

1999-2000 Sugarbeet Costs and Returns
from the Agricultural Resource Management Study
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Sugarbeet production in 2000 totaled 32.5 million tons, 3 percent below 1999's production. U.S. farmers planted beets on 1.56 million acres, similar to 1999. Harvested acres totaled 1.38 million acres, 10 percent below 1999 largely due to the PIK diversion program.

Sugar beet yields averaged 23.6 tons per harvested acre--a record due to a long growing season with above-normal temperatures and adequate water supplies. Yields in Idaho and California reached record levels at 29.2 and 32.5 tons per acre, respectively. In North Dakota, the average yield was 22.1 tons per acre, 1.7 tons more than 1999 but 0.1 tons below the 1998 record. In Minnesota, the yield was the highest in 13 years, averaged at 21.5 tons per acre.

The overall 2000 prices paid index for farm production inputs rose 5 percent over 1999. The largest increase was in fuel prices (44 percent), followed by fertilizers, farm machines, and labor (4 percent). Prices for agricultural chemicals fell slightly from 1999. This resulted in variable costs rising 3 percent above 1999. It costs U.S. sugarbeet growers \$462 per planted acre in variable expenses, ranging from \$340 in the Great Lakes and Red River Valley to \$871 in the Southwest. Note that the Southwest and the Northwest had the highest per-acre costs due primarily to irrigation-related expenses combined with high expenses for custom services and hired farm labor.

On a per-ton basis, the variable cash costs of producing sugar beets averaged \$22.06, up from \$20.78 from 1999. At the regional level, total variable cash costs in 2000 ranged from \$17.75 in the Red River Valley to \$28.65 per ton in the Great Plains.

Total fixed cash and economic costs and returns cannot be discussed at this time, as they depend on 2000 beet prices that are not yet available. In 2000, the beet prices used for estimating the value of production and the share rent component of the land costs have been held at their published 1999 levels. Although the 2000 U.S. national average sugar beet price is available, the U.S. national average costs are aggregated from the regional costs and without regional beet prices, the national average cost of land would not be consistent with the other national average costs.

The 2000 production costs and returns will be revised next year using the most recent survey data from 2000-Agricultural Resource Management Study (ARMS) and accounts will be converted to comply with the Task Force recommendations. Note that the production costs and returns for 1999 are revised from those previously published. At the national level, the revised 1999 total economic costs of producing beets averaged \$852.54

per planted acre (or \$39.56 per ton).

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Sugar beet production cash costs and returns, 1999-2000 1/

United States
Great Lakes
Red River Valley
Great Plains
Northwest
Southwest

Item

1999
2000
1999
2000
1999
2000
1999
2000
1999
2000
1999
2000

Dollars per planted acre

Gross value of production:

Beets
804.46
785.63
591.71
583.84
739.11
712.36
727.94
636.08
1,058.63
1,173.15
1,269.97
1,253.78

Beet tops
0.53
0.49
0.00
0.00
0.00
0.00
2.64
2.40

0.04
0.04
0.71
0.63

Total, gross value of production
804.99
786.12
591.71
583.84
739.11
712.36
730.58
638.48
1,058.67
1,173.19
1,270.68
1,254.41

Cash expenses:

Seed

44.19
42.92
25.57
24.80
45.55
44.18
49.34
47.82
47.07
45.74
49.44
47.94

Fertilizer

59.88
59.33
63.89
64.40
33.83
32.72
73.32
73.80
101.98
104.51
101.54
102.89

Chemicals

72.64
70.11
58.91
57.27
70.62
68.06
73.65
71.28
81.32
78.67
89.59
87.12

Custom operations

38.19
36.98

30.31
29.92
24.79
25.32
21.68
20.48
36.32
38.72
185.22
181.79

Fuel and lubrication

39.85
49.33
24.49
35.50
19.18
26.42
49.52
61.89
94.79
111.04
63.13
68.80

Repairs

44.93
45.48
35.23
36.14
34.38
34.22
61.35
59.41
64.11
69.95
50.12
51.29

Hired labor

118.14
124.42
73.45
78.54
84.88
90.51

122.83
129.29
210.39
225.61
210.27
219.08

Purchased irrigation water

9.13
9.21
0.00
0.00
0.04
0.05
13.53
13.95
29.36
30.57
31.50
32.63

Freight and dirt hauling charges

17.07
21.11
7.49
11.48
10.85
14.15
17.11
22.23
13.57
22.57
82.15
85.55

Miscellaneous

12.80
13.82
4.31
4.90
15.77
17.78
6.16
6.64
5.69
5.78

39.94
40.63

Hauling allowance (-)

8.94
10.55
2.75
4.22
10.36
13.21
1.52
1.93
1.44
2.34
44.91
46.77

Total, variable cash expenses

447.88
462.16
320.90
338.73
329.53
340.20
486.97
504.86
683.16
730.82
857.99
870.95

General farm overhead

37.43
38.09
39.76
40.80
29.48
30.20
43.38
44.16
45.97
47.08
52.55
53.85

Taxes and insurance

45.27
46.28
65.44
67.26
40.76
41.81
43.31
44.55
39.34
40.39
56.22
57.96

Interest

53.99
56.99
58.73
62.12
49.59
52.38
62.57
65.83
55.67
58.77
49.40
52.20

Total, fixed cash expenses

136.69
141.36
163.93
170.18
119.83
124.39
149.26
154.54
140.98
146.24
158.17
164.01

Total, cash expenses

584.57
603.52
484.83
508.91

449.36
464.59
636.23
659.40
824.14
877.06
1,016.16
1,034.96

Gross value of production less cash expenses

220.42
182.60
106.88
74.93
289.75
247.77
94.35
-20.92
234.53
296.13
254.52
219.45

Economic (full ownership) costs:

Variable cash expenses

447.88

462.16

320.90

338.73

329.53

340.20

486.97

504.86

683.16

730.82

857.99

870.95

General farm overhead

37.43

38.09

39.76

40.80

29.48

30.20

43.38

44.16

45.97

47.08

52.55

53.85

Taxes and insurance

45.27

46.28

65.44

67.26

40.76

41.81

43.31

44.55

39.34

40.39

56.22

57.96

Capital replacement

59.65
60.57
46.03
47.23
45.16
44.94
80.93
78.48
91.89
100.63
57.98
59.33

Operating capital

10.66
13.52
7.64
9.91
7.84
9.95
11.59
14.77
16.26
21.38
20.42
25.47

Nonland capital

28.65
26.48
28.99
27.23
20.78
18.93
40.99
36.26
38.27
38.07
28.56
26.75

Land

144.07
140.99

113.30
113.45
135.09
135.86
115.84
92.64
197.86
208.19
215.33
215.57

Coop share

23.73
29.76
0.00
0.00
50.42
61.96
0.00
0.00
0.00
0.00
0.00
0.00

Unpaid labor

55.20
58.58
73.11
78.20
40.70
43.39
92.01
96.43
52.29
55.14
32.52
33.88

Total, economic costs

852.54
876.43
695.17
722.81
699.76
727.24

915.02
912.15
1,165.04
1,241.70
1,321.57
1,343.76

Residual returns to management and risk

-47.55
-90.32
-103.46
-138.97
39.35
-14.88
-184.44
-273.67
-106.37
-68.51
-50.89
-89.35

Season-average price (dollars/ton)

37.33
37.50
32.80
32.80
37.16
37.16
35.93
36.10
42.21
42.23
36.80
36.80

Yield (net tons/planted acre) 2/

21.55
20.95
18.04
17.80
19.89
19.17
20.26
17.62
25.08
27.78

34.51

34.07

1. 1999 estimates are revised. 2000 estimates are preliminary. Sugar beet prices are held at the 1999 level because State-level prices for the 2000 season will not be available before January 2002. 2. Yields are those reported in USDA's 1992 Farm Costs and Returns Survey of sugarbeet growers adjusted for year-over-year changes as reported by USDA/NASS. Sugar beet regions defined as: Great Lakes (Michigan, Ohio), Red River Valley (Minnesota , eastern North Dakota), Great Plains (western North Dakota

Montana, Wyoming, Nebraska, Colorado, Texas), Northwest (Idaho, Oregon except Klamath County), and Southwest (California, Klamath County of Oregon).

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