

James Valley Multi-District Career/Technology Center  
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# FARM BUSINESS MANAGEMENT

A COOPERATIVE EDUCATIONAL PROGRAM TO ASSIST  
FARMERS WITH MANAGEMENT DECISION-MAKING

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## 2005 Close Outs

Enclosed with this newsletter you will find input forms for your balance sheet and income-expense summaries. I will be calling you to set up a close-out date. However, do not hesitate to call if you are ready, even if I have not contacted you.

For those of you using computerized accounting ---if you need assistance in closing out 2005 and going into 2006 give me a call.

## 5 Year Crop Histories

I have previously mailed to you the 5-6 year average gross and net returns for various crops grown in the area. I would strongly encourage each of you to take your own individual farm histories and look at the yields and selling prices of the different crops that you have been raising over the past 5-6 years. Next, look at the direct expenses that you have incurred with raising these crops. After doing this you will be able to analyze which crops have returned the most for payments of your overhead farm expenses and family living. It is important not to look at just last year but use the average of the past several years.

With increased input costs, cash flows for 2006 will be tighter than in the past years. Crop selection will be important for your cash flow budgets, but also remember crop diversification (planting several different crops) is a factor to be considered.

In the next several months we will be busy putting together your final numbers for 2005, and looking into the 06 production year.

## Christmas-New Year's Schedule

The office will be closed Monday, December 26 and also Monday, January 2. I will be working the rest of the days during the holiday season. If you have anything you want assistance with, call and we will set up an appointment.

## **Annie's Project**

Find enclosed a brochure concerning Annie's Project. It is a 6 session course designed especially for farm women. This course is being offered in Jamestown, starting January 26 here at the James Valley Career/ Tech Center. The brochure gives more details and registration information.

## **MPCI Prices released for 2006**

Listed below are the MPCI crop insurance prices for 2006. The surprise was flax at \$7.28 per bushel---up from \$5.24 last year.

Barley	\$1.85	Corn	1.95	Flax	7.28
Wheat	3.15	Oats	1.33	Soybeans	5.15
Pinto Bn	18.00/cwt	Navy Bn	16.00/cwt	Peas	6.00/cwt
Conf. Sunflower	15.00/cwt	Oil Sunflower	11.75/cwt		

The RA and CRC prices will not be determined and released until around March 1.

## **Other information**

- Wheat prices have recovered with the basis and quality discounts improving. Prices for good quality milling wheat are over \$4.00 at some elevators.
- November 06 soybean futures are currently \$6.36. Taking away a \$.50 basis, that gives you a local harvest price of \$5.86 at harvest. Continue to watch the market for a rally to start making some new crop sales. Remember you can lock in a future's price and leave the basis open until a later time.
- Same thing is true for new crop corn—Dec 06 corn is trading at \$2.47. Many long term corn growers will start making sales at \$2.50 and really get aggressive sales made at \$2.70. Continue to watch this market as well. Also, look at the Dec. 07 contract @ \$2.60.
- With any of these marketing strategies check with your local elevator merchandiser to discuss ways to accomplish your price objectives. He will be able to work with you with a variety of contracts.
- After talking with farmers and driving around the countryside, I am seeing several really nice livestock handling and feeding facilities being constructed with EQUIP monies. Check with your area Soil Conservation Service to see what may be available for you.
- You have only a few days left to do some tax planning with either myself or your tax accountant.

**Merry Christmas**

