

TABLE 1. Basic cost information for Union County, 2002.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators	\$/hour		\$7.55
General & Irrigators	\$/hour		\$6.75
<b>Purchased Inputs:</b>			
Seed:			
Wheat	\$/pound		\$0.16
Grain Sorghum	\$/pound		\$1.11
Diesel fuel	\$/gallon		\$1.05
Gasoline	\$/gallon		\$1.00
Employee Liability Insurance	\$/ \$1,000 wages		\$20.00
Employee Benefits	percent/wages		18.00%
Labor Downtime	percent		25.00%
<b>Financial Rates:</b>			
Operating Capital Interest Rate	percent		8.00%
Land Interest Rate	percent		7.50%
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		\$26.51
- R	Value)		\$24.67
Supervision Factor	\$/labor hour		\$0.50
Management Rate	percent		7.00%

BUDGET AREA..... UNION COUNTY, 2002.  
 FARM SIZE..... 640 ACRES  
 IRRIGATION TYPE..... DRYLAND  
 NUMBER OF CROPS.... 2

ACREAGE SUMMARY:	LAND USE (ACRES)
WHEAT	136.0
ARP	0.0
FLEX IN WHEAT	24.0
GRAIN SORGHUM	391.0
ARP	0.0
FLEX IN WHEAT	69.0
ROADS & FENCES	20.0
<b>TOTAL</b>	<b>640.0</b>

TABLE 1a. Overhead cost information for Union County, 2002.

ITEM				
Electricity (Domestic & Shop)			\$210.00 per month	\$2,520
Telephone			\$90.00 per month	\$1,080
Accounting & Legal				\$1,020
Misc. Supplies & Hand Tools				\$1,550
Pickup and Auto				
miles	15,450	@	\$0.345 per mile	\$5,330
<b>Insurance</b>				
- general liability (non-employee)				\$1,340
- fire/theft				\$1,020
<b>Property Taxes</b>				
- non-planted land				\$2
- other than land & machinery				\$480
Building repairs and maintenance				\$510
Dues, fees, publications				\$380
Farmstead Equipment				\$160
			<b>Total</b>	<b>\$15,391</b>
			<b>Total per planted acre</b>	<b>\$24.82</b>

TABLE 2. Equipment summary for a 640 acre dryland farm with above average management, Union County, 2002.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL & LUBRICANT	REPAIR	FUEL, LUBE PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 145 HP	317	1	\$39,110	\$3,007	\$1,814.85	\$9.48	\$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
			\$52,360	\$3,007	\$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, 2002.  
 Planting dates: August 15 - September 15  
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD							TOTAL
<b>GROSS RETURNS</b>									
WHEAT	\$3.40	35.00	BUSHEL						\$119.00
ASCS DEFICIENCY	\$0.474	35.00	BUSHEL						\$16.59
ASCS DIVERSION	\$0.00								\$0.00
GRAZING	\$20.00	1.00	ACRE						\$20.00
<b>TOTAL</b>									<b>\$155.59</b>
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.16	30	LBS	\$4.80					\$4.80
MANURE	\$2.70	5	TON	\$13.50					\$13.50
<b>SUBTOTAL</b>				<b>\$18.30</b>					<b>\$18.30</b>
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS (3X)	145 HP	0.30	HR		\$2.27	\$2.84	\$2.46	\$6.41	\$13.98
DRILL	145 HP	0.18	HR		\$1.36	\$1.71	\$1.70	\$4.78	\$9.54
<b>SUBTOTAL</b>		<b>0.48 HR</b>			<b>\$3.62</b>	<b>\$4.55</b>	<b>\$4.16</b>	<b>\$11.19</b>	<b>\$23.52</b>
<b>HARVEST OPERATIONS</b>									
COMBINE (CUSTOM)					\$16.00				\$16.00
HAUL (CUSTOM)					\$5.60				\$5.60
<b>SUBTOTAL</b>					<b>\$21.60</b>				<b>\$21.60</b>
<b>OVERHEAD EXPENSES</b>									
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					\$11.13				\$11.13
OTHER EXPENSES					\$24.82				\$24.82
<b>SUBTOTAL</b>		<b>0.12 HR</b>			<b>\$24.90</b>	<b>\$12.69</b>		<b>\$0.11</b>	<b>\$37.69</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>0.60 HR</b>			<b>\$64.80</b>	<b>\$16.31</b>	<b>\$4.55</b>	<b>\$4.16</b>	<b>\$11.30</b>
<b>NET OPERATING PROFIT</b>									<b>\$54.48</b>
INTEREST ON OPERATING CAPITAL	(	\$13.13	@	8.00%	)				\$1.05
INTEREST ON EQUIPMENT INVESTMENT									\$5.94
<b>RETURN TO LAND AND RISK</b>									<b>\$47.48</b>
<b>BUDGET SUMMARY</b>									
GROSS RETURN		\$155.59							
VARIABLE OPERATING EXPENSES	\$73.51								
RETURN OVER VARIABLE EXPENSES		\$82.08	(GROSS MARGIN)						
FIXED EXPENSES	\$11.30								
NET FARM INCOME		\$70.79	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$16.31								
NET OPERATING PROFIT		\$54.48	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$6.99								
RETURN TO LAND AND RISK		\$47.48							

TABLE 4. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County, 2002.  
 Planting dates: May 15 - June 15  
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL
<b>GROSS RETURNS</b>									
GRAIN SORGHUM	\$3.75	15.00	CWT						\$56.25
ASCS DIVERSION	\$0.00	0.00	CWT						\$0.00
ASCS DEFICIENCY	\$0.58	15.00	CWT						\$8.70
<b>TOTAL</b>									<b>\$64.95</b>
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.11	3	LBS	\$3.33					\$3.33
MANURE	\$2.75	5	TON	\$13.75					\$13.75
HERBICIDE	\$15.63	1	X/ACRE	\$15.63					\$15.63
<b>SUBTOTAL</b>				<b>\$32.71</b>					<b>\$32.71</b>
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS	145 HP	0.10	HR		\$0.76	\$0.95	\$0.82	\$2.14	\$4.66
PLANTER	145 HP	0.17	HR		\$1.28	\$1.61	\$2.52	\$4.93	\$10.34
CULTIVATOR (2X)	145 HP	0.26	HR		\$1.96	\$2.47	\$1.86	\$4.98	\$11.26
<b>SUBTOTAL</b>		<b>0.53</b>	<b>HR</b>		<b>\$4.00</b>	<b>\$5.03</b>	<b>\$5.20</b>	<b>\$12.04</b>	<b>\$26.27</b>
<b>HARVEST OPERATIONS</b>									
COMBINE (CUSTOM)				\$20.50					\$20.50
HAUL (CUSTOM)				\$2.85					\$2.85
<b>SUBTOTAL</b>				<b>0.00</b>	<b>HR</b>	<b>\$23.35</b>			<b>\$23.35</b>
<b>OVERHEAD EXPENSES</b>									
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					\$4.81				\$4.81
OTHER EXPENSES				\$24.82					\$24.82
<b>SUBTOTAL</b>				<b>0.13</b>	<b>HR</b>	<b>\$24.90</b>	<b>\$6.53</b>	<b>\$0.11</b>	<b>\$31.54</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>0.66</b>	<b>HR</b>	<b>\$80.96</b>	<b>\$10.53</b>	<b>\$5.03</b>	<b>\$5.20</b>	<b>\$12.15</b>	<b>\$113.87</b>
<b>NET OPERATING PROFIT</b>									<b>(\$48.92)</b>
INTEREST ON OPERATING CAPITAL	(	\$20.85	@	8.00%	)				\$1.67
INTEREST ON EQUIPMENT INVESTMENT									\$6.37
<b>RETURN TO LAND AND RISK</b>									<b>(\$56.95)</b>

**BUDGET SUMMARY**

GROSS RETURN		\$64.95	
VARIABLE OPERATING EXPENSES	\$91.18		
RETURN OVER VARIABLE EXPENSES		(\$26.23)	(GROSS MARGIN)
FIXED EXPENSES	\$12.15		
NET FARM INCOME		(\$38.38)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$10.53		
NET OPERATING PROFIT		(\$48.92)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$8.04		
RETURN TO LAND AND RISK		(\$56.95)	

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	35.00	15.00
PRIMARY PRICE	3.40	3.75
GOVERNMENT PAYMENTS	16.59	8.70
SECOND INCOME	20.00	0.00
GROSS RETURN	\$155.59	\$64.95
CASH OPERATING EXPENSES		
SEED	\$4.80	\$3.33
FERTILIZER	\$13.50	\$13.75
CHEMICALS		\$15.63
CROP INSURANCE		
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$4.55	\$5.03
FUEL-IRRIGATION		
REPAIRS	\$4.16	\$5.20
CUSTOM CHARGES	\$21.60	\$23.35
LAND TAXES	\$0.11	\$0.11
OTHER EXPENSES	\$24.90	\$24.90
TOTAL CASH EXPENSES	\$73.61	\$91.29
RETURN OVER CASH EXPENSES	\$81.98	(\$26.34)
FIXED EXPENSES	\$11.19	\$12.04
TOTAL EXPENSES	\$84.80	\$103.33
NET FARM INCOME	\$70.79	(\$38.38)
LABOR AND MANAGEMENT COSTS	\$16.31	\$10.53
NET OPERATING PROFIT	\$54.48	(\$48.92)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.05	\$1.67
INTEREST ON EQUIPMENT INVESTMENT	\$5.94	\$6.37
TOTAL CAPITAL COSTS	\$6.99	\$8.04
RETURN TO LAND AND RISK	\$47.48	(\$56.95)

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

GROSS RETURNS		
WHEAT	229 ACRES	
CROP		\$27,251
GRAZING		\$4,580
ASCS DEFICIENCY		\$2,256
ASCS DIVERSION		\$0
GRAIN SORGHUM	391 ACRES	
CROP		\$21,994
ASCS DEFICIENCY		\$3,402
ASCS DIVERSION		\$0
GROSS RETURN		\$59,483
CASH OPERATING EXPENSES		
SEED		\$2,401
FERTILIZER		\$8,468
CHEMICALS		\$6,109
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$3,007
FUEL-IRRIGATION		\$0
REPAIRS		\$2,984
CUSTOM CHARGES		\$14,076
LAND TAXES		\$66
OTHER EXPENSES		\$15,439
TOTAL CASH EXPENSES		\$52,551
RETURN OVER CASH EXPENSES		\$6,932
FIXED EXPENSES		\$7,271
TOTAL EXPENSES		\$59,822
NET FARM INCOME		(\$339)
LABOR AND MANAGEMENT COSTS		\$7,854
NET OPERATING PROFIT		(\$8,194)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$893
INTEREST ON EQUIPMENT INVESTMENT		\$3,851
TOTAL CAPITAL COSTS		\$4,744
RETURN TO LAND AND RISK		(\$12,938)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$15,498)	-7.04%
\$200 /ACRE	(\$18,058)	-4.54%
\$300 /ACRE	(\$20,618)	-3.35%

\* 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)