

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Actual 2004

| | 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 | \$35.55 | \$35.56 |
| TOTAL CASH EXPENSES | \$91.39 | \$106.98 |
| RETURN OVER CASH EXPENSES | \$59.86 | (\$51.54) |
| FIXED EXPENSES | \$13.34 | \$14.42 |
| TOTAL EXPENSES | \$104.73 | \$121.40 |
| NET FARM INCOME | \$46.52 | (\$65.95) |
| LABOR AND MANAGEMENT COSTS | \$15.94 | \$9.79 |
| NET OPERATING PROFIT | \$30.58 | (\$75.75) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | \$0.97 | \$1.39 |
| INTEREST ON EQUIPMENT INVESTMENT | \$5.59 | \$6.02 |
| TOTAL CAPITAL COSTS | \$6.56 | \$7.41 |
| RETURN TO LAND AND RISK | \$24.02 | (\$83.16) |
| Flex Computation | 42.95 | -62.72 |

TABLE 8. Whole farm summary, Union County,
Actual 2004

| | | |
|----------------------------------|--------------|-------------------|
| 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 | | \$22,045 |
| TOTAL CASH EXPENSES | | <u>\$62,757</u> |
| RETURN OVER CASH EXPENSES | | (\$6,441) |
| FIXED EXPENSES | | \$8,692 |
| TOTAL EXPENSES | | \$71,449 |
| NET FARM INCOME | | (\$15,134) |
| LABOR AND MANAGEMENT COSTS | | \$7,479 |
| NET OPERATING PROFIT | | (\$22,613) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$767 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$3,634 |
| TOTAL CAPITAL COSTS | | <u>\$4,400</u> |
| RETURN TO LAND AND RISK | | <u>(\$27,013)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|-------------|-----------------|------------------------|
| \$100 /ACRE | (\$28,933) | -19.37% |
| \$200 /ACRE | (\$30,853) | -12.51% |
| \$300 /ACRE | (\$32,773) | -9.24% |

* 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)

