

TABLE 1. Basic cost information for Union County, 2003.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Purchased Inputs:			
Seed:			
Wheat		\$/pound	\$0.13
Grain Sorghum		\$/pound	\$1.20
Diesel fuel		\$/gallon	\$1.30
Gasoline		\$/gallon	\$1.35
Employee Liability Insurance	\$/ \$1,000	wages	\$20.00
Employee Benefits	percent/w	ages	18.00%
Labor Downtime	percent		25.00%
Financial Rates:			
Operating Capital Interest Rate	percent		8.00%
Land Interest Rate	percent		7.00%
Equipment Interest Rate	percent		8.00%
Real Interest Rate	percent		4.00%
Land Taxes	\$12.00 /acre	(full value)	\$0.11
Personal Property Tax Rate - NR	\$/ \$1,000	(Assessed Value)	\$26.51
- R			\$24.67
Supervision Factor	\$/labor hour		\$0.50
Management Rate	percent		7.00%

TABLE 1a. Overhead cost information for Union County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$215.00 per month	\$2,580
Telephone		\$95.00 per month	\$1,140
Accounting & Legal			\$1,050
Misc. Supplies & Hand Tools			\$1,595
Pickup and Auto			
miles	15,450	@ \$0.365 per mile	\$5,639
Insurance			
- general liability (non-employee)			\$1,380
- fire/theft			\$1,050
Property Taxes			
- non-planted land			\$2
- other than land & machinery			\$495
Building repairs and maintenance			\$525
Dues, fees, publications			\$390
Farmstead Equipment			\$165
		Total	\$16,012
		Total per planted acre	\$25.83

TABLE 2. Equipment summary for a 640 acre dryland farm with above average management, Union County, 2003.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE		VARIABLE COSTS					FIXED COSTS		
	HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL, LUBE PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 165 HP	317	1	\$31,475	\$3,723	\$1,814.85	\$11.74	\$5.72	\$4,652	\$308	\$15.64
CULTIVATOR 6 ROW	102	1	\$2,500		\$144.87	\$0.00	\$1.43	\$333	\$22	\$3.50
PLANTER 6 ROW	66	1	\$4,250		\$604.54	\$0.00	\$9.10	\$850	\$38	\$13.35
SWEEPS 20 FT	108	1	\$4,350		\$267.29	\$0.00	\$2.48	\$580	\$38	\$5.74
DRILL 13 FT	41	1	\$2,150		\$152.43	\$0.00	\$3.70	\$430	\$19	\$10.89
			\$44,725	\$3,723	\$2,984			\$6,846	\$425	

TABLE 3. Wheat, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County, 2003.
 Planting dates: August 15 - September 15
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
WHEAT	\$3.45	13.00	BUSHEL						\$44.85	
DIRECT PAYMENT	\$0.52	35.00	BUSHEL						\$18.20	
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00	
GRAZING	\$20.00	1.00	ACRE						\$20.00	
TOTAL									\$83.05	
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL	
SEED	\$0.13	30	LBS	\$3.90					\$3.90	
MANURE	\$2.70	5	TON	\$13.50					\$13.50	
SUBTOTAL				\$17.40					\$17.40	
PREHARVEST OPERATIONS										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEPS (3X)	145 HP	0.30	HR		\$2.27	\$3.52	\$2.46	\$6.41	\$14.66	
DRILL	145 HP	0.18	HR		\$1.36	\$2.11	\$1.70	\$4.78	\$9.94	
SUBTOTAL		0.48 HR			\$3.62	\$5.64	\$4.16	\$11.19	\$24.61	
HARVEST OPERATIONS										
COMBINE (CUSTOM)					\$16.00				\$16.00	
HAUL (CUSTOM)					\$2.08				\$2.08	
SUBTOTAL					\$18.08				\$18.08	
OVERHEAD EXPENSES										
DOWNTIME		0.12	HR		\$0.91				\$0.91	
EMPLOYEE BENEFITS					\$0.65				\$0.65	
INSURANCE					\$0.07				\$0.07	
LAND TAXES								\$0.11	\$0.11	
SUPERVISION AND MANAGEMENT					\$6.05				\$6.05	
OTHER EXPENSES					\$25.83				\$25.83	
SUBTOTAL		0.12 HR			\$25.90	\$7.61		\$0.11	\$33.62	
TOTAL OPERATING EXPENSES		0.60 HR			\$61.38	\$11.24	\$5.64	\$4.16	\$11.30	
NET OPERATING PROFIT									(\$10.65)	
INTEREST ON OPERATING CAPITAL	(\$12.65	@	8.00%)				\$1.01	
INTEREST ON EQUIPMENT INVESTMENT									\$5.94	
RETURN TO LAND AND RISK									(\$17.61)	
BUDGET SUMMARY										
GROSS RETURN		\$83.05								
VARIABLE OPERATING EXPENSES	\$71.17									
RETURN OVER VARIABLE EXPENSES		\$11.88	(GROSS MARGIN)							
FIXED EXPENSES	\$11.30									
NET FARM INCOME		\$0.58	(RETURN TO CAPITAL, LABOR, LAND & RISK)							
LABOR AND MANAGEMENT COST	\$11.24									
NET OPERATING PROFIT		(\$10.65)	(RETURN TO CAPITAL, LAND & RISK)							
CAPITAL COSTS	\$6.96									
RETURN TO LAND AND RISK		(\$17.61)								

TABLE 4. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County, 2003.

Planting dates: May 15 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
GRAIN SORGHUM	\$4.39	15.00	CWT						\$65.85	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT						\$0.00	
DIRECT PAYMENT	\$0.625	15.00	CWT						\$9.38	
TOTAL									\$75.23	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED	\$1.20	3	LBS	\$3.60					\$3.60	
MANURE	\$2.75	5	TON	\$13.75					\$13.75	
HERBICIDE	\$16.00	1	X/ACRE	\$16.00					\$16.00	
SUBTOTAL				\$33.35					\$33.35	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEPS	145 HP	0.10	HR		\$0.76	\$1.17	\$0.82	\$2.14	\$4.89	
PLANTER	145 HP	0.17	HR		\$1.28	\$2.00	\$2.52	\$4.93	\$10.73	
CULTIVATOR (2X)	145 HP	0.26	HR		\$1.96	\$3.05	\$1.86	\$4.98	\$11.85	
SUBTOTAL		0.53	HR		\$4.00	\$6.22	\$5.20	\$12.04	\$27.46	
HARVEST OPERATIONS										
COMBINE (CUSTOM)				\$20.50					\$20.50	
HAUL (CUSTOM)				\$2.85					\$2.85	
SUBTOTAL				0.00	HR	\$23.35				\$23.35
OVERHEAD EXPENSES										
DOWNTIME		0.13	HR		\$1.00				\$1.00	
EMPLOYEE BENEFITS					\$0.72				\$0.72	
INSURANCE				\$0.08					\$0.08	
LAND TAXES								\$0.11	\$0.11	
SUPERVISION AND MANAGEMENT					\$5.53				\$5.53	
OTHER EXPENSES				\$25.83					\$25.83	
SUBTOTAL				0.13	HR	\$25.91	\$7.25	\$0.11	\$33.26	
TOTAL OPERATING EXPENSES		0.66	HR	\$82.61	\$11.25	\$6.22	\$5.20	\$12.15	\$117.43	
NET OPERATING PROFIT									(\$42.20)	
INTEREST ON OPERATING CAPITAL	(\$21.48	@	8.00%)				\$1.72	
INTEREST ON EQUIPMENT INVESTMENT									\$6.37	
RETURN TO LAND AND RISK									(\$50.29)	

BUDGET SUMMARY

GROSS RETURN		\$75.23	
VARIABLE OPERATING EXPENSES	\$94.03		
RETURN OVER VARIABLE EXPENSES		(\$18.80)	(GROSS MARGIN)
FIXED EXPENSES	\$12.15		
NET FARM INCOME		(\$30.95)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$11.25		
NET OPERATING PROFIT		(\$42.20)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$8.09		
RETURN TO LAND AND RISK		(\$50.29)	

TABLE 5. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, 2002.

	GRAIN	
	WHEAT	SORGHUM
	---DRYLAND---	
	BU	CWT
PRIMARY YIELD	13.00	15.00
PRIMARY PRICE	3.45	4.39
GOVERNMENT PAYMENTS	18.20	9.38
SECOND INCOME	20.00	0.00
GROSS RETURN	\$83.05	\$75.23
CASH OPERATING EXPENSES		
SEED	\$3.90	\$3.60
FERTILIZER	\$13.50	\$13.75
CHEMICALS		\$16.00
CROP INSURANCE		
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.64	\$6.22
FUEL-IRRIGATION		
REPAIRS	\$4.16	\$5.20
CUSTOM CHARGES	\$18.08	\$23.35
LAND TAXES	\$0.11	\$0.11
OTHER EXPENSES	\$25.90	\$25.91
TOTAL CASH EXPENSES	\$71.28	\$94.13
RETURN OVER CASH EXPENSES	\$11.77	(\$18.91)
FIXED EXPENSES	\$11.19	\$12.04
TOTAL EXPENSES	\$82.47	\$106.17
NET FARM INCOME	\$0.58	(\$30.95)
LABOR AND MANAGEMENT COSTS	\$11.24	\$11.25
NET OPERATING PROFIT	(\$10.65)	(\$42.20)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.01	\$1.72
INTEREST ON EQUIPMENT INVESTMENT	\$5.94	\$6.37
TOTAL CAPITAL COSTS	\$6.96	\$8.09
RETURN TO LAND AND RISK	(\$17.61)	(\$50.29)

TABLE 6. Whole farm summary, Union County, 2002.

GROSS RETURNS		
WHEAT	229 ACRES	
CROP		\$10,271
GRAZING		\$4,580
DIRECT PAYMENT		\$2,475
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	391 ACRES	
CROP		\$25,747
DIRECT PAYMENT		\$3,666
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		\$46,739
CASH OPERATING EXPENSES		
SEED		\$2,301
FERTILIZER		\$8,468
CHEMICALS		\$6,256
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$3,723
FUEL-IRRIGATION		\$0
REPAIRS		\$2,984
CUSTOM CHARGES		\$13,270
LAND TAXES		\$66
OTHER EXPENSES		\$16,060
TOTAL CASH EXPENSES		\$53,127
RETURN OVER CASH EXPENSES		(\$6,389)
FIXED EXPENSES		\$7,271
TOTAL EXPENSES		\$60,398
NET FARM INCOME		(\$13,660)
LABOR AND MANAGEMENT COSTS		\$6,973
NET OPERATING PROFIT		(\$20,632)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$904
INTEREST ON EQUIPMENT INVESTMENT		\$3,851
TOTAL CAPITAL COSTS		\$4,755
RETURN TO LAND AND RISK		(\$25,387)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$27,947)	-18.98%
\$200 /ACRE	(\$30,507)	-11.95%
\$300 /ACRE	(\$33,067)	-8.72%

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)