

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)