

TABLE 8. Summary of per acre costs and returns for a 1,000 acre farm, Southern Quay County, Actual 2004

	WHEAT (Dryland)	GRAIN SORGHUM (Sprinkler)
	BU	CWT
PRIMARY YIELD	20.00	50.00
PRIMARY PRICE	\$3.75	\$3.70
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$0.00
GROSS RETURN	\$80.00	\$184.82
CASH OPERATING EXPENSES		
SEED	\$6.00	\$6.15
FERTILIZER		\$44.40
CHEMICALS		\$16.99
CROP INSURANCE	\$0.08	\$0.14
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$14.36	\$23.50
FUEL-IRRIGATION		\$43.87
REPAIRS	\$5.62	\$10.26
CUSTOM CHARGES		
LAND TAXES	\$0.31	\$0.78
OTHER EXPENSES	\$15.23	\$28.31
TOTAL CASH EXPENSES	\$41.60	\$174.40
RETURN OVER CASH EXPENSES	\$38.40	\$10.42
FIXED EXPENSES	\$18.54	\$41.00
TOTAL EXPENSES	\$60.15	\$215.40
NET FARM INCOME	\$19.85	(\$30.58)
LABOR AND MANAGEMENT COSTS	\$15.12	\$38.80
NET OPERATING PROFIT	\$4.73	(\$69.38)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.44	\$3.26
INTEREST ON EQUIPMENT INVESTMENT	\$8.47	\$19.30
TOTAL CAPITAL COSTS	\$8.91	\$22.57
RETURN TO LAND AND RISK	(\$4.18)	(\$91.94)

TABLE 9. Whole farm summary, Southern Quay County,
Actual 2004

GROSS RETURNS		
WHEAT	607.75 ACRES	
CROP		\$45,581
GRAZING		\$3,039
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	357.25 ACRES	
CROP		\$66,027
COUNTER CYCLICAL PAYMENT		\$0
DIRECT PAYMENT		\$0
GROSS RETURN		<u>\$114,647</u>
CASH OPERATING EXPENSES		
SEED		\$5,844
FERTILIZER		\$15,862
CHEMICALS		\$6,068
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$17,126
FUEL-IRRIGATION		\$15,673
REPAIRS		\$7,083
CUSTOM CHARGES		\$0
LAND TAXES		\$469
OTHER EXPENSES		\$19,367
TOTAL CASH EXPENSES		<u>\$87,591</u>
RETURN OVER CASH EXPENSES		\$27,057
FIXED EXPENSES		\$25,916
TOTAL EXPENSES		\$113,506
NET FARM INCOME		\$1,141
LABOR AND MANAGEMENT COSTS		\$23,052
NET OPERATING PROFIT		(\$21,911)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,435
INTEREST ON EQUIPMENT INVESTMENT		\$12,044
TOTAL CAPITAL COSTS		<u>\$13,479</u>
RETURN TO LAND AND RISK		<u>(\$35,390)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$39,890)	-6.71%
\$300 /ACRE	(\$44,390)	-4.60%
\$450 /ACRE	(\$48,890)	-3.50%
\$600 /ACRE	(\$53,390)	-2.82%
\$750 /ACRE	(\$57,890)	-2.36%
\$900 /ACRE	(\$62,390)	-2.03%

* 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)