

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Actual 2004

	WHEAT	GRAIN SORGHUM
	BU	CWT
PRIMARY YIELD	35.00	15.00
PRIMARY PRICE	\$3.75	\$3.70
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$20.00	\$0.00
GROSS RETURN	\$151.25	\$55.45
CASH OPERATING EXPENSES		
SEED	\$7.20	\$3.69
FERTILIZER	\$13.50	\$13.75
CHEMICALS		\$16.00
CROP INSURANCE		
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$9.04	\$9.98
FUEL-IRRIGATION		
REPAIRS	\$4.39	\$4.55
CUSTOM CHARGES	\$21.60	\$23.35
LAND TAXES	\$0.11	\$0.11
OTHER EXPENSES	\$35.55	\$35.56
TOTAL CASH EXPENSES	\$91.39	\$106.98
RETURN OVER CASH EXPENSES	\$59.86	(\$51.54)
FIXED EXPENSES	\$13.34	\$14.42
TOTAL EXPENSES	\$104.73	\$121.40
NET FARM INCOME	\$46.52	(\$65.95)
LABOR AND MANAGEMENT COSTS	\$15.94	\$9.79
NET OPERATING PROFIT	\$30.58	(\$75.75)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.97	\$1.39
INTEREST ON EQUIPMENT INVESTMENT	\$5.59	\$6.02
TOTAL CAPITAL COSTS	\$6.56	\$7.41
RETURN TO LAND AND RISK	\$24.02	(\$83.16)
Flex Computation	42.95	-62.72

TABLE 8. Whole farm summary, Union County,
Actual 2004

GROSS RETURNS		
WHEAT	229.00 ACRES	
CROP		\$30,056
GRAZING		\$4,580
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	391.00 ACRES	
CROP		\$21,680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$56,316</u>
CASH OPERATING EXPENSES		
SEED		\$3,092
FERTILIZER		\$8,468
CHEMICALS		\$6,256
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$5,972
FUEL-IRRIGATION		\$0
REPAIRS		\$2,783
CUSTOM CHARGES		\$14,076
LAND TAXES		\$66
OTHER EXPENSES		\$22,045
TOTAL CASH EXPENSES		<u>\$62,757</u>
RETURN OVER CASH EXPENSES		(\$6,441)
FIXED EXPENSES		\$8,692
TOTAL EXPENSES		\$71,449
NET FARM INCOME		(\$15,134)
LABOR AND MANAGEMENT COSTS		\$7,479
NET OPERATING PROFIT		(\$22,613)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$767
INTEREST ON EQUIPMENT INVESTMENT		\$3,634
TOTAL CAPITAL COSTS		<u>\$4,400</u>
RETURN TO LAND AND RISK		<u>(\$27,013)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$28,933)	-19.37%
\$200 /ACRE	(\$30,853)	-12.51%
\$300 /ACRE	(\$32,773)	-9.24%

* 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)

