. The same history is provided for net return over direct expenses, net returns with government payments and net return over labor.
Table 2: Objective Yield forecast Variables for Number of Fruit and Fruit Weight

Click below for a detailed description of all counts, measurements and formulas used in the crop forecast program.

Understanding MN Corn, Soybean and Wheat Production Expense History