

TABLE 12. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Union County
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	CORN FOR GRAIN	GRAIN SORGHUM	HAYGRAZER & MILLET
		TONS	BU	BU	CWT	TONS
PRIMARY YIELD		6.00	80.00	188.00	45.00	1.50
PRIMARY PRICE		\$130.00	\$3.75	\$2.25	\$3.70	\$105.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME		\$0.00	\$40.00	\$20.00	\$5.00	\$0.00
GROSS RETURN		\$780.00	\$340.00	\$443.00	\$171.34	\$157.50
CASH OPERATING EXPENSES						
SEED	\$65.70		\$24.00	\$27.63	\$6.15	\$1.86
FERTILIZER		\$54.80	\$21.60	\$172.70	\$75.50	
CHEMICALS				\$67.80	\$22.60	\$13.70
CROP INSURANCE			\$0.12	\$0.39	\$0.39	
OTHER PURCHASED INPUTS		\$0.12				\$0.03
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.05	\$16.81	\$12.79	\$23.05	\$18.56	\$9.76
FUEL-IRRIGATION	\$6.77	\$90.21	\$24.81	\$76.68	\$27.06	
REPAIRS	\$2.09	\$2.60	\$5.34	\$9.48	\$7.51	\$3.20
CUSTOM CHARGES						\$0.00
LAND TAXES		\$0.30	\$0.30	\$0.30	\$0.30	\$0.30
OTHER EXPENSES	\$0.11	\$37.79	\$37.65	\$37.86	\$37.68	\$37.54
TOTAL CASH EXPENSES	\$79.72	\$202.64	\$126.61	\$415.89	\$195.77	\$66.39
RETURN OVER CASH EXPENSES	(\$79.72)	\$577.36	\$213.39	\$27.11	(\$24.43)	\$91.11
FIXED EXPENSES	\$10.40	\$33.39	\$40.63	\$82.16	\$63.73	\$9.80
TOTAL EXPENSES	\$90.12	\$236.03	\$167.24	\$498.05	\$259.50	\$76.19
NET FARM INCOME	(\$90.12)	\$543.97	\$172.76	(\$55.05)	(\$88.16)	\$81.31
LABOR AND MANAGEMENT COSTS	\$14.20	\$78.99	\$38.54	\$60.78	\$29.01	\$17.83
NET OPERATING PROFIT	(\$104.32)	\$464.98	\$134.22	(\$115.83)	(\$117.17)	\$63.49
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$3.23	\$2.02	\$9.99	\$4.03	\$0.64
INTEREST ON EQUIPMENT INVESTMENT		\$8.60	\$15.04	\$32.89	\$23.29	\$4.65
TOTAL CAPITAL COSTS	\$0.00	\$11.82	\$17.07	\$42.88	\$27.32	\$5.29
RETURN TO LAND AND RISK	(\$104.32)	\$453.16	\$117.15	(\$158.70)	(\$144.49)	\$58.20
Flex Computation			172.83	-43.65	-57.47	

TABLE 13. Whole farm summary, Union County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	375 ACRES	
CROP		\$292,500
WHEAT	420.00 ACRES	
CROP		\$126,000
GRAZING		\$16,800
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	127.50 ACRES	
CROP		\$53,933
GRAZING		\$2,550
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	127.5 ACRES	
CROP		\$21,208
GRAZING		\$638
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
HAYGRAZER/MILLET	190 ACRES	
CROP		\$29,925
GROSS RETURN		<u>\$543,553</u>
CASH OPERATING EXPENSES		
SEED		\$18,353
FERTILIZER		\$61,268
CHEMICALS		\$14,129
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$50
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$19,112
FUEL-IRRIGATION		\$57,848
REPAIRS		\$6,109
CUSTOM CHARGES		\$0
LAND TAXES		\$377
OTHER EXPENSES		\$46,755
TOTAL CASH EXPENSES		<u>\$224,149</u>
RETURN OVER CASH EXPENSES		\$319,404
FIXED EXPENSES		\$45,033
TOTAL EXPENSES		<u>\$269,183</u>
NET FARM INCOME		\$274,370
LABOR AND MANAGEMENT COSTS		\$61,424
NET OPERATING PROFIT		\$212,946
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,969
INTEREST ON EQUIPMENT INVESTMENT		\$17,587
TOTAL CAPITAL COSTS		<u>\$21,556</u>
RETURN TO LAND AND RISK		<u>\$191,390</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$172,190	24.10%
\$750 /ACRE	\$162,590	17.69%
\$1,000 /ACRE	\$152,990	13.97%
\$1,250 /ACRE	\$143,390	11.55%
\$1,500 /ACRE	\$133,790	9.84%

* 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)