

TABLE 1. Acreage Summary, Union County,  
Projected 2004.

| BUDGET AREA..... UNION COUNTY |             |
|-------------------------------|-------------|
| FARM SIZE.....                | 1,280 ACRES |
| IRRIGATION TYPE.....          | SPRINKLER   |
| NUMBER OF CROPS....           | 4           |

  

| ACREAGE SUMMARY:                   | WATER USE           |                   |                 |
|------------------------------------|---------------------|-------------------|-----------------|
|                                    | LAND USE<br>(ACRES) | AC.IN.<br>PER AC. | TOTAL<br>AC.IN. |
| WHEAT                              | 446.25              | 11                | 4,909           |
| ARP                                | 0.00                |                   |                 |
| FLEX IN WHEAT                      | 78.75               | 11                | 866             |
| CORN                               | 178.50              | 34                | 6,069           |
| ARP                                | 0.00                |                   |                 |
| FLEX IN WHEAT                      | 31.50               | 11                | 347             |
| GRAIN SORGHUM                      | 267.75              | 12                | 3,213           |
| ARP                                | 0.00                |                   |                 |
| FLEX IN WHEAT                      | 47.25               | 11                | 520             |
| HAYGRAZER                          | 190.00              |                   |                 |
| ROADS, HOMESTEAD                   | 40.00               |                   |                 |
| <b>TOTAL</b>                       | <b>1,280.00</b>     |                   | <b>15,923</b>   |
| ACRE FEET PER ACRE OF WATER RIGHTS |                     |                   | 1.04            |

TABLE 2. Basic cost information for Union County,  
Projected 2004.

| Item                            |                    |             |                  |
|---------------------------------|--------------------|-------------|------------------|
| <b>Labor Wage Rate:</b>         |                    |             |                  |
| Equipment operators             | \$/hour            |             | \$7.55           |
| General & Irrigators            | \$/hour            |             | \$6.65           |
| <b>Purchased Inputs:</b>        |                    |             |                  |
| <b>Fertilizer:</b>              |                    |             |                  |
| Nitrogen (N)                    | \$/pound           |             | \$0.29           |
| Phosphate (P205)                | \$/pound           |             | \$0.20           |
| <b>Seed:</b>                    |                    |             |                  |
| Wheat                           | \$/pound           |             | \$0.18           |
| Corn for Grain                  | \$/bag             |             | \$85.00          |
| Grain Sorghum                   | \$/pound           |             | \$1.30           |
| Haygrazer/Millet                | \$/pound           |             | \$0.45           |
| Natural gas                     | \$/MCF             |             | \$7.22           |
| (service charge)                | \$/month           |             | \$10.00          |
| Diesel fuel                     | \$/gallon          |             | \$1.50           |
| Gasoline                        | \$/gallon          |             | \$1.45           |
| Electricity                     | cents/KwHr         |             | 5.73             |
| LP Gas                          | \$/gallon          |             | \$1.21           |
| Baling Twine                    | \$/roll            |             | \$19.00          |
| Employee Liability Insurance    | \$/(\$1,000 wages) |             | \$20.00          |
| Employee Benefits               | percent/wages      |             | 18.00%           |
| Labor Downtime                  | percent            |             | 25.00%           |
| <b>Financial Rates:</b>         |                    |             |                  |
| Operating Capital Interest Rate | percent            |             | 6.50%            |
| Land Interest Rate              | percent            |             | 6.00%            |
| Equipment Interest Rate         | percent            |             | 6.50%            |
| Real Interest Rate              | percent            |             | 4.00%            |
| Land Taxes                      | \$27.00 /acre      |             | \$0.30           |
| Personal Property Tax Rate      | - NR               | \$/(\$1,000 | (Assessed Value) |
|                                 | - R                |             | \$33.75          |
|                                 |                    |             | \$26.10          |
| <b>Supervision Factors</b>      |                    |             |                  |
| 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 2004.

| Item                               |        |                    |          |
|------------------------------------|--------|--------------------|----------|
| Electricity (Domestic & Shop)      |        | \$435.00 per month | \$5,220  |
| Telephone                          |        | \$215.00 per month | \$2,580  |
| Accounting & Legal                 |        |                    | \$3,230  |
| Misc. Supplies & Hand Tools        |        |                    | \$3,920  |
| Pickup and Auto                    |        |                    |          |
| miles                              | 31,000 | @ \$0.365 per mile | \$11,315 |
| <b>Insurance</b>                   |        |                    |          |
| - general liability (non-employee) |        |                    | \$4,030  |
| - fire/theft                       |        |                    | \$2,045  |
| <b>Property Taxes</b>              |        |                    |          |
| - non-planted land                 |        |                    | \$20     |
| - other than land & machinery      |        |                    | \$985    |
| Building repairs and maintenance   |        |                    | \$1,705  |
| Dues, fees, publications           |        |                    | \$391    |
| Farmstead Equipment                |        |                    | \$255    |
| Total                              |        |                    | \$35,696 |
| Total per planted acre             |        |                    | \$27.93  |
| Total per dryland acre             |        |                    | \$5.59   |

TABLE 4. Pumping costs and data for irrigation wells, Union County  
Projected 2004.

| INPUT DATA               |        |            |                        |
|--------------------------|--------|------------|------------------------|
| DELIVERY PSI:            |        |            | DEPTH CHARACTERISTICS: |
| SPRINKLER                | 30     |            | STATIC.....            |
|                          |        |            | DRAW DOWN.....         |
|                          |        |            | TOTAL HEAD.....        |
|                          |        |            | CASING.....            |
| GALLONS PER MINUTE (GPM) | 700.00 |            |                        |
| WORK HORSEPOWER          | 52.91  |            |                        |
| EFFICIENCY FACTOR:       |        |            |                        |
| ELECTRICITY              | 0.540  |            |                        |
| NATURAL GAS              | 0.140  |            |                        |
| LP GAS                   | 0.140  |            |                        |
| DIESEL                   | 0.180  |            |                        |
| FUEL COST PER UNIT:      |        |            |                        |
| ELECTRICITY              | 5.73   | CENTS/KwHr |                        |
| NATURAL GAS              | \$7.22 | \$/MCF     |                        |
| LP GAS                   | \$1.21 | \$/GAL     |                        |
| DIESEL                   | \$1.50 | \$/GAL     |                        |
| FUEL PUMPING COST        |        |            |                        |
| ELECTRIC WELL:           |        |            |                        |
| COST PER HOUR            |        | \$4.22     |                        |
| COST PER ACRE INCH       |        | \$2.73     |                        |
| NATURAL GAS WELL:        |        |            |                        |
| COST PER HOUR            |        | \$7.64     |                        |
| COST PER ACRE INCH       |        | \$4.94     |                        |
| LP GAS WELL:             |        |            |                        |
| COST PER HOUR            |        | \$12.70    |                        |
| COST PER ACRE INCH       |        | \$8.21     |                        |
| DIESEL WELL:             |        |            |                        |
| COST PER HOUR            |        | \$7.95     |                        |
| COST PER ACRE INCH       |        | \$5.14     |                        |

TABLE 5. Equipment summary for a 1,280 acre sprinkler-irrigated farm with above average management, Union County,  
Projected 2004.

| EQUIPMENT              |        |                           |        |                | VARIABLE COSTS          |          |                     |                  | FIXED COSTS  |         |                 |
|------------------------|--------|---------------------------|--------|----------------|-------------------------|----------|---------------------|------------------|--------------|---------|-----------------|
| ITEM & SIZE            |        | ANNUAL<br>HOURS OF<br>USE | NUMBER | TOTAL<br>VALUE | FUEL, OIL,<br>LUBRICANT | REPAIR   | FUEL, OIL<br>PER HR | REPAIR<br>PER HR | DEPRECIATION | TAXES   | TOTAL PER<br>HR |
| TRACTOR                | 95 HP  | 158                       | 1      | \$19,045       | \$1,625                 | \$744    | \$10.30             | \$4.72           | \$1,226      | \$241   | \$9.30          |
| TRACTOR                | 126 HP | 244                       | 1      | \$31,240       | \$2,583                 | \$934    | \$10.60             | \$3.84           | \$2,740      | \$385   | \$12.83         |
| TRACTOR                | 185 HP | 361                       | 1      | \$38,035       | \$5,622                 | \$3,572  | \$15.57             | \$9.89           | \$5,995      | \$506   | \$18.00         |
| COMBINE                | 145 HP | 158                       | 1      | \$35,240       | \$2,099                 | \$0      | \$13.31             | \$0.00           | \$7,600      | \$641   | \$52.26         |
| SWATHER                | 14 FT  | 30                        | 1      | \$3,900        | \$171                   | \$53     | \$5.62              | \$1.74           | \$1,450      | \$163   | \$53.06         |
| ROUND BALER            |        | 32                        | 1      | \$3,500        |                         | \$18     |                     | \$0.55           | \$550        | \$62    | \$18.94         |
| PLANTER                | 8 ROW  | 54                        | 1      | \$5,500        |                         | \$577    |                     | \$10.78          | \$733        | \$62    | \$14.85         |
| CHISEL HAYMIE          | 21 FT  | 112                       | 1      | \$1,650        |                         | \$105    |                     | \$0.94           | \$220        | \$19    | \$2.14          |
| ROLLING CULTIVATOI     | 8 ROW  | 62                        | 1      | \$4,000        |                         | \$155    |                     | \$2.48           | \$533        | \$45    | \$9.26          |
| DISC                   | 28 FT  | 174                       | 1      | \$10,000       |                         | \$0      |                     | \$0.00           | \$1,333      | \$113   | \$8.32          |
| DRILL                  | 21 FT  | 95                        | 1      | \$4,500        |                         | \$1,080  |                     | \$11.34          | \$900        | \$51    | \$9.98          |
| CORN HEAD              | 8 ROW  | 36                        | 1      | \$9,820        |                         | \$232    |                     | \$6.50           | \$1,667      | \$141   | \$50.62         |
| GRAIN TABLE            | 22 FT  | 122                       | 1      | \$4,150        |                         | \$156    |                     | \$1.28           | \$501        | \$42    | \$4.46          |
| SPRAYER                | 30 FT  | 45                        | 1      | \$1,500        |                         | \$122    |                     | \$2.73           | \$200        | \$17    | \$4.86          |
| GRAIN CART             |        | 158                       | 1      | \$3,100        |                         | \$0      |                     | \$0.00           | \$413        | \$35    | \$2.84          |
| SEMI-TRACTOR/TRAILER   |        | 120                       | 1      | \$17,500       | \$2,152                 | \$2,041  | \$17.90             | \$16.98          | \$3,500      | \$197   | \$30.75         |
| TANDEM-AXLE TRUCK      |        | 37                        | 1      | \$9,100        | \$374                   | \$191    | \$9.98              | \$5.10           | \$1,820      | \$102   | \$51.28         |
| MINI-GATOR SPRINKLER   |        | 10,295                    | 2      | \$5,600        | \$962                   | \$206    | \$0.09              | \$0.02           | \$747        | \$63    | \$0.08          |
| CENTER PIVOT SPRINKLER |        | 10,295                    | 5      | \$75,000       | \$5,114                 | \$9,317  | \$0.50              | \$0.91           | \$10,000     | \$844   | \$1.05          |
| NATURAL GAS WELL       |        | 10,295                    | 3      | \$61,500       | \$78,677                | \$2,342  | \$7.64              | \$0.23           | \$6,474      | \$692   | \$0.73          |
|                        |        |                           |        | \$343,880      | \$99,380                | \$21,845 |                     |                  | \$48,602     | \$4,420 |                 |

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2004.  
Planting dates: August 15 - November 15  
Harvesting dates: July 1 - July 15

| ITEM                     | PRICE   | YIELD         | BASE | TOTAL           |
|--------------------------|---------|---------------|------|-----------------|
| <b>GROSS RETURNS</b>     |         |               |      |                 |
| WHEAT                    | \$3.75  | 47.00 BUSHELS |      | \$176.25        |
| DIRECT PAYMENT           | \$0.52  | 47.00 BUSHELS | 0.85 | \$20.77         |
| COUNTER CYCLICAL PAYMENT | \$0.00  |               |      | \$0.00          |
| GRAZING                  | \$37.50 | 1.00 ACRE     |      | \$37.50         |
| <b>TOTAL</b>             |         |               |      | <b>\$234.52</b> |

| PURCHASED INPUTS      | PRICE  | QUANTITY   | PURCHASED INPUTS | FIXED COST    | TOTAL          |
|-----------------------|--------|------------|------------------|---------------|----------------|
| SEED                  | \$0.18 | 100 LBS    | \$18.00          |               | \$18.00        |
| MANURE                | \$2.70 | 8 TON      | \$21.60          |               | \$21.60        |
| LIVESTOCK FAC & EQUIP |        |            |                  | \$5.00        | \$5.00         |
| PUMP WATER*           |        | 11 AC. IN. |                  |               |                |
| CROP INSURANCE        | \$0.08 |            |                  |               | \$0.08         |
| <b>SUBTOTAL</b>       |        |            | <b>\$39.60</b>   | <b>\$5.00</b> | <b>\$44.68</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR         | FUEL & LUBE    | REPAIRS        | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|---------------|----------------|----------------|----------------|-----------------|
| DISC                  | 185 HP     | 0.07 HR             |                  | \$0.53        | \$1.09         | \$0.69         | \$1.84         | \$4.15          |
| CHISEL                | 185 HP     | 0.09 HR             |                  | \$0.68        | \$1.40         | \$0.97         | \$1.81         | \$4.87          |
| DISC                  | 185 HP     | 0.07 HR             |                  | \$0.53        | \$1.09         | \$0.69         | \$1.84         | \$4.15          |
| DRILL                 | 126 HP     | 0.12 HR             |                  | \$0.91        | \$1.27         | \$1.82         | \$2.74         | \$6.74          |
| IRRIGATE (7X)         |            | 0.70 HR             |                  | \$4.66        | \$58.55        | \$8.20         | \$13.25        | \$84.65         |
| <b>SUBTOTAL</b>       |            | <b>1.05 HR</b>      |                  | <b>\$7.30</b> | <b>\$63.40</b> | <b>\$12.38</b> | <b>\$21.48</b> | <b>\$104.56</b> |

| <b>HARVEST OPERATIONS</b> |             |                |               |               |               |               |                |                |
|---------------------------|-------------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|
| COMBINE                   | GRAIN TABLE | 0.14 HR        |               | \$1.06        | \$1.86        | \$0.18        | \$7.94         | \$11.04        |
| GRAIN CART                | 93 HP       | 0.14 HR        |               | \$1.06        | \$1.44        | \$0.66        | \$1.70         | \$4.86         |
| HAUL                      | SEMI        | 0.14 HR        |               | \$1.06        | \$2.51        | \$2.38        | \$4.30         | \$10.24        |
| <b>SUBTOTAL</b>           |             | <b>0.42 HR</b> | <b>\$0.00</b> | <b>\$3.17</b> | <b>\$5.81</b> | <b>\$3.22</b> | <b>\$13.95</b> | <b>\$26.15</b> |

| <b>OVERHEAD EXPENSES</b>   |  |                |                |                |  |  |               |                |
|----------------------------|--|----------------|----------------|----------------|--|--|---------------|----------------|
| DOWNTIME                   |  | 0.19 HR        |                | \$1.45         |  |  |               | \$1.45         |
| EMPLOYEE BENEFITS          |  |                |                | \$1.88         |  |  |               | \$1.88         |
| INSURANCE                  |  |                | \$0.21         |                |  |  |               | \$0.21         |
| LAND TAXES                 |  |                |                |                |  |  | \$0.30        | \$0.30         |
| SUPERVISION AND MANAGEMENT |  |                |                | \$17.50        |  |  |               | \$17.50        |
| OTHER EXPENSES             |  |                | \$27.93        |                |  |  |               | \$27.93        |
| <b>SUBTOTAL</b>            |  | <b>0.19 HR</b> | <b>\$28.14</b> | <b>\$20.84</b> |  |  | <b>\$0.30</b> | <b>\$49.28</b> |

|                                 |  |                |                |                |                |                |                |                 |
|---------------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| <b>TOTAL OPERATING EXPENSES</b> |  | <b>1.66 HR</b> | <b>\$67.74</b> | <b>\$31.31</b> | <b>\$69.21</b> | <b>\$15.59</b> | <b>\$40.73</b> | <b>\$224.67</b> |
|---------------------------------|--|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|

NET OPERATING PROFIT \$9.85

INTEREST ON OPERATING CAPITAL ( \$39.54 @ 6.50% ) \$2.57

INTEREST ON EQUIPMENT INVESTMENT \$11.97

**RETURN TO LAND AND RISK (\$4.68)**

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

**BUDGET SUMMARY**

|                               |          |          |   |
|-------------------------------|----------|----------|---|
| GROSS RETURN                  |          | \$234.52 |   |
| VARIABLE OPERATING EXPENSES   | \$152.55 |          |   |
| RETURN OVER VARIABLE EXPENSES |          | \$81.98  | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$40.73  |          |   |
| NET FARM INCOME               |          | \$41.24  | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$31.31  |          |   |
| NET OPERATING PROFIT          |          | \$9.94   | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$14.54  |          |   |
| RETURN TO LAND AND RISK       |          | (\$4.60) |   |

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2004.  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 1 - November 15

| ITEM                     | PRICE   | YIELD         | BASE | TOTAL           |
|--------------------------|---------|---------------|------|-----------------|
| <b>GROSS RETURNS</b>     |         |               |      |                 |
| CORN FOR GRAIN           | \$2.45  | 185.00 BUSHEL |      | \$453.25        |
| DIRECT PAYMENT           | \$0.28  | 185.00 BUSHEL | 0.85 | \$44.03         |
| COUNTER CYCLICAL PAYMENT | \$0.00  | 0.00 BUSHEL   |      | \$0.00          |
| GRAZING                  | \$20.00 | 1.00 ACRE     |      | \$20.00         |
| <b>TOTAL</b>             |         |               |      | <b>\$517.28</b> |

| PURCHASED INPUTS      | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST    | TOTAL           |
|-----------------------|---------|------------|------------------|---------------|-----------------|
| SEED                  | \$1.06  | 26 000     | \$27.63          |               | \$27.63         |
| NITROGEN (N)          | \$0.29  | 220 LBS    | \$63.80          |               | \$63.80         |
| PHOSPHATE (P2O5)      | \$0.20  | 70 LBS     | \$14.00          |               | \$14.00         |
| POTASSIUM (K-MAG)     | \$0.12  | 300 LBS    | \$34.50          |               | \$34.50         |
| INSECTICIDE           | \$20.48 | 3 ACRE     | \$61.44          |               | \$61.44         |
| HERBICIDE             | \$28.16 | 1 ACRE     | \$28.16          |               | \$28.16         |
| LIVESTOCK FAC & EQUIP |         |            |                  | \$5.00        | \$5.00          |
| PUMP WATER*           |         | 34 AC. IN. |                  |               |                 |
| CROP INSURANCE        | \$0.28  |            |                  |               | \$0.28          |
| <b>SUBTOTAL</b>       |         |            | <b>\$229.53</b>  | <b>\$5.00</b> | <b>\$234.81</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE     | REPAIRS        | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC                  | 185 HP     | 0.07 HR             |                  | \$0.53         | \$1.09          | \$0.69         | \$1.84         | \$4.15          |
| CHISEL                | 185 HP     | 0.09 HR             |                  | \$0.68         | \$1.40          | \$0.97         | \$1.81         | \$4.87          |
| DISC & SPRAY          | 185 HP     | 0.10 HR             |                  | \$0.76         | \$1.56          | \$1.26         | \$3.12         | \$6.69          |
| PLANTER               | 126 HP     | 0.12 HR             |                  | \$0.91         | \$1.27          | \$1.75         | \$3.32         | \$7.25          |
| ROLLING CULT (2X)     | 126 HP     | 0.20 HR             |                  | \$1.51         | \$2.12          | \$1.26         | \$4.42         | \$9.31          |
| SIDEDRESS             | 185 HP     | 0.17 HR             |                  | \$1.28         | \$2.65          | \$1.68         | \$3.06         | \$8.67          |
| IRRIGATE (16X)        |            | 1.60 HR             |                  | \$10.64        | \$180.97        | \$25.33        | \$40.95        | \$257.89        |
| <b>SUBTOTAL</b>       |            | <b>2.35 HR</b>      |                  | <b>\$16.30</b> | <b>\$191.06</b> | <b>\$32.96</b> | <b>\$58.52</b> | <b>\$298.84</b> |

| HARVEST OPERATIONS |           |                |               |               |               |               |                |                |
|--------------------|-----------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|
| COMBINE            | CORN HEAD | 0.20 HR        |               | \$1.51        | \$2.66        | \$1.30        | \$20.58        | \$26.05        |
| GRAIN CART         | 93 HP     | 0.20 HR        |               | \$1.51        | \$2.06        | \$0.94        | \$2.43         | \$6.94         |
| HAUL               | SEMI      | 0.20 HR        |               | \$1.51        | \$3.58        | \$3.40        | \$6.15         | \$14.64        |
| <b>SUBTOTAL</b>    |           | <b>0.60 HR</b> | <b>\$0.00</b> | <b>\$4.53</b> | <b>\$8.30</b> | <b>\$5.64</b> | <b>\$29.16</b> | <b>\$47.63</b> |

| OVERHEAD EXPENSES          |  |                |                |                |  |  |               |                |
|----------------------------|--|----------------|----------------|----------------|--|--|---------------|----------------|
| DOWNTIME                   |  | 0.30 HR        |                | \$2.23         |  |  |               | \$2.23         |
| EMPLOYEE BENEFITS          |  |                |                | \$3.75         |  |  |               | \$3.75         |
| INSURANCE                  |  |                | \$0.42         |                |  |  |               | \$0.42         |
| LAND TAXES                 |  |                |                |                |  |  | \$0.30        | \$0.30         |
| SUPERVISION AND MANAGEMENT |  |                |                | \$39.45        |  |  |               | \$39.45        |
| OTHER EXPENSES             |  |                | \$27.93        |                |  |  |               | \$27.93        |
| <b>SUBTOTAL</b>            |  | <b>0.30 HR</b> | <b>\$28.35</b> | <b>\$45.43</b> |  |  | <b>\$0.30</b> | <b>\$74.08</b> |

TOTAL OPERATING EXPENSES 3.25 HR \$257.87 \$66.26 \$199.36 \$38.60 \$92.98 \$655.36

NET OPERATING PROFIT (\$138.08)

INTEREST ON OPERATING CAPITAL ( \$178.45 @ 6.50% ) \$11.60  
 INTEREST ON EQUIPMENT INVESTMENT \$27.46

RETURN TO LAND AND RISK (\$177.14)

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

BUDGET SUMMARY

|                               |            |   |  |
|-------------------------------|------------|---|--|
| GROSS RETURN                  |            | \$517.28                                |  |
| VARIABLE OPERATING EXPENSES   | \$495.83   |   |  |
| RETURN OVER VARIABLE EXPENSES | \$21.45    | (GROSS MARGIN)                          |  |
| FIXED EXPENSES                | \$92.98    |   |  |
| NET FARM INCOME               | (\$71.54)  | (RETURN TO CAPITAL, LABOR, LAND & RISK) |  |
| LABOR AND MANAGEMENT COST     | \$66.26    |   |  |
| NET OPERATING PROFIT          | (\$137.79) | (RETURN TO CAPITAL, LAND & RISK)        |  |
| CAPITAL COSTS                 | \$39.06    |   |  |
| RETURN TO LAND AND RISK       | (\$176.86) |   |  |

TABLE 8. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2004.  
Planting dates: May 15 - June 15  
Harvesting dates: October 15 - November 15

| ITEM                             | PRICE       | YIELD               | BASE             |                |                |                |                |       | TOTAL             |
|----------------------------------|-------------|---------------------|------------------|----------------|----------------|----------------|----------------|-------|-------------------|
| <b>GROSS RETURNS</b>             |             |                     |                  |                |                |                |                |       |                   |
| GRAIN SORGHUM                    | \$4.03      | 25.00 CWT           |                  |                |                |                |                |       | \$100.75          |
| DIRECT PAYMENT                   | \$0.35      | 25.00 CWT           | 0.85             |                |                |                |                |       | \$7.44            |
| COUNTER CYCLICAL PAYMENT         | \$0.00      | 0.00 CWT            |                  |                |                |                |                |       | \$0.00            |
| GRAZING                          | \$5.00      | 1.00 ACRE           |                  |                |                |                |                |       | \$5.00            |
| <b>TOTAL</b>                     |             |                     |                  |                |                |                |                |       | <b>\$113.19</b>   |
| <b>PURCHASED INPUTS</b>          |             |                     |                  |                |                |                |                |       |                   |
| PURCHASED INPUTS                 | PRICE       | QUANTITY            | PURCHASED INPUTS |                |                |                |                |       | TOTAL             |
| SEED                             | \$1.30      | 5 LBS               | \$6.50           |                |                |                |                |       | \$6.50            |
| NITROGEN (N)                     | \$0.29      | 150 LBS             | \$43.50          |                |                |                |                |       | \$43.50           |
| PHOSPHATE (P205)                 | \$0.20      | 50 LBS              | \$10.00          |                |                |                |                |       | \$10.00           |
| HERBICIDE                        | \$28.16     | 1 ACRE              | \$28.16          |                |                |                |                |       | \$28.16           |
| LIVESTOCK FAC & EQUIP            |             |                     |                  |                |                |                | \$5.00         |       | \$5.00            |
| PUMP WATER*                      |             | 12 AC. IN.          |                  |                |                |                |                |       |                   |
| CROP INSURANCE                   | \$0.19      |                     |                  |                |                |                |                |       | \$0.19            |
| <b>SUBTOTAL</b>                  |             |                     | <b>\$88.16</b>   |                |                |                | <b>\$5.00</b>  |       | <b>\$93.35</b>    |
| <b>PREHARVEST OPERATIONS</b>     |             |                     |                  |                |                |                |                |       |                   |
| PREHARVEST OPERATIONS            | POWER UNIT  | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS        | FIXED COST     | TOTAL |                   |
| DISC                             | 185 HP      | 0.07 HR             |                  | \$0.53         | \$1.09         | \$0.69         | \$1.84         |       | \$4.15            |
| CHISEL                           | 185 HP      | 0.09 HR             |                  | \$0.68         | \$1.40         | \$0.97         | \$1.81         |       | \$4.87            |
| DISC & SPRAY                     | 185 HP      | 0.10 HR             |                  | \$0.76         | \$1.56         | \$1.26         | \$3.12         |       | \$6.69            |
| PLANTER                          | 126 HP      | 0.12 HR             |                  | \$0.91         | \$1.27         | \$1.75         | \$3.32         |       | \$7.25            |
| ROLLING CULT.                    | 126 HP      | 0.10 HR             |                  | \$0.76         | \$1.06         | \$0.63         | \$2.21         |       | \$4.66            |
| SIDEDRESS                        | 185 HP      | 0.17 HR             |                  | \$1.28         | \$2.65         | \$1.68         | \$3.06         |       | \$8.67            |
| IRRIGATE (6X)                    |             | 0.60 HR             |                  | \$3.99         | \$63.87        | \$8.94         | \$14.45        |       | \$91.26           |
| <b>SUBTOTAL</b>                  |             | <b>1.25 HR</b>      |                  | <b>\$8.90</b>  | <b>\$72.90</b> | <b>\$15.94</b> | <b>\$29.82</b> |       | <b>\$127.55</b>   |
| <b>HARVEST OPERATIONS</b>        |             |                     |                  |                |                |                |                |       |                   |
| COMBINE                          | GRAIN TABLE | 0.14 HR             |                  | \$1.06         | \$1.86         | \$0.18         | \$7.94         |       | \$11.04           |
| GRAIN TABLE                      | 93 HP       | 0.14 HR             |                  | \$1.06         | \$1.44         | \$0.66         | \$1.70         |       | \$4.86            |
| HAUL                             | 2 TON       | 0.14 HR             |                  | \$1.06         | \$1.40         | \$0.71         | \$7.18         |       | \$10.35           |
| <b>SUBTOTAL</b>                  |             | <b>0.42 HR</b>      | <b>\$0.00</b>    | <b>\$3.17</b>  | <b>\$4.70</b>  | <b>\$1.55</b>  | <b>\$16.82</b> |       | <b>\$26.25</b>    |
| <b>OVERHEAD EXPENSES</b>         |             |                     |                  |                |                |                |                |       |                   |
| DOWNTIME                         |             | 0.23 HR             |                  | \$1.70         |                |                |                |       | \$1.70            |
| EMPLOYEE BENEFITS                |             |                     |                  | \$2.17         |                |                |                |       | \$2.17            |
| INSURANCE                        |             |                     | \$0.24           |                |                |                |                |       | \$0.24            |
| LAND TAXES                       |             |                     |                  |                |                |                | \$0.30         |       | \$0.30            |
| SUPERVISION AND MANAGEMENT       |             |                     |                  | \$9.18         |                |                |                |       | \$9.18            |
| OTHER EXPENSES                   |             |                     | \$27.93          |                |                |                |                |       | \$27.93           |
| <b>SUBTOTAL</b>                  |             | <b>0.23 HR</b>      | <b>\$28.17</b>   | <b>\$13.05</b> |                |                | <b>\$0.30</b>  |       | <b>\$41.53</b>    |
| <b>TOTAL OPERATING EXPENSES</b>  |             | <b>1.90 HR</b>      | <b>\$116.33</b>  | <b>\$25.12</b> | <b>\$77.60</b> | <b>\$17.49</b> | <b>\$51.94</b> |       | <b>\$288.68</b>   |
| <b>NET OPERATING PROFIT</b>      |             |                     |                  |                |                |                |                |       | <b>(\$175.49)</b> |
| INTEREST ON OPERATING CAPITAL    |             | ( \$66.90 @ 6.50% ) |                  |                |                |                |                |       | \$4.35            |
| INTEREST ON EQUIPMENT INVESTMENT |             |                     |                  |                |                |                |                |       | \$16.72           |
| <b>RETURN TO LAND AND RISK</b>   |             |                     |                  |                |                |                |                |       | <b>(\$196.56)</b> |

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

**BUDGET SUMMARY**

|                               |          |            |   |
|-------------------------------|----------|------------|---|
| GROSS RETURN                  |          | \$113.19   |   |
| VARIABLE OPERATING EXPENSES   | \$211.43 |            |   |
| RETURN OVER VARIABLE EXPENSES |          | (\$98.24)  | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$51.94  |            |   |
| NET FARM INCOME               |          | (\$150.18) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$25.12  |            |   |
| NET OPERATING PROFIT          |          | (\$175.30) | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$21.07  |            |   |
| RETURN TO LAND AND RISK       |          | (\$196.37) |   |

TABLE 9. Haygrazer/millet, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2004.  
 Planting dates: June 1 - June 15  
 Harvesting dates: September 1 - September 15

| ITEM          | PRICE    | YIELD               | TOTAL    |
|---------------|----------|---------------------|----------|
| GROSS RETURNS |          |                     |          |
| HAY           | \$100.00 | 1.50 TONS (STACKED) | \$150.00 |
| TOTAL         |          |                     | \$150.00 |

| PURCHASED INPUTS | PRICE   | QUANTITY  | PURCHASED INPUTS | FIXED COST | TOTAL   |
|------------------|---------|-----------|------------------|------------|---------|
| SEED             | \$0.45  | 6.00 LBS  | \$2.70           |            | \$2.70  |
| HERBICIDE        | \$14.79 | 1.00 ACRE | \$14.79          |            | \$14.79 |
| BALING TWINE     | \$19.00 | 0.13 ROLL | \$2.53           |            | \$2.53  |
| SUBTOTAL         |         |           | \$20.03          |            | \$20.03 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR  | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL   |
|-----------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| CHISEL                | 185 HP     | 0.09 HR             |                  | \$0.68 | \$1.40      | \$0.97  | \$1.81     | \$4.87  |
| DISC                  | 185 HP     | 0.07 HR             |                  | \$0.53 | \$1.09      | \$0.69  | \$1.84     | \$4.15  |
| DRILL                 | 126 HP     | 0.12 HR             |                  | \$0.91 | \$1.27      | \$1.82  | \$2.74     | \$6.74  |
| SUBTOTAL              |            | 0.28 HR             |                  | \$2.11 | \$3.76      | \$3.49  | \$6.39     | \$15.76 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR  | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL   |
|--------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| SWATHER            |            | 0.16 HR             |                  | \$1.21 | \$0.90      | \$0.28  | \$8.49     | \$10.88 |
| BALER              | 126 HP     | 0.17 HR             |                  | \$1.28 | \$1.80      | \$0.75  | \$5.40     | \$9.23  |
| SUBTOTAL           |            | 0.33 HR             | \$0.00           | \$2.49 | \$2.70      | \$1.02  | \$13.89    | \$20.11 |

| OVERHEAD EXPENSES          | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL   |
|----------------------------|---------------------|------------------|---------|-------------|---------|------------|---------|
| DOWNTIME                   | 0.15 HR             |                  | \$1.15  |             |         |            | \$1.15  |
| EMPLOYEE BENEFITS          |                     |                  | \$0.83  |             |         |            | \$0.83  |
| INSURANCE                  |                     | \$0.09           |         |             |         |            | \$0.09  |
| LAND TAXES                 |                     |                  |         |             |         | \$0.30     | \$0.30  |
| SUPERVISION AND MANAGEMENT |                     |                  | \$10.81 |             |         |            | \$10.81 |
| OTHER EXPENSES             |                     | \$5.59           |         |             |         |            | \$5.59  |
| SUBTOTAL                   | 0.15 HR             | \$5.68           | \$12.79 |             |         | \$0.30     | \$18.77 |

TOTAL OPERATING EXPENSES 0.43 HR \$25.70 \$17.39 \$6.46 \$4.51 \$20.59 \$74.66

NET OPERATING PROFIT \$75.34

INTEREST ON OPERATING CAPITAL ( \$12.14 @ 6.50% ) \$0.79  
 INTEREST ON EQUIPMENT INVESTMENT \$11.50

RETURN TO LAND AND RISK \$63.05

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

BUDGET SUMMARY

|                               |         |          |   |
|-------------------------------|---------|----------|---|
| GROSS RETURN                  |         | \$150.00 |   |
| VARIABLE OPERATING EXPENSES   | \$36.68 |          |   |
| RETURN OVER VARIABLE EXPENSES |         | \$113.32 | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$20.59 |          |   |
| NET FARM INCOME               |         | \$92.73  | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$17.39 |          |   |
| NET OPERATING PROFIT          |         | \$75.34  | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$12.29 |          |   |
| RETURN TO LAND AND RISK       |         | \$63.05  |   |

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

|                                  | WHEAT    | CORN FOR GRAIN | GRAIN SORGHUM | HAYGRAZER & MILLET |
|----------------------------------|----------|----------------|---------------|--------------------|
|                                  | BU       | BU             | CWT           | (Dryland) TONS     |
| PRIMAR YIELD                     | 47.00    | 185.00         | 25.00         | 1.50               |
| PRIMARY PRICE                    | \$3.75   | \$2.45         | \$4.03        | \$100.00           |
| GOVERNMENT PAYMENTS              | \$20.77  | \$44.03        | \$7.44        | \$0.00             |
| SECOND INCOME                    | \$37.50  | \$20.00        | \$5.00        | \$0.00             |
| GROSS RETURN                     | \$234.52 | \$517.28       | \$113.19      | \$150.00           |
| CASH OPERATING EXPENSES          |          |                |               |                    |
| SEED                             | \$18.00  | \$27.63        | \$6.50        | \$2.70             |
| FERTILIZER                       | \$21.60  | \$112.30       | \$53.50       |                    |
| CHEMICALS                        |          | \$89.60        | \$28.16       | \$14.79            |
| CROP INSURANCE                   | \$0.08   | \$0.28         | \$0.19        |                    |
| OTHER PURCHASED INPUTS           |          |                |               | \$2.53             |
| CANAL WATER                      |          |                |               |                    |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$10.67  | \$18.39        | \$13.73       | \$6.46             |
| FUEL-IRRIGATION                  | \$58.55  | \$180.97       | \$63.87       |                    |
| REPAIRS                          | \$15.59  | \$38.60        | \$17.49       | \$4.51             |
| CUSTOM CHARGES                   |          |                |               | \$0.00             |
| LAND TAXES                       | \$0.30   | \$0.30         | \$0.30        | \$0.30             |
| OTHER EXPENSES                   | \$28.14  | \$28.35        | \$28.17       | \$5.68             |
| TOTAL CASH EXPENSES              | \$152.93 | \$496.42       | \$211.92      | \$36.98            |
| RETURN OVER CASH EXPENSES        | \$81.59  | \$20.86        | (\$98.73)     | \$113.02           |
| FIXED EXPENSES                   | \$40.43  | \$92.68        | \$51.64       | \$20.28            |
| TOTAL EXPENSES                   | \$193.36 | \$589.10       | \$263.55      | \$57.27            |
| NET FARM INCOME                  | \$41.16  | (\$71.82)      | (\$150.37)    | \$92.73            |
| LABOR AND MANAGEMENT COSTS       | \$31.31  | \$66.26        | \$25.12       | \$17.39            |
| NET OPERATING PROFIT             | \$9.85   | (\$138.08)     | (\$175.49)    | \$75.34            |
| CAPITAL COSTS                    |          |                |               |                    |
| INTEREST ON OPERATING CAPITAL    | \$2.57   | \$11.60        | \$4.35        | \$0.79             |
| INTEREST ON EQUIPMENT INVESTMENT | \$11.97  | \$27.46        | \$16.72       | \$11.50            |
| TOTAL CAPITAL COSTS              | \$14.54  | \$39.06        | \$21.07       | \$12.29            |
| RETURN TO LAND AND RISK          | (\$4.68) | (\$177.14)     | (\$196.56)    | \$63.05            |

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

|                                  |           |                   |
|----------------------------------|-----------|-------------------|
| GROSS RETURNS                    |           |                   |
| WHEAT                            | 604 ACRES |                   |
| CROP                             |           | \$106,411         |
| GRAZING                          |           | \$22,641          |
| DIRECT PAYMENT                   |           | \$9,270           |
| COUNTER CYCLICAL PAYMENT         |           | \$0               |
| CORN FOR GRAIN                   | 179 ACRES |                   |
| CROP                             |           | \$80,905          |
| GRAZING                          |           | \$3,570           |
| DIRECT PAYMENT                   |           | \$7,859           |
| COUNTER CYCLICAL PAYMENT         |           | \$0               |
| GRAIN SORGHUM                    | 268 ACRES |                   |
| CROP                             |           | \$26,976          |
| GRAZING                          |           | \$1,339           |
| DIRECT PAYMENT                   |           | \$1,991           |
| COUNTER CYCLICAL PAYMENT         |           | \$0               |
| HAYGRAZER/MILLET                 | 190 ACRES |                   |
| CROP                             |           | \$28,500          |
| GROSS RETURN                     |           | <u>\$289,462</u>  |
| CASH OPERATING EXPENSES          |           |                   |
| SEED                             |           | \$18,052          |
| FERTILIZER                       |           | \$47,411          |
| CHEMICALS                        |           | \$26,344          |
| CROP INSURANCE                   |           | \$150             |
| OTHER PURCHASED INPUTS           |           | \$481             |
| CANAL WATER                      |           | \$0               |
| FUEL, OIL & LUBRICANTS-EQUIPMENT |           | \$14,626          |
| FUEL-IRRIGATION                  |           | \$84,753          |
| REPAIRS                          |           | \$21,845          |
| CUSTOM CHARGES                   |           | \$0               |
| LAND TAXES                       |           | \$377             |
| OTHER EXPENSES                   |           | \$30,672          |
| TOTAL CASH EXPENSES              |           | <u>\$244,712</u>  |
| RETURN OVER CASH EXPENSES        |           | \$44,751          |
| FIXED EXPENSES                   |           | \$58,632          |
| TOTAL EXPENSES                   |           | \$303,344         |
| NET FARM INCOME                  |           | (\$13,881)        |
| LABOR AND MANAGEMENT COSTS       |           | \$40,760          |
| NET OPERATING PROFIT             |           | (\$54,642)        |
| CAPITAL COSTS                    |           |                   |
| INTEREST ON OPERATING CAPITAL    |           | \$4,936           |
| INTEREST ON EQUIPMENT INVESTMENT |           | \$18,790          |
| TOTAL CAPITAL COSTS              |           | <u>\$23,726</u>   |
| RETURN TO LAND AND RISK          |           | <u>(\$78,368)</u> |

| LAND VALUE    | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE   | (\$103,968)     | -5.55%                 |
| \$750 /ACRE   | (\$116,768)     | -4.19%                 |
| \$1,000 /ACRE | (\$129,568)     | -3.36%                 |
| \$1,250 /ACRE | (\$142,368)     | -2.81%                 |
| \$1,500 /ACRE | (\$155,168)     | -2.41%                 |

\* 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)