

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

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 2004.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.75
Purchased Inputs:		
Seed:		
Wheat	\$/pound	\$0.18
Grain Sorghum	\$/pound	\$1.30
Diesel fuel	\$/gallon	\$1.50
Gasoline	\$/gallon	\$1.45
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	6.50%
Land Interest Rate	percent	6.00%
Equipment Interest Rate	percent	6.50%
Real Interest Rate	percent	4.00%
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 2004.

Item		
Electricity (Domestic & Shop)	\$220.00 per month	\$2,640
Telephone	\$100.00 per month	\$1,200
Accounting & Legal		\$1,080
Misc. Supplies & Hand Tools		\$1,645
Pickup and Auto		
miles 15,450 @ \$0.365 per mile		\$5,639
Insurance		
- general liability (non-employee)		\$1,420
- fire/theft		\$1,080
Property Taxes		
- non-planted land		\$3
- other than land & machinery		\$510
Building repairs and maintenance		\$540
Dues, fees, publications		\$400
Farmstead Equipment		\$170
	Total	\$16,327
	Total per planted acre	\$26.33

TABLE 4. Equipment summary for a 640 acre dryland farm with above average management, Union County,
Projected 2004.

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	\$25,350	\$4,296	\$1,815	\$13.55	\$5.72	\$4,652	\$309	\$15.64
CULTIVATOR 6 ROW	6 ROW	102	1	\$2,500		\$145	\$0.00	\$1.43	\$333	\$22	\$3.50
PLANTER 6 ROW	6 ROW	66	1	\$4,250		\$605	\$0.00	\$9.10	\$850	\$38	\$13.35
SWEEPS 20 FT	20 FT	108	1	\$4,350		\$267	\$0.00	\$2.48	\$580	\$38	\$5.74
DRILL 13 FT	13 FT	41	1	\$2,150		\$152	\$0.00	\$3.70	\$430	\$19	\$10.89
				\$38,600	\$4,296	\$2,984			\$6,846	\$426	

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2004.
 Planting dates: August 15 - September 15
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
WHEAT	\$3.75	38.00 BUSHELS							\$142.50
DIRECT PAYMENT	\$0.52	38.00 BUSHELS	0.85						\$16.80
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00
GRAZING	\$20.00	1.00 ACRE							\$20.00
TOTAL									\$179.30
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$0.18	30.00 LBS	\$5.40						\$5.40
MANURE	\$2.70	5.00 TON	\$13.50						\$13.50
SUBTOTAL			\$18.90						\$18.90
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEPS (3X)	145 HP	0.30 HR		\$2.27	\$4.06	\$2.46	\$6.41	\$15.20	
DRILL	145 HP	0.18 HR		\$1.36	\$2.44	\$1.70	\$4.78	\$10.27	
SUBTOTAL		0.48 HR		\$3.62	\$6.50	\$4.16	\$11.19	\$25.47	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			\$16.00					\$16.00	
HAUL (CUSTOM)			\$6.08					\$6.08	
SUBTOTAL			\$22.08					\$22.08	
OVERHEAD EXPENSES									
DOWNTIME		0.12 HR		\$0.91				\$0.91	
EMPLOYEE BENEFITS				\$0.65				\$0.65	
INSURANCE			\$0.07					\$0.07	
LAND TAXES							\$0.11	\$0.11	
SUPERVISION AND MANAGEMENT				\$12.79				\$12.79	
OTHER EXPENSES			\$26.33					\$26.33	
SUBTOTAL		0.12 HR	\$26.41	\$14.35			\$0.11	\$40.86	
TOTAL OPERATING EXPENSES		0.60 HR	\$67.39	\$17.97	\$6.50	\$4.16	\$11.30	\$107.31	
NET OPERATING PROFIT								\$71.98	
INTEREST ON OPERATING CAPITAL		(\$13.95 @	6.50%)				\$0.91	
INTEREST ON EQUIPMENT INVESTMENT								\$4.83	
RETURN TO LAND AND RISK								\$66.24	

BUDGET SUMMARY

GROSS RETURN		\$179.30	
VARIABLE OPERATING EXPENSES	\$78.05		
RETURN OVER VARIABLE EXPENSES		\$101.25	(GROSS MARGIN)
FIXED EXPENSES	\$11.30		
NET FARM INCOME		\$89.95	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$17.97		
NET OPERATING PROFIT		\$71.98	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$5.74		
RETURN TO LAND AND RISK		\$66.24	

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 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
GROSS RETURNS				
GRAIN SORGHUM	\$4.03	20.00 CWT		\$80.60
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
DIRECT PAYMENT	\$0.35	20.00 CWT	0.85	\$5.95
TOTAL				\$86.55

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.30	3 LBS	\$3.90		\$3.90
MANURE	\$2.75	5 TON	\$13.75		\$13.75
HERBICIDE	\$16.00	1 X/ACRE	\$16.00		\$16.00
SUBTOTAL			\$33.65		\$33.65

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS	145 HP	0.10 HR		\$0.76	\$1.35	\$0.82	\$2.14	\$5.07
PLANTER	145 HP	0.17 HR		\$1.28	\$2.30	\$2.52	\$4.93	\$11.03
CULTIVATOR (2X)	145 HP	0.26 HR		\$1.96	\$3.52	\$1.86	\$4.98	\$12.32
SUBTOTAL		0.53 HR		\$4.00	\$7.18	\$5.20	\$12.04	\$28.42

HARVEST OPERATIONS	ACCOMPLISHMENT RATE	PURCHASED INPUTS	TOTAL
COMBINE (CUSTOM)		\$20.50	\$20.50
HAUL (CUSTOM)		\$3.80	\$3.80
SUBTOTAL	0.00 HR	\$24.30	\$24.30

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.13 HR		\$1.00				\$1.00
EMPLOYEE BENEFITS			\$0.72				\$0.72
INSURANCE		\$0.08					\$0.08
LAND TAXES						\$0.11	\$0.11
SUPERVISION AND MANAGEMENT			\$6.32				\$6.32
OTHER EXPENSES		\$26.33					\$26.33
SUBTOTAL	0.13 HR	\$26.41	\$8.04			\$0.11	\$34.56

TOTAL OPERATING EXPENSES	0.66 HR	\$84.36	\$12.05	\$7.18	\$5.20	\$12.15	\$120.94
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NET OPERATING PROFIT							(\$34.39)
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INTEREST ON OPERATING CAPITAL	(\$21.94	@	6.50%)		\$1.43
INTEREST ON EQUIPMENT INVESTMENT							\$5.17

RETURN TO LAND AND RISK							(\$40.99)
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BUDGET SUMMARY

GROSS RETURN		\$86.55	
VARIABLE OPERATING EXPENSES	\$96.74		
RETURN OVER VARIABLE EXPENSES		(\$10.19)	(GROSS MARGIN)
FIXED EXPENSES	\$12.15		
NET FARM INCOME		(\$22.34)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$12.05		
NET OPERATING PROFIT		(\$34.39)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$6.60		
RETURN TO LAND AND RISK		(\$40.99)	

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

	WHEAT	GRAIN SORGHUM
	BU	CWT
PRIMARY YIELD	38.00	20.00
PRIMARY PRICE	\$3.75	\$4.03
GOVERNMENT PAYMENTS	\$16.80	\$5.95
SECOND INCOME	\$20.00	\$0.00
GROSS RETURN	\$179.30	\$86.55
CASH OPERATING EXPENSES		
SEED	\$5.40	\$3.90
FERTILIZER	\$13.50	\$13.75
CHEMICALS		\$16.00
CROP INSURANCE		
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$6.50	\$7.18
FUEL-IRRIGATION		
REPAIRS	\$4.16	\$5.20
CUSTOM CHARGES	\$22.08	\$24.30
LAND TAXES	\$0.11	\$0.11
OTHER EXPENSES	\$26.41	\$26.41
TOTAL CASH EXPENSES	\$78.15	\$96.85
RETURN OVER CASH EXPENSES	\$101.14	(\$10.30)
FIXED EXPENSES	\$11.19	\$12.04
TOTAL EXPENSES	\$89.34	\$108.89
NET FARM INCOME	\$89.95	(\$22.34)
LABOR AND MANAGEMENT COSTS	\$17.97	\$12.05
NET OPERATING PROFIT	\$71.98	(\$34.39)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.91	\$1.43
INTEREST ON EQUIPMENT INVESTMENT	\$4.83	\$5.17
TOTAL CAPITAL COSTS	\$5.74	\$6.60
RETURN TO LAND AND RISK	\$66.24	(\$40.99)

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

GROSS RETURNS		
WHEAT	229.00 ACRES	
CROP		\$32,633
GRAZING		\$4,580
DIRECT PAYMENT		\$2,284
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	391.00 ACRES	
CROP		\$31,515
DIRECT PAYMENT		\$2,326
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$73,338</u>
CASH OPERATING EXPENSES		
SEED		\$2,762
FERTILIZER		\$8,468
CHEMICALS		\$6,256
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$4,296
FUEL-IRRIGATION		\$0
REPAIRS		\$2,984
CUSTOM CHARGES		\$14,558
LAND TAXES		\$66
OTHER EXPENSES		\$16,375
TOTAL CASH EXPENSES		<u>\$55,764</u>
RETURN OVER CASH EXPENSES		\$17,574
FIXED EXPENSES		\$7,271
TOTAL EXPENSES		\$63,035
NET FARM INCOME		\$10,302
LABOR AND MANAGEMENT COSTS		\$8,826
NET OPERATING PROFIT		\$1,477
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$765
INTEREST ON EQUIPMENT INVESTMENT		\$3,129
TOTAL CAPITAL COSTS		<u>\$3,895</u>
RETURN TO LAND AND RISK		<u>(\$2,418)</u>
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$4,978)	1.44%
\$200 /ACRE	(\$7,538)	0.89%
\$300 /ACRE	(\$10,098)	0.64%

* 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)