

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... UNION COUNTY Projected 2006.
FARM SIZE..... 1,280.00 ACRES
IRRIGATION TYPE..... SPRINKLER
NUMBER OF CROPS..... 4

VERSION 1.0

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TABLE 1. Acreage Summary, Union County,
Projected 2006.

| BUDGET AREA..... UNION COUNTY | | | |
|--------------------------------|------------------------------------|-------------------|-----------------|
| FARM SIZE..... 1,280 ACRES | | | |
| IRRIGATION TYPE..... SPRINKLER | | | |
| NUMBER OF CROPS... 5 | | | |
| | WATER USE | | |
| ACREAGE SUMMARY: | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN. |
| ALFALFA ESTABLISHMENT | 55.00 * | 3 | 165 |
| ALFALFA | 375.00 | 40 | 15,000 |
| WHEAT | 318.75 | 11 | 3,506 |
| ARP | 0.00 | | |
| FLEX IN WHEAT | 56.25 | 11 | 619 |
| CORN | 127.50 | 34 | 4,335 |
| ARP | 0.00 | | |
| FLEX IN WHEAT | 22.50 | 11 | 248 |
| GRAIN SORGHUM | 127.50 | 12 | 1,530 |
| ARP | 0.00 | | |
| FLEX IN WHEAT | 22.50 | 11 | 248 |
| HAYGRAZER | 190.00 | | |
| ROADS, HOMESTEAD | 40.00 | | |
| | TOTAL | | 25,650 |
| | 1,280.00 | | |
| | ACRE FEET PER ACRE OF WATER RIGHTS | | 1.67 |

* DOUBLE-CROPPED

TABLE 2. Basic cost information for Union County,
Projected 2006.

| Item | | | |
|---------------------------------|-------------------|-------------|------------------|
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | \$7.45 |
| General & Irrigators | \$/hour | | \$6.60 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | \$0.52 |
| Phosphate (P205) | \$/pound | | \$0.40 |
| Potash (K2O) | \$/pound | | \$0.29 |
| Seed: | | | |
| Alfalfa | \$/pound | | \$3.20 |
| Wheat | \$/pound | | \$0.28 |
| Corn for Grain | \$/bag | | \$100.00 |
| Grain Sorghum | \$/pound | | \$1.22 |
| Haygrazer/Millet | \$/pound | | \$0.41 |
| Oats | \$/pound | | \$0.32 |
| Natural gas | \$/MCF | | \$3.28 |
| (service charge) | \$/month | | \$10.00 |
| Diesel fuel | \$/gallon | | \$2.10 |
| Gasoline | \$/gallon | | \$2.00 |
| Electricity | cents/KwHr | | 6.78 |
| LP Gas | \$/gallon | | \$1.95 |
| Baling Twine | \$/pound | | \$0.21 |
| 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 | | 8.00% |
| Land Interest Rate | percent | | 8.00% |
| Equipment Interest Rate | percent | | 8.00% |
| Real Interest Rate | percent | | 3.00% |
| Land Taxes | \$27.00 /acre | | \$0.24 |
| Personal Property Tax Rate | - NR | \$/ \$1,000 | (Assessed Value) |
| | - R | | \$26.53 |
| | | | \$23.93 |
| Supervision Factors | | | |
| Field Crop-Irrigation | \$/labor hour | | \$1.00 |
| Field Crop-Equipment & General | \$/labor hour | | \$0.50 |
| Management Rate | | | |
| | percent | | 7.00% |

TABLE 3. Overhead cost information for Union County,
Projected 2006.

| Item | | | |
|------------------------------------|--------|------------------------|----------|
| Electricity (Domestic & Shop) | | \$424.00 per month | \$5,088 |
| Telephone | | \$206.70 per month | \$2,480 |
| Accounting & Legal | | | \$3,853 |
| Misc. Supplies & Hand Tools | | | \$3,911 |
| Pickup and Auto | | | |
| miles | 32,860 | @ \$0.415 per mile | \$13,637 |
| Insurance | | | |
| - general liability (non-employee) | | | \$2,491 |
| - fire/theft | | | \$1,998 |
| Property Taxes | | | |
| - non-planted land | | | \$0 |
| - other than land & machinery | | | \$6,010 |
| Building repairs and maintenance | | | \$1,606 |
| Dues, fees, publications | | | \$371 |
| Farmstead Equipment | | | \$307 |
| | | Total | \$41,753 |
| | | Total per planted acre | \$38.38 |
| | | Total per dryland acre | \$7.68 |

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2006.
Planting dates: August 1 - September 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
|---------------------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| PURCHASED INPUTS | | | | | | | | |
| SEED | \$3.20 | 20 LBS | | \$64.00 | | | | \$64.00 |
| OAT SEED | \$0.32 | 30 LBS | | \$9.60 | | | | \$9.60 |
| PUMP WATER* | | 3 AC. IN. | | | | | | |
| SUBTOTAL | | | | \$73.60 | | | | \$73.60 |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 185 HP | 0.07 HR | | \$0.52 | \$1.52 | \$1.27 | \$2.83 | \$6.15 |
| CULTI-PACKER | 93 HP | 0.17 HR | | \$1.27 | \$2.07 | \$0.36 | \$4.46 | \$8.16 |
| DRILL | 93 HP | 0.12 HR | | \$0.89 | \$1.46 | \$0.46 | \$2.46 | \$5.27 |
| IRRIGATE (4X) | | 0.40 HR | | \$2.64 | \$6.77 | \$0.00 | \$0.44 | \$9.84 |
| SUBTOTAL | | 0.76 HR | | \$5.32 | \$11.82 | \$2.09 | \$10.19 | \$29.42 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.09 HR | | \$0.67 | | | | \$0.67 |
| EMPLOYEE BENEFITS | | | | \$0.96 | | | | \$0.96 |
| INSURANCE | | | \$0.11 | | | | | \$0.11 |
| SUPERVISION AND MANAGEMENT | | | | \$7.79 | | | | \$7.79 |
| SUBTOTAL | | 0.09 | \$0.11 | \$9.42 | | | | \$9.53 |
| TOTAL OPERATING EXPENSES | | 0.85 HR | \$73.71 | \$14.74 | \$11.82 | \$2.09 | \$10.19 | \$112.54 |

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2006.

| Harvesting dates: June 1 - October 10 | | | | | | | | |
|---------------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| ITEM | PRICE | YIELD | | | TOTAL | | | |
| GROSS RETURNS | | | | | | | | |
| ALFALFA HAY | \$130.00 | 6.50 TONS (STACKED) | | | \$845.00 | | | |
| TOTAL | | | | | | | | \$845.00 |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | FIXED COST | | TOTAL | |
| NITROGEN (N) | \$0.52 | 30 LBS | \$15.60 | | | | \$15.60 | |
| PHOSPHATE (P2O5) | \$0.40 | 100 LBS | \$40.00 | | | | \$40.00 | |
| POTASH (K2O) | \$0.29 | 50 LBS | \$14.50 | | | | \$14.50 | |
| TRACE ELEMENTS | \$0.15 | 12 LBS | \$1.80 | | | | \$1.80 | |
| ESTABLISHMENT:Principal | | 7 YEARS | | | \$16.08 | | \$16.08 | |
| : Interest | | | | | \$5.04 | | \$5.04 | |
| BALING TWINE | \$0.21 | 1 ROLL | \$0.12 | | | | \$0.12 | |
| PUMP WATER* | | 40 AC. IN. | | | | | | |
| SUBTOTAL | | | \$72.02 | | \$21.12 | | \$93.13 | |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| IRRIGATE (11X) | | 1.10 HR | | \$7.26 | \$90.21 | \$0.00 | \$5.85 | \$103.32 |
| SUBTOTAL | | 1.10 HR | | \$7.26 | \$90.21 | \$0.00 | \$5.85 | \$103.32 |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER (4X) | 13 FT SP | 0.64 HR | | \$4.77 | \$5.03 | \$0.37 | \$3.74 | \$13.91 |
| BALER (4X) | 126 HP | 0.68 HR | | \$5.07 | \$11.78 | \$2.85 | \$6.07 | \$25.77 |
| SUBTOTAL | | 1.32 HR | | \$9.83 | \$16.81 | \$3.22 | \$9.81 | \$39.68 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.33 HR | | \$2.46 | | | | \$2.46 |
| EMPLOYEE BENEFITS | | | | \$3.08 | | | | \$3.08 |
| INSURANCE | | | \$0.34 | | | | | \$0.34 |
| LAND TAXES | | | | | | \$0.24 | | \$0.24 |
| SUPERVISION AND MANAGEMENT | | | | \$60.91 | | | | \$60.91 |
| OTHER EXPENSES | | | \$38.38 | | | | | \$38.38 |
| SUBTOTAL | | 0.33 HR | \$38.72 | \$66.45 | | \$0.24 | | \$105.40 |
| TOTAL OPERATING EXPENSES | | 2.75 HR | \$110.74 | \$83.54 | \$107.02 | \$3.22 | \$37.02 | \$341.54 |
| NET OPERATING PROFIT | | | | | | | | \$503.46 |
| INTEREST ON OPERATING CAPITAL | | (| \$60.23 | @ | 8.00% |) | | \$4.82 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$11.96 |
| RETURN TO LAND AND RISK | | | | | | | | \$486.69 |

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$845.00 | |
| VARIABLE OPERATING EXPENSES | \$220.98 | | |
| RETURN OVER VARIABLE EXPENSES | | \$624.02 | (GROSS MARGIN) |
| FIXED EXPENSES | \$37.02 | | |
| NET FARM INCOME | | \$587.00 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$83.54 | | |
| NET OPERATING PROFIT | | \$503.46 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$16.78 | | |
| RETURN TO LAND AND RISK | | \$486.69 | |

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2006.
 Planting dates: August 15 - November 15
 Harvesting dates: July 1 - July 15

| ITEM | PRICE | YIELD | BASE | | | | | | TOTAL |
|----------------------------------|-------------|---------------------|------------------|----------------|----------------|---------------|----------------|--|-----------------|
| GROSS RETURNS | | | | | | | | | |
| WHEAT | \$3.75 | 80.00 BUSHELS | | | | | | | \$300.00 |
| DIRECT PAYMENT | \$0.00 | 80.00 BUSHELS | 0.85 | | | | | | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | | | | | | \$0.00 |
| GRAZING | \$40.00 | 1.00 ACRE | | | | | | | \$40.00 |
| TOTAL | | | | | | | | | \$340.00 |
| PURCHASED INPUTS | | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | | TOTAL |
| SEED | \$0.28 | 100 LBS | \$28.00 | | | | | | \$28.00 |
| MANURE | \$2.70 | 8 TON | \$21.60 | | | | | | \$21.60 |
| LIVESTOCK FAC & EQUIP | | | | | | | \$5.00 | | \$5.00 |
| PUMP WATER* | | 11 AC. IN. | | | | | | | \$0.00 |
| CROP INSURANCE | \$0.12 | | | | | | | | \$0.12 |
| SUBTOTAL | | | \$49.60 | | | | \$5.00 | | \$54.72 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | | TOTAL |
| DISC | 185 HP | 0.07 HR | | \$0.52 | \$1.52 | \$1.27 | \$2.83 | | \$6.15 |
| CHISEL | 185 HP | 0.09 HR | | \$0.67 | \$1.96 | \$0.70 | \$2.84 | | \$6.17 |
| DISC | 185 HP | 0.07 HR | | \$0.52 | \$1.52 | \$1.27 | \$2.83 | | \$6.15 |
| DRILL | 126 HP | 0.12 HR | | \$0.89 | \$2.08 | \$0.68 | \$1.95 | | \$5.61 |
| IRRIGATE (7X) | | 0.70 HR | | \$4.62 | \$24.81 | \$0.00 | \$2.03 | | \$31.46 |
| SUBTOTAL | | 1.05 HR | | \$7.23 | \$31.89 | \$3.93 | \$12.47 | | \$55.53 |
| HARVEST OPERATIONS | | | | | | | | | |
| COMBINE | GRAIN TABLE | 0.14 HR | | \$1.04 | \$2.46 | \$0.53 | \$13.93 | | \$17.96 |
| GRAIN CART | 93 HP | 0.14 HR | | \$1.04 | \$1.71 | \$0.59 | \$2.75 | | \$6.10 |
| TRUCK | SEMI | 0.14 HR | | \$1.04 | \$1.54 | \$0.39 | \$6.07 | | \$9.05 |
| SUBTOTAL | | 0.42 HR | \$0.00 | \$3.13 | \$5.70 | \$1.51 | \$22.76 | | \$33.10 |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.19 HR | | \$1.43 | | | | | \$1.43 |
| EMPLOYEE BENEFITS | | | | \$1.86 | | | | | \$1.86 |
| INSURANCE | | | \$0.21 | | | | | | \$0.21 |
| LAND TAXES | | | | | | | \$0.24 | | \$0.24 |
| SUPERVISION AND MANAGEMENT | | | | \$24.89 | | | | | \$24.89 |
| OTHER EXPENSES | | | \$38.38 | | | | | | \$38.38 |
| SUBTOTAL | | 0.19 HR | \$38.58 | \$28.18 | | | \$0.24 | | \$67.01 |
| TOTAL OPERATING EXPENSES | | 1.66 HR | \$88.18 | \$38.54 | \$37.59 | \$5.45 | \$40.47 | | \$210.35 |
| NET OPERATING PROFIT | | | | | | | | | \$129.65 |
| INTEREST ON OPERATING CAPITAL | | (\$34.42 @ | 8.00% |) | | | | | \$2.75 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$19.43 |
| RETURN TO LAND AND RISK | | | | | | | | | \$107.47 |

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$340.00 | |
| VARIABLE OPERATING EXPENSES | \$131.22 | | |
| RETURN OVER VARIABLE EXPENSES | | \$208.78 | (GROSS MARGIN) |
| FIXED EXPENSES | \$40.47 | | |
| NET FARM INCOME | | \$168.31 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$38.54 | | |
| NET OPERATING PROFIT | | \$129.77 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$22.18 | | |
| RETURN TO LAND AND RISK | | \$107.59 | |

TABLE 9. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2006.
 Planting dates: April 15 - May 15
 Harvesting dates: October 1 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|---------------|------|-----------------|
| GROSS RETURNS | | | | |
| CORN FOR GRAIN | \$2.25 | 200.00 BUSHEL | | \$450.00 |
| DIRECT PAYMENT | \$0.00 | 200.00 BUSHEL | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 BUSHEL | | \$0.00 |
| GRAZING | \$20.00 | 1.00 ACRE | | \$20.00 |
| TOTAL | | | | \$470.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-----------------------|---------|---------------|------------------|---------------|-----------------|
| SEED | \$1.25 | 26.00 000 | \$32.50 | | \$32.50 |
| NITROGEN (N) | \$0.52 | 220.00 LBS | \$114.40 | | \$114.40 |
| PHOSPHATE (P2O5) | \$0.40 | 70.00 LBS | \$28.00 | | \$28.00 |
| POTASSIUM (K-MAG) | \$0.21 | 300.00 LBS | \$63.00 | | \$63.00 |
| INSECTICIDE | \$15.07 | 3.00 ACRE | \$45.20 | | \$45.20 |
| HERBICIDE | \$22.60 | 1.00 ACRE | \$22.60 | | \$22.60 |
| LIVESTOCK FAC & EQUIP | | | | \$5.00 | \$5.00 |
| PUMP WATER* | | 34.00 AC. IN. | | | \$0.00 |
| CROP INSURANCE | \$0.39 | | | | \$0.39 |
| SUBTOTAL | | | \$305.70 | \$5.00 | \$311.09 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| DISC | 185 HP | 0.07 HR | | \$0.52 | \$1.52 | \$1.27 | \$2.83 | \$6.15 |
| CHISEL | 185 HP | 0.09 HR | | \$0.67 | \$1.96 | \$0.70 | \$2.84 | \$6.17 |
| DISC & SPRAY | 185 HP | 0.10 HR | | \$0.75 | \$2.18 | \$1.89 | \$4.88 | \$9.69 |
| PLANTER | 126 HP | 0.12 HR | | \$0.89 | \$2.08 | \$0.79 | \$5.33 | \$9.09 |
| ROLLING CULT (2X) | 126 HP | 0.20 HR | | \$1.49 | \$3.46 | \$1.79 | \$4.34 | \$11.08 |
| SIDEDRESS | 185 HP | 0.17 HR | | \$1.27 | \$3.70 | \$0.98 | \$4.85 | \$10.79 |
| IRRIGATE (16X) | | 1.60 HR | | \$10.56 | \$76.68 | \$0.00 | \$6.27 | \$93.51 |
| SUBTOTAL | | 2.35 HR | | \$16.15 | \$91.58 | \$7.43 | \$31.32 | \$146.48 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|-----------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|
| COMBINE | CORN HEAD | 0.20 HR | | \$1.49 | \$3.51 | \$0.93 | \$32.45 | \$38.38 |
| GRAIN CART | 93 HP | 0.20 HR | | \$1.49 | \$2.44 | \$0.85 | \$3.93 | \$8.71 |
| TRUCK | SEMI | 0.20 HR | | \$1.49 | \$2.21 | \$0.56 | \$8.67 | \$12.93 |
| SUBTOTAL | | 0.60 HR | \$0.00 | \$4.47 | \$8.15 | \$2.34 | \$45.06 | \$60.01 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|----------------|----------------|--|---------------|--|----------------|
| DOWNTIME | | 0.30 HR | | \$2.20 | | | | \$2.20 |
| EMPLOYEE BENEFITS | | | | \$3.71 | | | | \$3.71 |
| INSURANCE | | | \$0.41 | | | | | \$0.41 |
| LAND TAXES | | | | | | \$0.24 | | \$0.24 |
| SUPERVISION AND MANAGEMENT | | | | \$36.14 | | | | \$36.14 |
| OTHER EXPENSES | | | \$38.38 | | | | | \$38.38 |
| SUBTOTAL | | 0.30 HR | \$38.79 | \$42.05 | | \$0.24 | | \$81.08 |

TOTAL OPERATING EXPENSES 3.25 HR \$344.49 \$62.67 \$99.72 \$9.77 \$81.62 \$598.66

NET OPERATING PROFIT (\$128.66)

INTEREST ON OPERATING CAPITAL (\$178.67 @ 8.00%) \$14.29
 INTEREST ON EQUIPMENT INVESTMENT \$42.55

RETURN TO LAND AND RISK (\$185.50)

* Pump water costs are shown under irrigation in the preharvest operations section
 BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$470.00 | |
| VARIABLE OPERATING EXPENSES | \$453.99 | | |
| RETURN OVER VARIABLE EXPENSES | | \$16.01 | (GROSS MARGIN) |
| FIXED EXPENSES | \$81.62 | | |
| NET FARM INCOME | | (\$65.61) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$62.67 | | |
| NET OPERATING PROFIT | | (\$128.27) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$56.84 | | |
| RETURN TO LAND AND RISK | | (\$185.11) | |

TABLE 10. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2006.
 Planting dates: May 15 - June 15
 Harvesting dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | | | | | | TOTAL |
|----------------------------------|-------------|---------------------|------------------|----------------|----------------|---------------|----------------|-------------------|-----------------|
| GROSS RETURNS | | | | | | | | | |
| GRAIN SORGHUM | \$3.70 | 45.00 CWT | | | | | | | \$166.34 |
| DIRECT PAYMENT | \$0.00 | 45.00 CWT | 0.85 | | | | | | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | | | | | | \$0.00 |
| GRAZING | \$5.00 | 1.00 ACRE | | | | | | | \$5.00 |
| TOTAL | | | | | | | | | \$171.34 |
| PURCHASED INPUTS | | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | | | TOTAL |
| SEED | \$1.22 | 5 LBS | \$6.10 | | | | | | \$6.10 |
| NITROGEN (N) | \$0.52 | 150 LBS | \$78.00 | | | | | | \$78.00 |
| PHOSPHATE (P205) | \$0.40 | 50 LBS | \$20.00 | | | | | | \$20.00 |
| HERBICIDE | \$22.60 | 1 ACRE | \$22.60 | | | | | | \$22.60 |
| LIVESTOCK FAC & EQUIP | | | | | | | \$5.00 | | \$5.00 |
| PUMP WATER* | | 12 AC. IN. | | | | | | | |
| CROP INSURANCE | \$0.39 | | | | | | | | \$0.39 |
| SUBTOTAL | | | \$126.70 | | | | \$5.00 | | \$132.10 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| DISC | 185 HP | 0.07 HR | | \$0.52 | \$1.52 | \$1.27 | \$2.83 | \$6.15 | |
| CHISEL | 185 HP | 0.09 HR | | \$0.67 | \$1.96 | \$0.70 | \$2.84 | \$6.17 | |
| DISC & SPRAY | 185 HP | 0.10 HR | | \$0.75 | \$2.18 | \$1.89 | \$4.88 | \$9.69 | |
| PLANTER | 126 HP | 0.12 HR | | \$0.89 | \$2.08 | \$0.79 | \$5.33 | \$9.09 | |
| ROLLING CULT. | 126 HP | 0.10 HR | | \$0.75 | \$1.73 | \$0.89 | \$2.17 | \$5.54 | |
| SIDEDRESS ANHYDROUS | 185 HP | 0.17 HR | | \$1.27 | \$3.70 | \$0.98 | \$4.85 | \$10.79 | |
| IRRIGATE (6X) | | 0.60 HR | | \$3.96 | \$27.06 | \$0.00 | \$2.21 | \$33.24 | |
| SUBTOTAL | | 1.25 HR | | \$8.80 | \$40.23 | \$6.54 | \$25.10 | \$80.67 | |
| HARVEST OPERATIONS | | | | | | | | | |
| COMBINE | GRAIN TABLE | 0.14 HR | | \$1.04 | \$2.46 | \$0.53 | \$13.93 | \$17.96 | |
| GRAIN CART | 93 HP | 0.14 HR | | \$1.04 | \$1.71 | \$0.59 | \$2.75 | \$6.10 | |
| TRUCK | 2 T 18 FT | 0.14 HR | | \$1.04 | \$1.23 | \$0.06 | \$16.38 | \$18.71 | |
| SUBTOTAL | | 0.42 HR | \$0.00 | \$3.13 | \$5.40 | \$1.18 | \$33.07 | \$42.77 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.23 HR | | \$1.68 | | | | \$1.68 | |
| EMPLOYEE BENEFITS | | | | \$2.15 | | | | \$2.15 | |
| INSURANCE | | | \$0.24 | | | | | \$0.24 | |
| LAND TAXES | | | | | | | \$0.24 | \$0.24 | |
| SUPERVISION AND MANAGEMENT | | | | \$13.25 | | | | \$13.25 | |
| OTHER EXPENSES | | | \$38.38 | | | | | \$38.38 | |
| SUBTOTAL | | 0.23 HR | \$38.61 | \$17.08 | | | \$0.24 | \$55.93 | |
| TOTAL OPERATING EXPENSES | | 1.90 HR | \$165.32 | \$29.01 | \$45.62 | \$7.71 | \$63.41 | \$311.46 | |
| NET OPERATING PROFIT | | | | | | | | (\$140.12) | |
| INTEREST ON OPERATING CAPITAL | | (\$75.79 @ 8.00%) | | | | | | \$6.06 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$30.12 | |
| RETURN TO LAND AND RISK | | | | | | | | (\$176.31) | |

* Pump water costs are shown under irrigation in the preharvest operations section

BUDGET SUMMARY

| | | | |
|--------------------------------|----------|-------------------|---|
| GROSS RETURN | | \$171.34 | |
| VARIABLE OPERATING EXPENSES | \$218.66 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$47.32) | (GROSS MARGIN) |
| FIXED EXPENSES | \$63.41 | | |
| NET FARM INCOME | | (\$110.72) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$29.01 | | |
| NET OPERATING PROFIT | | (\$139.73) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$36.18 | | |
| RETURN TO LAND AND RISK | | (\$175.92) | |

TABLE 11. Haygrazer/millet, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2006.
 Planting dates: June 1 - June 15
 Harvesting dates: September 1 - September 15

| ITEM | PRICE | YIELD | | | | | TOTAL | |
|---|------------|---------------------|------------------|---|---------------|-----------------|----------------|----------------|
| GROSS RETURNS | | | | | | | | |
| HAY | \$105.00 | 1.50 TONS | | | | | \$157.50 | |
| TOTAL | | | | | | \$157.50 | | |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | FIXED COST | TOTAL | |
| SEED | \$0.41 | 6 LBS | \$2.46 | | | | \$2.46 | |
| HERBICIDE | \$13.70 | 1 ACRE | \$13.70 | | | | \$13.70 | |
| BALING TWINE | \$0.21 | 0 ROLL | \$0.03 | | | | \$0.03 | |
| SUBTOTAL | | | \$16.18 | | | | \$16.18 | |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| CHISEL | 185 HP | 0.09 HR | | \$0.67 | \$1.96 | \$0.70 | \$2.84 | \$6.17 |
| DISC | 185 HP | 0.07 HR | | \$0.52 | \$1.52 | \$1.27 | \$2.83 | \$6.15 |
| DRILL | 126 HP | 0.12 HR | | \$0.89 | \$2.08 | \$0.68 | \$1.95 | \$5.61 |
| SUBTOTAL | | 0.28 HR | | \$2.09 | \$5.56 | \$2.66 | \$7.62 | \$17.92 |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER | 14 FT SP | 0.16 HR | | \$1.19 | \$1.26 | \$0.09 | \$0.93 | \$3.48 |
| BALER | 126 HP | 0.17 HR | | \$1.27 | \$2.94 | \$0.71 | \$1.52 | \$6.44 |
| SUBTOTAL | | 0.33 HR | \$0.00 | \$2.46 | \$4.20 | \$0.81 | \$2.45 | \$9.92 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.15 HR | | \$1.14 | | | | \$1.14 |
| EMPLOYEE BENEFITS | | | | \$0.82 | | | | \$0.82 |
| INSURANCE | | | \$0.09 | | | | | \$0.09 |
| LAND TAXES | | | | | | \$0.24 | | \$0.24 |
| SUPERVISION AND MANAGEMENT | | | | \$11.33 | | | | \$11.33 |
| OTHER EXPENSES | | | \$38.38 | | | | | \$38.38 |
| SUBTOTAL | | 0.15 HR | \$38.47 | \$13.28 | | | \$0.24 | \$51.99 |
| TOTAL OPERATING EXPENSES | | 0.43 HR | \$54.65 | \$17.83 | \$9.76 | \$3.47 | \$10.31 | \$96.02 |
| NET OPERATING PROFIT | | | | | | | \$61.48 | |
| INTEREST ON OPERATING CAPITAL | | | | | | | \$0.85 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$6.36 | |
| RETURN TO LAND AND RISK | | | | | | | \$54.28 | |
| BUDGET SUMMARY | | | | | | | | |
| GROSS RETURN | | | \$157.50 | | | | | |
| VARIABLE OPERATING EXPENSES | \$67.88 | | | | | | | |
| RETURN OVER VARIABLE EXPENSES | | \$89.62 | | (GROSS MARGIN) | | | | |
| FIXED EXPENSES | \$10.31 | | | | | | | |
| NET FARM INCOME | | \$79.31 | | (RETURN TO CAPITAL, LABOR, LAND & RISK) | | | | |
| LABOR AND MANAGEMENT COST | \$17.83 | | | | | | | |
| NET OPERATING PROFIT | | \$61.48 | | (RETURN TO CAPITAL, LAND & RISK) | | | | |
| CAPITAL COSTS | \$7.20 | | | | | | | |
| RETURN TO LAND AND RISK | | | \$54.28 | | | | | |

TABLE 12. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Union County
Projected 2006.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | WHEAT | CORN FOR GRAIN | GRAIN SORGHUM | HAYGRAZER & MILLET |
|----------------------------------|--------------------------|----------------|----------|-------------------|------------------|-----------------------|
| | | TONS | BU | BU | CWT | TONS |
| PRIMARY YIELD | | 6.50 | 80.00 | 200.00 | 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 | | \$845.00 | \$340.00 | \$470.00 | \$171.34 | \$157.50 |
| CASH OPERATING EXPENSES | | | | | | |
| SEED | \$73.60 | | \$28.00 | \$32.50 | \$6.10 | \$2.46 |
| FERTILIZER | | \$71.90 | \$21.60 | \$205.40 | \$98.00 | |
| 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 | \$3.22 | \$5.45 | \$9.77 | \$7.71 | \$3.47 |
| CUSTOM CHARGES | | | | | | \$0.00 |
| LAND TAXES | | \$0.24 | \$0.24 | \$0.24 | \$0.24 | \$0.24 |
| OTHER EXPENSES | \$0.11 | \$38.72 | \$38.58 | \$38.79 | \$38.61 | \$38.47 |
| TOTAL CASH EXPENSES | \$87.62 | \$221.22 | \$131.58 | \$454.62 | \$219.29 | \$68.12 |
| RETURN OVER CASH EXPENSES | (\$87.62) | \$623.78 | \$208.42 | \$15.38 | (\$47.95) | \$89.38 |
| FIXED EXPENSES | \$10.19 | \$36.78 | \$40.23 | \$81.38 | \$63.17 | \$10.07 |
| TOTAL EXPENSES | \$97.80 | \$258.00 | \$171.81 | \$536.00 | \$282.45 | \$78.19 |
| NET FARM INCOME | (\$97.80) | \$587.00 | \$168.19 | (\$66.00) | (\$111.11) | \$79.31 |
| LABOR AND MANAGEMENT COSTS | \$14.74 | \$83.54 | \$38.54 | \$62.67 | \$29.01 | \$17.83 |
| NET OPERATING PROFIT | (\$112.54) | \$503.46 | \$129.65 | (\$128.66) | (\$140.12) | \$61.48 |
| CAPITAL COSTS | | | | | | |
| INTEREST ON OPERATING CAPITAL | | \$4.82 | \$2.75 | \$14.29 | \$6.06 | \$0.85 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$11.96 | \$19.43 | \$42.55 | \$30.12 | \$6.36 |
| TOTAL CAPITAL COSTS | \$0.00 | \$16.78 | \$22.18 | \$56.84 | \$36.18 | \$7.20 |
| RETURN TO LAND AND RISK | (\$112.54) | \$486.69 | \$107.47 | (\$185.50) | (\$176.31) | \$54.28 |
| Flex Computation | | | 167.13 | -61.58 | -83.02 | |

TABLE 13. Whole farm summary, Union County,
Projected 2006.

| | | |
|----------------------------------|--------------|------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 375 ACRES | |
| CROP | | \$316,875 |
| WHEAT | 420.00 ACRES | |
| CROP | | \$126,000 |
| GRAZING | | \$16,800 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| CORN FOR GRAIN | 127.50 ACRES | |
| CROP | | \$57,375 |
| 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>\$571,371</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$21,197 |
| FERTILIZER | | \$74,718 |
| CHEMICALS | | \$14,129 |
| CROP INSURANCE | | \$150 |
| OTHER PURCHASED INPUTS | | \$50 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$19,112 |
| FUEL-IRRIGATION | | \$57,848 |
| REPAIRS | | \$6,498 |
| CUSTOM CHARGES | | \$0 |
| LAND TAXES | | \$296 |
| OTHER EXPENSES | | \$47,908 |
| TOTAL CASH EXPENSES | | <u>\$241,905</u> |
| RETURN OVER CASH EXPENSES | | \$329,465 |
| FIXED EXPENSES | | \$45,564 |
| TOTAL EXPENSES | | <u>\$287,469</u> |
| NET FARM INCOME | | \$283,902 |
| LABOR AND MANAGEMENT COSTS | | \$63,401 |
| NET OPERATING PROFIT | | \$220,501 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$5,719 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$23,116 |
| TOTAL CAPITAL COSTS | | <u>\$28,836</u> |
| RETURN TO LAND AND RISK | | <u>\$191,665</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | \$172,465 | 24.98% |
| \$750 /ACRE | \$162,865 | 18.33% |
| \$1,000 /ACRE | \$153,265 | 14.48% |
| \$1,250 /ACRE | \$143,665 | 11.97% |
| \$1,500 /ACRE | \$134,065 | 10.20% |

* 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)