

For better profits, track crop and field performance

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Do you know what parts of your farming operation are making you money and what parts are losing you money? It seems like an obvious question with obvious answers. However, the answer may be less obvious than you thought, as illustrated by a story I once heard of an equipment dealer who seemed to have a great business going, moving machines out the door one after another. He went broke, however, because he was losing money on every machine he sold. We have probably all seen this or heard similar stories. Don't let the same thing happen to you. Know what pays and what doesn't.

How? By keeping track of it. I realize most farmers aren't crazy about keeping records. The records they do keep may be just financial records for the government and the lender. These financial records are important. So too, however, are production records.

There is a lot of wisdom in the saying, "If you don't measure it you won't improve it." A farmer should keep records on a crop by crop basis, so he knows which crops are making (or losing) him money, and how much. Crop records influence decisions about which crops to grow in the future. We have to be flexible enough to change our cropping system when what we are doing doesn't pay.

A farmer should also keep records on a field by field basis. I can think of two reasons for this: 1) To determine if it makes sense to continue to farm specific fields or portions of fields, and 2) To help identify and prioritize areas for improvement.

Farmers who use yield monitors and yield maps are merely conducting electronic production recordkeeping. There is a common story told by farmers who yield monitor and yield map – they identify portions of fields and whole fields that they have been farming for years that are not, and probably seldom have been, profitable. They can then decide if there is a way to make them profitable or if they should just quit farming them. If it is rental property it can be dropped, rental rates can be adjusted, or improvements can be arranged with the land owner.

It is a worthwhile endeavor, since most farmers have plenty to do without farming unprofitable fields or portions of fields. Another benefit of field by field production records: They help establish realistic yield goals, which will affect inputs and expected returns.

Here are a few suggestions about recordkeeping:

- ✓ Keep records (expenses, production, marketing) on a crop by crop and field by field basis.
- ✓ There are many methods you can use for production recordkeeping, just use what you'll use. That is, if you like to keep records on the computer, then use a computer. If you prefer a notepad that sits on the dash of your pickup truck, then use the notepad. What matters is doing it.
- ✓ Make sure your records are your slave and not your master. Only collect and keep those records that will help you make management decisions (except for those

required by the government and your lender, of course). If you are going to ignore your records and go on "gut feel" anyway, don't bother keeping them in the first place.

- ✓ Use your records to help you prioritize your improvement activities. Every farmer has only so much time and money for improvements. Make sure you use these valuable resources where they will give you the best return.
- ✓ Use experience and good judgment. Sometimes one year of data is enough; sometimes multiple years of data will be required to make good decisions.