

TABLE 10. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Union County
Actual 2004

	WHEAT	CORN FOR GRAIN	GRAIN SORGHUM	HAYGRAZER & MILLET
	BU	BU	CWT	(Dryland) TONS
PRIMAR YIELD	80.00	188.00	45.00	1.50
PRIMARY PRICE	\$3.75	\$2.25	\$3.70	\$105.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$37.50	\$20.00	\$5.00	\$0.00
GROSS RETURN	\$337.50	\$443.00	\$171.34	\$157.50
CASH OPERATING EXPENSES				
SEED	\$24.00	\$27.63	\$6.15	\$1.86
FERTILIZER	\$21.60	\$144.20	\$75.50	
CHEMICALS		\$89.60	\$28.16	\$14.79
CROP INSURANCE	\$0.08	\$0.28	\$0.19	
OTHER PURCHASED INPUTS				\$0.03
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$12.79	\$23.05	\$18.56	\$9.76
FUEL-IRRIGATION	\$24.81	\$76.68	\$27.06	
REPAIRS	\$5.06	\$9.05	\$7.24	\$3.20
CUSTOM CHARGES				\$0.00
LAND TAXES	\$0.30	\$0.30	\$0.30	\$0.30
OTHER EXPENSES	\$32.52	\$32.72	\$32.55	\$6.55
TOTAL CASH EXPENSES	\$121.16	\$403.50	\$195.71	\$36.50
RETURN OVER CASH EXPENSES	\$216.34	\$39.50	(\$24.37)	\$121.00
FIXED EXPENSES	\$31.16	\$63.56	\$43.16	\$19.31
TOTAL EXPENSES	\$152.32	\$467.06	\$238.87	\$55.81
NET FARM INCOME	\$185.18	(\$24.06)	(\$67.53)	\$101.69
LABOR AND MANAGEMENT COSTS	\$38.36	\$60.78	\$29.01	\$17.83
NET OPERATING PROFIT	\$146.81	(\$84.84)	(\$96.54)	\$83.86
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$2.02	\$10.23	\$4.20	\$0.67
INTEREST ON EQUIPMENT INVESTMENT	\$11.44	\$25.87	\$16.16	\$10.43
TOTAL CAPITAL COSTS	\$13.46	\$36.10	\$20.36	\$11.11
RETURN TO LAND AND RISK	\$133.35	(\$120.94)	(\$116.90)	\$72.76
Flex Computation	175.96	-31.51	-57.58	

TABLE 11. Whole farm summary, Union County,
Actual 2004

GROSS RETURNS		
WHEAT	604 ACRES	
CROP		\$181,125
GRAZING		\$22,641
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	179 ACRES	
CROP		\$75,506
GRAZING		\$3,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	268 ACRES	
CROP		\$44,537
GRAZING		\$1,339
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
HAYGRAZER/MILLET	190 ACRES	
CROP		\$29,925
GROSS RETURN		<u>\$358,642</u>
CASH OPERATING EXPENSES		
SEED		\$21,421
FERTILIZER		\$58,996
CHEMICALS		\$26,344
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$5
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$18,658
FUEL-IRRIGATION		\$35,911
REPAIRS		\$7,216
CUSTOM CHARGES		\$0
LAND TAXES		\$377
OTHER EXPENSES		\$35,434
TOTAL CASH EXPENSES		<u>\$204,511</u>
RETURN OVER CASH EXPENSES		\$154,131
FIXED EXPENSES		\$45,387
TOTAL EXPENSES		\$249,898
NET FARM INCOME		\$108,745
LABOR AND MANAGEMENT COSTS		\$45,166
NET OPERATING PROFIT		\$63,579
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$4,298
INTEREST ON EQUIPMENT INVESTMENT		\$17,833
TOTAL CAPITAL COSTS		<u>\$22,131</u>
RETURN TO LAND AND RISK		<u>\$41,448</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$22,248	7.20%
\$750 /ACRE	\$12,648	5.29%
\$1,000 /ACRE	\$3,048	4.18%
\$1,250 /ACRE	(\$6,552)	3.45%
\$1,500 /ACRE	(\$16,152)	2.94%

* 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)