

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%

BUDGET AREA..... UNION COUNTY, 2003.
 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
TOTAL	640.0

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		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, 2003.

Planting dates: August 15 - September 15

Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
WHEAT	\$4.50	35.00	BUSHEL						\$157.50
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									\$195.70
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)					\$5.60				\$5.60
SUBTOTAL					\$21.60				\$21.60
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					\$13.94				\$13.94
OTHER EXPENSES					\$25.83				\$25.83
SUBTOTAL		0.12	HR		\$25.90	\$15.50		\$0.11	\$41.50
TOTAL OPERATING EXPENSES		0.60	HR		\$64.90	\$19.12	\$5.64	\$4.16	\$11.30
NET OPERATING PROFIT									\$90.59
INTEREST ON OPERATING CAPITAL	(\$12.95	@	8.00%)				\$1.04
INTEREST ON EQUIPMENT INVESTMENT									\$5.94
RETURN TO LAND AND RISK									\$83.61
BUDGET SUMMARY									
GROSS RETURN		\$195.70							
VARIABLE OPERATING EXPENSES	\$74.69								
RETURN OVER VARIABLE EXPENSES		\$121.01	(GROSS MARGIN)						
FIXED EXPENSES	\$11.30								
NET FARM INCOME		\$109.71	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$19.12								
NET OPERATING PROFIT		\$90.59	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$6.98								
RETURN TO LAND AND RISK		\$83.61							

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	\$3.95	15.00	CWT						\$59.25	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT						\$0.00	
DIRECT PAYMENT	\$0.625	15.00	CWT						\$9.38	
TOTAL									\$68.63	
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					\$5.07				\$5.07	
OTHER EXPENSES					\$25.83				\$25.83	
SUBTOTAL				0.13 HR	\$25.91	\$6.79		\$0.11	\$32.80	
TOTAL OPERATING EXPENSES		0.66 HR			\$82.61	\$10.79	\$6.22	\$5.20	\$12.15	\$116.96
NET OPERATING PROFIT									(\$48.34)	
INTEREST ON OPERATING CAPITAL	(\$21.48	@	8.00%)					\$1.72	
INTEREST ON EQUIPMENT INVESTMENT									\$6.37	
RETURN TO LAND AND RISK									(\$56.43)	

BUDGET SUMMARY

GROSS RETURN		\$68.63	
VARIABLE OPERATING EXPENSES	\$94.03		
RETURN OVER VARIABLE EXPENSES		(\$25.40)	(GROSS MARGIN)
FIXED EXPENSES	\$12.15		
NET FARM INCOME		(\$37.55)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$10.79		
NET OPERATING PROFIT		(\$48.34)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$8.09		
RETURN TO LAND AND RISK		(\$56.43)	

TABLE 5. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, 2003.

	GRAIN	
	WHEAT	SORGHUM
	---DRYLAND---	
	BU	CWT
PRIMARY YIELD	35.00	15.00
PRIMARY PRICE	4.50	3.95
GOVERNMENT PAYMENTS	18.20	9.38
SECOND INCOME	20.00	0.00
GROSS RETURN	\$195.70	\$68.63
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	\$21.60	\$23.35
LAND TAXES	\$0.11	\$0.11
OTHER EXPENSES	\$25.90	\$25.91
TOTAL CASH EXPENSES	\$74.80	\$94.13
RETURN OVER CASH EXPENSES	\$120.90	(\$25.51)
FIXED EXPENSES	\$11.19	\$12.04
TOTAL EXPENSES	\$85.99	\$106.17
NET FARM INCOME	\$109.71	(\$37.55)
LABOR AND MANAGEMENT COSTS	\$19.12	\$10.79
NET OPERATING PROFIT	\$90.59	(\$48.34)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.04	\$1.72
INTEREST ON EQUIPMENT INVESTMENT	\$5.94	\$6.37
TOTAL CAPITAL COSTS	\$6.98	\$8.09
RETURN TO LAND AND RISK	\$83.61	(\$56.43)

TABLE 6. Whole farm summary, Union County, 2003.

GROSS RETURNS		
WHEAT	229 ACRES	
CROP		\$36,068
GRAZING		\$4,580
DIRECT PAYMENT		\$2,475
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	391 ACRES	
CROP		\$23,167
DIRECT PAYMENT		\$3,666
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		\$69,955
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		\$14,076
LAND TAXES		\$66
OTHER EXPENSES		\$16,060
TOTAL CASH EXPENSES		\$53,933
RETURN OVER CASH EXPENSES		\$16,022
FIXED EXPENSES		\$7,271
TOTAL EXPENSES		\$61,205
NET FARM INCOME		\$8,751
LABOR AND MANAGEMENT COSTS		\$8,598
NET OPERATING PROFIT		\$153
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$909
INTEREST ON EQUIPMENT INVESTMENT		\$3,851
TOTAL CAPITAL COSTS		\$4,760
RETURN TO LAND AND RISK		(\$4,608)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$7,168)	0.14%
\$200 /ACRE	(\$9,728)	0.09%
\$300 /ACRE	(\$12,288)	0.06%

* 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)