

TABLE 1. Basic cost information for Southeastern Quay County, 2003.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.65
<b>Purchased Inputs:</b>			
Seed:			
Wheat		\$/pound	\$0.13
Energy:			
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%
<b>Financial Rates:</b>			
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	\$38.00	/acre (full value)	\$0.33
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$26.43
	- R		\$24.88
Supervision Factor		\$/labor hour	\$0.50
Management Rate		percent	7.00%

BUDGET AREA..... SOUTHEASTERN QUAY COUNTY, 2003.  
 FARM SIZE..... 1920 ACRES  
 IRRIGATION TYPE... DRYLAND  
 NUMBER OF CROPS... 1

ACREAGE SUMMARY:	LAND USE (ACRES)
WHEAT	1,088.0
ARP	0.0
FLEX IN WHEAT	192.0
FALLOW	620.0
ROADS, HOMESTEAD	20.0
<b>TOTAL</b>	<b>1,920.0</b>

TABLE 1a. Overhead cost information for Southeastern Quay County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$215.00 per month	\$2,580
Telephone		\$165.00 per month	\$1,980
Accounting & Legal			\$1,560
Misc. Supplies & Hand Tools			\$2,340
Pickup and Auto			
miles	31,000	@ \$0.365 per mile	\$11,315
<b>Insurance</b>			
- general liability (non-employee)			\$1,675
- fire/theft			\$1,330
<b>Property Taxes</b>			
- non-planted land			\$216
- other than land & machinery			\$590
Building repairs and maintenance			\$1,270
Dues, fees, publications			\$375
Farmstead Equipment			\$165
		<b>Total</b>	<b>\$25,396</b>
		<b>Total per planted acre</b>	<b>\$19.84</b>

TABLE 2. Equipment summary for a 1,920 acre dryland farm, Southeastern Quay County, 2003.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL, OIL LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 95 HP	128	1	\$19,240	\$1,182	\$824	\$9.24	\$6.44	\$1,430	\$189	\$12.65
TRACTOR 185 HP	256	1	\$40,700	\$3,454	\$3,453	\$13.49	\$13.49	\$5,995	\$396	\$24.96
COMBINE 145 HP	179	1	\$38,150	\$1,946	\$0	\$10.86	\$0.00	\$7,600	\$502	\$45.21
GRAIN HEAD 22 FT	179	1	\$3,100		\$0		\$0.00	\$501	\$33	\$2.98
TRUCK 2T 20 FT	179	1	\$22,000	\$1,480	\$3,893	\$8.26	\$21.72	\$4,400	\$194	\$25.64
ROD WEED 40 FT	128	2	\$2,400		\$86		\$0.67	\$320	\$21	\$2.67
CRUSTBUSTER 40 FT	64	1	\$7,750		\$1,061		\$16.59	\$1,550	\$68	\$25.29
STUBBLE MULCHER 40 FT	64	1	\$7,650		\$304		\$4.74	\$1,020	\$67	\$16.99
SWEEP 40 FT	128	1	\$6,000		\$430		\$3.36	\$800	\$53	\$6.66
			\$146,990	\$8,062	\$10,051			\$23,617	\$1,524	

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TABLE 3. Wheat, dryland, budgeted per acre costs and returns for a 1,920 acre farm with above average management, Southeastern Quay County, 2003.

Planting dates: August 20 - September 15

Harvesting dates: June 15 - July 10

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
WHEAT	\$4.50	20.00	BUSHEL					\$90.00
DIRECT PAYMENT	\$0.52	20.00	BUSHEL					\$10.40
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$5.00	1.00	ACRE					\$5.00
<b>TOTAL</b>								<b>\$105.40</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.13	25	LBS	\$3.25				\$3.25
CROP INSURANCE	\$0.04			\$0.04				\$0.04
<b>SUBTOTAL</b>				<b>\$3.29</b>				<b>\$3.29</b>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	185 HP	0.10	HR	\$0.76	\$1.35	\$1.68	\$3.16	\$6.95
STUBBLE MULCHER	185 HP	0.05	HR	\$0.38	\$0.67	\$0.91	\$2.10	\$4.06
RODWEED (2X)	96 HP	0.10	HR	\$0.76	\$0.92	\$0.71	\$1.53	\$3.92
DRILL	185 HP	0.05	HR	\$0.38	\$0.67	\$1.50	\$2.51	\$5.07
<b>SUBTOTAL</b>		<b>0.30</b>	<b>HR</b>	<b>\$2.27</b>	<b>\$3.62</b>	<b>\$4.81</b>	<b>\$9.30</b>	<b>\$20.00</b>
<b>HARVEST OPERATIONS</b>								
COMBINE	22 FT	0.14	HR	\$1.06	\$1.52	\$0.00	\$6.75	\$9.32
HAUL	2 TON	0.14	HR	\$1.06	\$1.16	\$3.04	\$3.59	\$8.84
<b>SUBTOTAL</b>		<b>0.28</b>	<b>HR</b>	<b>\$2.11</b>	<b>\$2.68</b>	<b>\$3.04</b>	<b>\$10.34</b>	<b>\$18.17</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.15	HR	\$0.54				\$0.54
EMPLOYEE BENEFITS				\$0.66				\$0.66
INSURANCE				\$0.09				\$0.09
LAND TAXES						\$0.33	\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$5.27				\$5.27
OTHER EXPENSES				\$19.84				\$19.84
<b>SUBTOTAL</b>		<b>0.15</b>	<b>HR</b>	<b>\$19.93</b>	<b>\$6.47</b>		<b>\$0.33</b>	<b>\$26.73</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>0.73</b>	<b>HR</b>	<b>\$23.18</b>	<b>\$10.85</b>	<b>\$6.30</b>	<b>\$7.85</b>	<b>\$19.98</b>
<b>NET OPERATING PROFIT</b>								<b>\$37.25</b>
INTEREST ON OPERATING CAPITAL	(	\$4.23	@	8.00%				\$0.34
INTEREST ON EQUIPMENT INVESTMENT								\$10.74
<b>RETURN TO LAND AND RISK</b>								<b>\$26.17</b>

**BUDGET SUMMARY**

GROSS RETURN		\$105.40	
VARIABLE OPERATING EXPENSES	\$37.33		
RETURN OVER VARIABLE EXPENSES		\$68.07	(GROSS MARGIN)
FIXED EXPENSES	\$19.98		
NET FARM INCOME		\$48.10	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$10.85		
NET OPERATING PROFIT		\$37.25	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.07		
RETURN TO LAND AND RISK		\$26.17	

TABLE 4. Summary of per acre costs and returns for a  
 1,920 acre farm with above average management,  
 Southeastern Quay County, 2003.

	WHEAT -DRYLAND-
	BU
PRIMARY YIELD	20.00
PRIMARY PRICE	4.50
GOVERNMENT PAYMENTS	10.40
SECOND INCOME	5.00
GROSS RETURN	\$105.40
CASH OPERATING EXPENSES	
SEED	\$3.25
FERTILIZER	
CHEMICALS	
CROP INSURANCE	\$0.04
OTHER PURCHASED INPUTS	\$0.09
CANAL WATER	
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$6.30
FUEL-IRRIGATION	
REPAIRS	\$7.85
CUSTOM CHARGES	
LAND TAXES	\$0.33
OTHER EXPENSES	\$19.84
TOTAL CASH EXPENSES	<u>\$37.70</u>
RETURN OVER CASH EXPENSES	\$67.70
FIXED EXPENSES	\$19.64
TOTAL EXPENSES	\$57.34
NET FARM INCOME	\$48.06
LABOR AND MANAGEMENT COSTS	\$10.85
NET OPERATING PROFIT	\$37.21
CAPITAL COSTS	
INTEREST ON OPERATING CAPITAL	\$0.34
INTEREST ON EQUIPMENT INVESTMENT	\$10.74
TOTAL CAPITAL COSTS	<u>\$11.07</u>
RETURN TO LAND AND RISK	<u>\$26.13</u>

TABLE 5. Whole farm summary, Southeastern Quay County, 2003.

GROSS RETURNS		
WHEAT	1,280 ACRES	
CROP		\$115,200
GRAZING		\$6,400
DIRECT PAYMENT		\$11,315
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$132,915</u>
CASH OPERATING EXPENSES		
SEED		\$4,160
FERTILIZER		\$0
CHEMICALS		\$0
CROP INSURANCE		\$50
OTHER PURCHASED INPUTS		\$112
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,062
FUEL-IRRIGATION		\$0
REPAIRS		\$10,051
CUSTOM CHARGES		\$0
LAND TAXES		\$429
OTHER EXPENSES		\$25,396
TOTAL CASH EXPENSES		<u>\$48,260</u>
RETURN OVER CASH EXPENSES		\$84,656
FIXED EXPENSES		\$25,141
TOTAL EXPENSES		\$73,400
NET FARM INCOME		\$59,515
LABOR AND MANAGEMENT COSTS		\$13,886
NET OPERATING PROFIT		\$45,629
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$433
INTEREST ON EQUIPMENT INVESTMENT		\$13,742
TOTAL CAPITAL COSTS		<u>\$14,175</u>
RETURN TO LAND AND RISK		<u>\$31,454</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	\$19,934	10.49%
\$300 /ACRE	\$8,414	6.31%
\$450 /ACRE	(\$3,106)	4.51%
\$600 /ACRE	(\$14,626)	3.51%
\$750 /ACRE	(\$26,146)	2.88%
\$900 /ACRE	(\$37,666)	2.43%

\* 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)