Sugarbeet Analysis Recommendations 2019 Regarding Harvest Difficulties and Liquidated Damages

Whole Farm Analysis

1. For producers that incurred liquidated damages (fixed cost assessment) for unharvested acres of 2019 crop.

        a. Make sure you have the whole amount owed for the FINAN including potential accounts payable yet in 2020, grower checks/statements from Nov 2019 only assessed 65% of the liquidated damages on those checks.  On the balance sheet, remember to either reduce the payment amounts for futures payments or keep payments that same and list the liquidated damage amounts under accounts payable (recommended)

      b. On the whole farm analysis, liquidated damages should be placed as a detailed direct crop miscellaneous expense

1. Remember to not include tons/quantity sold in crop sales for sugarbeets. (This has been a standing practice as income is always split in 2 different analysis years as payments are made incrementally between the year the crop was produced and the following year when the crop is fully marketed).

Sugarbeet 2019 Crop Analysis

1. Liquidated damages need to be accounted to unharvested acres in each field.
2. Default Allocation factor: Discuss with your students; consider adjusting default allocation factor up on sugarbeets to increase the allocation factor on harvested acres that required beyond normal practices to harvest those acres/fields. On fields where no harvest or limited harvest on acres, consider dropping the allocation factor down 50% from the set allocation of 120.
3. For analysis purpose, the recommendation is to not split the acres harvested from the unharvested acres for the final analysis, however your producer may want to see the split, just remember to combine enterprises for the final analysis.
4. Any crop insurance income for unharvested or destroyed beets should be entered under crop insurance income.
5. Remember that MFP payments are not eligible for sugarbeets when allocating to the crops.
6. Sugarbeets are eligible for ARC/PLC income received in 2019.

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