

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... UNION COUNTY Projected 2006
FARM SIZE..... 640.00 ACRES
IRRIGATION TYPE..... DRYLAND
NUMBER OF CROPS..... 2

VERSION 1.0

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

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 2006.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.45
General & Irrigators		\$/hour	\$6.60
Purchased Inputs:			
Seed:			
Wheat		\$/pound	\$0.28
Grain Sorghum		\$/pound	\$1.22
Diesel fuel		\$/gallon	\$2.10
Gasoline		\$/gallon	\$2.00
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		\$12.00 /acre (full value)	\$0.11
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$26.46
	- R		\$24.94
Supervision Factor		\$/labor hour	\$0.50
Management Rate		percent	7.00%

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

Item			
Electricity (Domestic & Shop)		\$212.00 per month	\$2,544
Telephone		\$95.40 per month	\$1,145
Accounting & Legal			\$1,018
Misc. Supplies & Hand Tools			\$1,548
Pickup and Auto			
miles	16,377	@ \$0.415 per mile	\$6,796
Insurance			
- general liability (non-employee)			\$1,336
- fire/theft			\$1,018
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$509
Dues, fees, publications			\$382
Farmstead Equipment			\$159
		Total	\$22,463
		Total per planted acre	\$36.23

TABLE 4. Equipment summary for a 640 acre dryland farm with above average management, Union County
Projected 2006.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS			
				FUEL, OIL, LUBRICANT	REPAIR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR 165 HP	165 HP	317	1	\$38,002	\$5,972	\$1,708	\$18.83	\$5.39	\$5,985	\$396	\$20.12
CULTIVATOR 6 ROW	6 ROW	102	1	\$2,500		\$315	\$0.00	\$3.10	\$333	\$22	\$3.50
PLANTER 6 ROW	6 ROW	68	1	\$4,250		\$136	\$0.00	\$2.04	\$850	\$37	\$13.35
SWEEPS 20 FT	20 FT	108	1	\$4,250		\$381	\$0.00	\$5.39	\$260	\$38	\$6.74
DRILL 13 FT	13 FT	41	1	\$2,150		\$43	\$0.00	\$1.03	\$430	\$19	\$10.89
				\$51,252	\$5,972	\$2,783			\$8,178	\$513	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL UNIT/HR	LUBE COEF	ACCUM HOURS	AGE	INTEREST EXPENSE	
TRACTOR 165 HP	165 HP	89775.00	38001.50	15.00	1.00	800.00	8.15	0.10	3805.80	12.00	3.591.00
CULTIVATOR 6 ROW	6 ROW	5300.00	2500.00	15.00	3.00	300.00	0.00	0.00	1626.56	16.00	200.00
PLANTER 6 ROW	6 ROW	8500.00	4250.00	10.00	8.00	100.00	0.00	0.00	864.11	13.00	340.00
SWEEPS 20 FT	20 FT	8700.00	4350.00	15.00	3.00	300.00	0.00	0.00	1724.80	16.00	348.00
DRILL 13 FT	13 FT	4300.00	2150.00	10.00	8.00	100.00	0.00	0.00	535.86	13.00	172.00

INTEREST PRORATION

GRAIN	
WHEAT	SORGHUM
-dollars per acre-	
5.43	6.00
0.00	0.51
0.00	0.87
0.97	0.32
0.75	0.00
7	8

USAGE LIST

WHEAT	GRAIN PER ACRE		
	WHEAT	SORGHUM	TOTALS
	0.48	0.53	1.01
	0.00	0.28	0.28
	0.00	0.17	0.17
	0.30	0.10	0.40
	0.18	0.00	0.18

WHEAT	MACHINE	POWER UNIT	ACCOMPLISHMENT			
			TIMES OVER	RATE	TOTAL	CUSTOM
SWEEPS (3X)	145 HP	3.00	0.10	0.30		
DRILL	145 HP	1.00	0.18	0.18		

COMBINE (CUSTOM) PER ACRE	16.00
HAUL (CUSTOM) PER BUSHEL	0.16

GRAIN SORGHUM	MACHINE	POWER UNIT	ACCOMPLISHMENT			
			TIMES OVER	RATE	TOTAL	CUSTOM
SWEEPS	145 HP	1.00	0.10	0.10		
PLANTER	145 HP	1.00	0.17	0.17		
CULTIVATOR (2X)	145 HP	2.00	0.13	0.26		

COMBINE (CUSTOM) PER ACRE	20.50
HAUL (CUSTOM) PER CWT	0.19

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	1	2	3	4	5	6	7	8	9
0	0.000080	0.000020	0.000620	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
50	0.000080	0.000020	0.000620	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
100	0.000080	0.000020	0.000620	0.000020	0.000140	0.000220	0.000100	0.000380	0.000300
200	0.000030	0.000030	0.000430	0.000040	0.000180	0.000260	0.000110	0.000510	0.000260
300	0.000030	0.000050	0.000390	0.000060	0.000230	0.000310	0.000140	0.000630	0.000400
400	0.000030	0.000060	0.000370	0.000090	0.000260	0.000340	0.000150	0.000710	0.000450
500	0.000030	0.000070	0.000360	0.000100	0.000280	0.000370	0.000170	0.000800	0.000630
600	0.000030	0.000090	0.000340	0.000120	0.000310	0.000390	0.000190	0.000880	0.000530
700	0.000030	0.000100	0.000340	0.000130	0.000330	0.000410	0.000200	0.000910	0.000580
800	0.000030	0.000110	0.000320	0.000150	0.000350	0.000430	0.000210	0.000980	0.000580
900	0.000030	0.000120	0.000320	0.000160	0.000370	0.000450	0.000230	0.001020	0.000600
1000	0.000090	0.000150	0.000310	0.000180	0.000380	0.000460	0.000230	0.001070	0.000630
1200	0.000045	0.000145	0.000305	0.000205	0.000405	0.000480	0.000245	0.001135	0.000710
1400	0.000045	0.000170	0.000300	0.000220	0.000435	0.000510	0.000240	0.001260	0.000765
1500	0.000150	0.000170	0.000300	0.000230	0.000435	0.000510	0.000240	0.001260	0.000765
1600	0.000150	0.000190	0.000285	0.000255	0.000465	0.000525	0.000135	0.001235	0.000805
1800	0.000075	0.000170	0.000285	0.000285	0.000465	0.000550	0.000285		
2000	0.000110	0.000265	0.000280	0.000305	0.000505	0.000585	0.000310		
2500	0.000056								
3000	0.000070								
3500	0.000082								
4000	0.000096								
4500	0.000108								
5000	0.000122								
5500	0.000136								
6000	0.000148								
6500	0.000162								
7000	0.000176								
7500	0.000188								
8000	0.000204								

* Based on unpublished data of D. R. Hunt, Department of Agriculture Engineering, University of Illinois

** Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1983

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windrowers, pickups
- 3 rotary hoes, disks, moldboard plows, chisels, field cultivators row cultivators, laser plane
- 4 harrows, wagons, floats, roto buck, drag, roller, water furrow bed shaper
- 5 balewagons, cotton pickers, cotton strippers, corn pickers corn heads, forage equipment, rotary mowers, stalk choppers, feed wagons, farm trucks
- 6 rakes, cutterbar mower
- 7 baler w/ engine, manure spreader
- 8 planters, drills, seeding equipment, mounted sprayers
- 9 fertilizer distributing equipment

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2006.
 Planting dates: August 15 - September 15
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
WHEAT	\$3.75	35.00 BUSHEL						\$131.25	
DIRECT PAYMENT	\$0.00	35.00 BUSHEL	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00	
GRAZING	\$20.00	1.00 ACRE						\$20.00	
TOTAL								\$151.25	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.28	30.00 LBS	\$8.40						\$8.40
MANURE	\$2.70	5.00 TON	\$13.50						\$13.50
SUBTOTAL			\$21.90						\$21.90
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEPS (3X)	145 HP	0.30 HR		\$2.24	\$5.65	\$3.23	\$7.76	\$18.87	
DRILL	145 HP	0.18 HR		\$1.34	\$3.39	\$1.16	\$5.58	\$11.47	
SUBTOTAL		0.48 HR		\$3.58	\$9.04	\$4.39	\$13.34	\$30.34	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			\$16.00					\$16.00	
HAUL (CUSTOM)			\$5.60					\$5.60	
SUBTOTAL			\$21.60					\$21.60	
OVERHEAD EXPENSES									
DOWNTIME		0.12 HR		\$0.89				\$0.89	
EMPLOYEE BENEFITS				\$0.64				\$0.64	
INSURANCE			\$0.07				\$0.07		
LAND TAXES							\$0.11	\$0.11	
SUPERVISION AND MANAGEMENT				\$10.83				\$10.83	
OTHER EXPENSES			\$36.23					\$36.23	
SUBTOTAL		0.12 HR	\$36.30	\$12.37			\$0.11	\$48.77	
TOTAL OPERATING EXPENSES		0.60 HR	\$79.80	\$15.94	\$9.04	\$4.39	\$13.44	\$122.62	
NET OPERATING PROFIT								\$28.63	
INTEREST ON OPERATING CAPITAL		(\$16.11 @	8.00%)				\$1.29	
INTEREST ON EQUIPMENT INVESTMENT								\$7.15	
RETURN TO LAND AND RISK								\$20.19	
BUDGET SUMMARY									
GROSS RETURN			\$151.25						
VARIABLE OPERATING EXPENSES	\$93.23								
RETURN OVER VARIABLE EXPENSES		\$58.02						(GROSS MARGIN)	
FIXED EXPENSES	\$13.44								
NET FARM INCOME		\$44.58						(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$15.94								
NET OPERATING PROFIT		\$28.63						(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$8.44								
RETURN TO LAND AND RISK		\$20.19							

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 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	15.00 CWT						\$55.45
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT						\$0.00
DIRECT PAYMENT	\$0.00	15.00 CWT	0.85					\$0.00
TOTAL								\$55.45
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.22	3 LBS	\$3.66					\$3.66
MANURE	\$2.75	5 TON	\$13.75					\$13.75
HERBICIDE	\$16.00	1 X/ACRE	\$16.00					\$16.00
SUBTOTAL			\$33.41					\$33.41
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS	145 HP	0.10 HR		\$0.75	\$1.88	\$1.08	\$2.59	\$6.29
PLANTER	145 HP	0.17 HR		\$1.27	\$3.20	\$1.26	\$5.69	\$11.42
CULTIVATOR (2X)	145 HP	0.26 HR		\$1.94	\$4.90	\$2.21	\$6.14	\$15.18
SUBTOTAL		0.53 HR		\$3.95	\$9.98	\$4.55	\$14.42	\$32.89
HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$20.50					\$20.50
HAUL (CUSTOM)			\$2.85					\$2.85
SUBTOTAL		0.00 HR	\$23.35					\$23.35
OVERHEAD EXPENSES								
DOWNTIME		0.13 HR		\$0.99				\$0.99
EMPLOYEE BENEFITS				\$0.71				\$0.71
INSURANCE			\$0.08					\$0.08
LAND TAXES							\$0.11	\$0.11
SUPERVISION AND MANAGEMENT				\$4.15				\$4.15
OTHER EXPENSES			\$36.23					\$36.23
SUBTOTAL		0.13 HR	\$36.31	\$5.84			\$0.11	\$42.26
TOTAL OPERATING EXPENSES		0.66 HR	\$93.07	\$9.79	\$9.98	\$4.55	\$14.52	\$131.91
NET OPERATING PROFIT								(\$76.46)
INTEREST ON OPERATING CAPITAL		(\$22.28 @	8.00%)				\$1.78
INTEREST ON EQUIPMENT INVESTMENT								\$7.70
RETURN TO LAND AND RISK								(\$85.95)

BUDGET SUMMARY			
GROSS RETURN		\$55.45	
VARIABLE OPERATING EXPENSES	\$107.60		
RETURN OVER VARIABLE EXPENSES		(\$52.15)	(GROSS MARGIN)
FIXED EXPENSES	\$14.52		
NET FARM INCOME		(\$66.67)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$9.79		
NET OPERATING PROFIT		(\$76.46)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.49		
RETURN TO LAND AND RISK		(\$85.95)	

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2006.

	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	\$8.40	\$3.66
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	\$36.30	\$36.31
TOTAL CASH EXPENSES	\$93.34	\$107.70
RETURN OVER CASH EXPENSES	\$57.91	(\$52.26)
FIXED EXPENSES	\$13.34	\$14.42
TOTAL EXPENSES	\$106.67	\$122.12
NET FARM INCOME	\$44.58	(\$66.67)
LABOR AND MANAGEMENT COSTS	\$15.94	\$9.79
NET OPERATING PROFIT	\$28.63	(\$76.46)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.29	\$1.78
INTEREST ON EQUIPMENT INVESTMENT	\$7.15	\$7.70
TOTAL CAPITAL COSTS	\$8.44	\$9.49
RETURN TO LAND AND RISK	\$20.19	(\$85.95)
Flex Computation	40.68	-63.83

TABLE 8. Whole farm summary, Union County,
Projected 2006.

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		\$3,355
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		\$22,510
TOTAL CASH EXPENSES		<u>\$63,485</u>
RETURN OVER CASH EXPENSES		(\$7,170)
FIXED EXPENSES		\$8,691
TOTAL EXPENSES		<u>\$72,177</u>
NET FARM INCOME		(\$15,861)
LABOR AND MANAGEMENT COSTS		\$7,479
NET OPERATING PROFIT		(\$23,340)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$992
INTEREST ON EQUIPMENT INVESTMENT		\$4,651
TOTAL CAPITAL COSTS		<u>\$5,643</u>
RETURN TO LAND AND RISK		<u>(\$28,983)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$30,903)	-20.25%
\$200 /ACRE	(\$32,823)	-13.02%
\$300 /ACRE	(\$34,743)	-9.60%

* 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)

