

TABLE 1. Acreage Summary, Union County, Projected 2005.

BUDGET AREA.....	UNION COUNTY
FARM SIZE.....	640 ACRES
IRRIGATION TYPE.....	DRYLAND
NUMBER OF CROPS..	2

ACREAGE SUMMARY:	LAND USE (ACRES)
WHEAT	136.0
ARP	0.00
FLEX IN WHEAT	24.00
GRAIN SORGHUM	391.00
ARP	0.00
FLEX IN WHEAT	69.00
ROADS & FENCES	20.00
TOTAL	640.0

TABLE 2. Basic cost information for Union County, Projected 2005.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.60
Purchased Inputs:		
Seed:		
Wheat	\$/pound	\$0.24
Grain Sorghum	\$/pound	\$1.23
Diesel fuel	\$/gallon	\$2.10
Gasoline	\$/gallon	\$2.00
Employee Liability Insurance	\$/ \$1,000 wages	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	7.00%
Land Interest Rate	percent	7.00%
Equipment Interest Rate	percent	7.00%
Real Interest Rate	percent	3.00%
Land Taxes	\$12.00 /acre (full value)	\$0.11
Personal Property Tax Rate	- NR \$/ \$1,000 (Assessed Value)	\$26.53
	- R	\$26.00
Supervision Factor	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for Union County, Projected 2005.

Item		
Electricity (Domestic & Shop)	\$215.00 per month	\$2,580
Telephone	\$115.00 per month	\$1,380
Accounting & Legal		\$1,525
Misc. Supplies & Hand Tools		\$1,430
Pickup and Auto		
miles	20,033 @ \$0.365 per mile	\$7,312
Insurance		
- general liability (non-employee)		\$1,710
- fire/theft		\$1,525
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$1,290
Dues, fees, publications		\$405
Farmstead Equipment		\$185
	Total	\$25,352
	Total per planted acre	\$40.89

TABLE 4. Equipment summary for a 640 acre dryland farm with above average management, Union County,
Projected 2005.

EQUIPMENT		ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS			FIXED COSTS			
ITEM & SIZE	FUEL, OIL, LUBRICANT				REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR 165 HP	165 HP	317	1	\$39,492	\$5,972	\$1,708	\$18.83	\$5.39	\$5,985	\$397	\$20.12
CULTIVATOR 6 ROW	6 ROW	102	1	\$2,500		\$315	\$0.00	\$3.10	\$333	\$22	\$3.50
PLANTER 6 ROW	6 ROW	66	1	\$4,250		\$136	\$0.00	\$2.04	\$850	\$38	\$13.35
SWEEPS 20 FT	20 FT	108	1	\$4,350		\$581	\$0.00	\$5.39	\$580	\$38	\$5.74
DRILL 13 FT	13 FT	41	1	\$2,150		\$43	\$0.00	\$1.03	\$430	\$19	\$10.89
				\$52,742	\$5,972	\$2,783			\$8,178	\$514	

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County,
 Projected 2005.
 Planting dates: August 15 - September 15
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
WHEAT	\$3.75	35.00 BUSHELS						\$131.25	
DIRECT PAYMENT	\$0.00	35.00 BUSHELS	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00	
GRAZING	\$20.00	1.00 ACRE						\$20.00	
TOTAL								\$151.25	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.24	30.00 LBS	\$7.20					\$7.20	
MANURE	\$2.70	5.00 TON	\$13.50					\$13.50	
SUBTOTAL			\$20.70					\$20.70	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEPS (3X)	145 HP	0.30 HR		\$2.24	\$5.65	\$3.23	\$7.76	\$18.88	
DRILL	145 HP	0.18 HR		\$1.34	\$3.39	\$1.16	\$5.58	\$11.47	
SUBTOTAL		0.48 HR		\$3.58	\$9.04	\$4.39	\$13.34	\$30.34	
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		\$0.89				\$0.89	
EMPLOYEE BENEFITS				\$0.64				\$0.64	
INSURANCE			\$0.07					\$0.07	
LAND TAXES							\$0.11	\$0.11	
SUPERVISION AND MANAGEMENT				\$10.83				\$10.83	
OTHER EXPENSES			\$40.89					\$40.89	
SUBTOTAL		0.12 HR	\$40.96	\$12.37			\$0.11	\$53.43	
TOTAL OPERATING EXPENSES		0.60 HR	\$83.26	\$15.94	\$9.04	\$4.39	\$13.45	\$126.08	
NET OPERATING PROFIT								\$25.17	
INTEREST ON OPERATING CAPITAL		(\$15.51 @ 7.00%)						\$1.09	
INTEREST ON EQUIPMENT INVESTMENT								\$6.26	
RETURN TO LAND AND RISK								\$17.83	

BUDGET SUMMARY		
GROSS RETURN		\$151.25
VARIABLE OPERATING EXPENSES	\$96.69	
RETURN OVER VARIABLE EXPENSES	\$54.56	(GROSS MARGIN)
FIXED EXPENSES	\$13.45	
NET FARM INCOME	\$41.11	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$15.94	
NET OPERATING PROFIT	\$25.17	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$7.35	
RETURN TO LAND AND RISK		\$17.83

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County
 Projected 2005.
 Planting dates: May 15 - June 15
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$3.70	15.00 CWT							\$55.45
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT							\$0.00
DIRECT PAYMENT	\$0.00	15.00 CWT	0.85						\$0.00
TOTAL									\$55.45
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$1.23	3 LBS	\$3.69						\$3.69
MANURE	\$2.75	5 TON	\$13.75						\$13.75
HERBICIDE	\$16.00	1 X/ACRE	\$16.00						\$16.00
SUBTOTAL			\$33.44						\$33.44
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEPS	145 HP	0.10 HR		\$0.75	\$1.88	\$1.08	\$2.59	\$6.29	
PLANTER	145 HP	0.17 HR		\$1.27	\$3.20	\$1.26	\$5.69	\$11.42	
CULTIVATOR (2X)	145 HP	0.26 HR		\$1.94	\$4.90	\$2.21	\$6.14	\$15.18	
SUBTOTAL		0.53 HR		\$3.95	\$9.98	\$4.55	\$14.42	\$32.89	
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		\$0.99				\$0.99	
EMPLOYEE BENEFITS				\$0.71				\$0.71	
INSURANCE			\$0.08					\$0.08	
LAND TAXES							\$0.11	\$0.11	
SUPERVISION AND MANAGEMENT				\$4.15				\$4.15	
OTHER EXPENSES			\$40.89					\$40.89	
SUBTOTAL		0.13 HR	\$40.97	\$5.84			\$0.11	\$46.92	
TOTAL OPERATING EXPENSES		0.66 HR	\$97.76	\$9.79	\$9.98	\$4.55	\$14.52	\$136.60	
NET OPERATING PROFIT								(\$81.16)	
INTEREST ON OPERATING CAPITAL		(\$22.30 @	7.00%)				\$1.56	
INTEREST ON EQUIPMENT INVESTMENT								\$6.74	
RETURN TO LAND AND RISK								(\$89.46)	

BUDGET SUMMARY

GROSS RETURN		\$55.45	
VARIABLE OPERATING EXPENSES	\$112.29		
RETURN OVER VARIABLE EXPENSES		(\$56.84)	(GROSS MARGIN)
FIXED EXPENSES	\$14.52		
NET FARM INCOME		(\$71.36)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$9.79		
NET OPERATING PROFIT		(\$81.16)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$8.30		
RETURN TO LAND AND RISK		(\$89.46)	

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2005.

	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	\$40.96	\$40.97
TOTAL CASH EXPENSES	\$96.80	\$112.39
RETURN OVER CASH EXPENSES	\$54.45	(\$56.95)
FIXED EXPENSES	\$13.34	\$14.42
TOTAL EXPENSES	\$110.14	\$126.81
NET FARM INCOME	\$41.11	(\$71.36)
LABOR AND MANAGEMENT COSTS	\$15.94	\$9.79
NET OPERATING PROFIT	\$25.17	(\$81.16)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.09	\$1.56
INTEREST ON EQUIPMENT INVESTMENT	\$6.26	\$6.74
TOTAL CAPITAL COSTS	\$7.35	\$8.30
RETURN TO LAND AND RISK	\$17.83	(\$89.46)

TABLE 8. Whole farm summary, Union County,
Projected 2005.

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		\$25,399
TOTAL CASH EXPENSES		<u>\$66,112</u>
RETURN OVER CASH EXPENSES		(\$9,796)
FIXED EXPENSES		\$8,692
TOTAL EXPENSES		\$74,804
NET FARM INCOME		(\$18,488)
LABOR AND MANAGEMENT COSTS		\$7,479
NET OPERATING PROFIT		(\$25,968)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$859
INTEREST ON EQUIPMENT INVESTMENT		\$4,070
TOTAL CAPITAL COSTS		<u>\$4,928</u>
RETURN TO LAND AND RISK		<u>(\$30,896)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$32,816)	-22.24%
\$200 /ACRE	(\$34,736)	-14.37%
\$300 /ACRE	(\$36,656)	-10.61%

* 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)