

TABLE 1. Acreage Summary, Union County,  
Projected 2007.

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
<b>TOTAL</b>	<b>640.0</b>

TABLE 2. Basic cost information for Union County,  
Projected 2007.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$7.45
General & Irrigators		\$/hour	\$6.60
<b>Purchased Inputs:</b>			
Seed:			
Wheat		\$/pound	\$0.22
Grain Sorghum		\$/pound	\$0.60
Diesel fuel		\$/gallon	\$2.70
Gasoline		\$/gallon	\$2.45
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	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 2007.

Item			
Electricity (Domestic & Shop)		\$218.00 per month	\$2,616
Telephone		\$98.10 per month	\$1,177
Accounting & Legal			\$1,046
Misc. Supplies & Hand Tools			\$1,591
Pickup and Auto			
miles	16,841	@ \$0.415 per mile	\$6,989
<b>Insurance</b>			
- general liability (non-employee)			\$1,373
- fire/theft			\$1,046
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$523
Dues, fees, publications			\$392
Farmstead Equipment			\$164
		<b>Total</b>	<b>\$22,929</b>
		<b>Total per planted acre</b>	<b>\$36.98</b>

TABLE 4. Equipment summary for a 640 acre dryland farm with above average management, Union County Projected 2007.

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	\$39,607	\$7,878	\$1,708	\$24.21	\$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	88	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	\$360	\$38	\$5.74
DRILL 13 FT	13 FT	41	1	\$2,150		\$43	\$0.00	\$1.03	\$430	\$19	\$10.89
				\$52,857	\$7,878	\$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	39606.50	15.00	1.00	800.00	8.15	0.10	3488.65	11.00	3.591.00
CULTIVATOR 6 ROW	6 ROW	5900.00	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

WHEAT	GRAIN 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	0.26	0.26
	0.00	0.17	0.17
	0.30	0.10	0.40
	0.18	0.00	0.18

WHEAT	ACRES:		229		PUMP WATER:	
	POWER		TIMES		ACCOMPLISHMENT	
	MACHINE	UNIT	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	ACRES:		391		ACCOMPLISHMENT	
	POWER		TIMES		ACCOMPLISHMENT	
	MACHINE	UNIT	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	0.000360	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	0.000590
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	0.000410	0.001260	0.000765
1500	0.000150	0.000170	0.000300	0.000230	0.000435	0.000510	0.000410	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	0.000565	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 2007.  
 Planting dates: August 15 - September 15  
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD	BASE					TOTAL	
<b>GROSS RETURNS</b>									
WHEAT	\$5.00	35.00 BUSHEL						\$175.00	
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	
<b>TOTAL</b>								<b>\$195.00</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.22	30.00 LBS	\$6.60						\$6.60
MANURE	\$2.70	5.00 TON	\$13.50						\$13.50
<b>SUBTOTAL</b>			<b>\$20.10</b>						<b>\$20.10</b>
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEPS (3X)	145 HP	0.30 HR		\$2.24	\$7.26	\$3.23	\$7.76	\$20.49	
DRILL	145 HP	0.18 HR		\$1.34	\$4.36	\$1.16	\$5.58	\$12.44	
<b>SUBTOTAL</b>				<b>\$3.58</b>	<b>\$11.62</b>	<b>\$4.39</b>	<b>\$13.34</b>	<b>\$32.92</b>	
<b>HARVEST OPERATIONS</b>									
COMBINE (CUSTOM)			\$16.00					\$16.00	
HAUL (CUSTOM)			\$5.60					\$5.60	
<b>SUBTOTAL</b>			<b>\$21.60</b>						<b>\$21.60</b>
<b>OVERHEAD EXPENSES</b>									
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				\$13.89				\$13.89	
OTHER EXPENSES			\$36.98					\$36.98	
<b>SUBTOTAL</b>				<b>\$37.05</b>	<b>\$15.43</b>		<b>\$0.11</b>	<b>\$52.59</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>0.60 HR</b>	<b>\$78.75</b>	<b>\$19.00</b>	<b>\$11.62</b>	<b>\$4.39</b>	<b>\$13.44</b>	<b>\$127.21</b>	
<b>NET OPERATING PROFIT</b>								<b>\$67.79</b>	
INTEREST ON OPERATING CAPITAL		( \$15.85 @	8.00%	)				\$1.27	
INTEREST ON EQUIPMENT INVESTMENT								\$7.15	
<b>RETURN TO LAND AND RISK</b>								<b>\$59.37</b>	
<b>BUDGET SUMMARY</b>									
GROSS RETURN			\$195.00						
VARIABLE OPERATING EXPENSES	\$94.76								
RETURN OVER VARIABLE EXPENSES		\$100.24	(GROSS MARGIN)						
FIXED EXPENSES	\$13.44								
NET FARM INCOME		\$86.79	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$19.00								
NET OPERATING PROFIT		\$67.79	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$8.42								
RETURN TO LAND AND RISK		\$59.37							

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2007.  
 Planting dates: May 15 - June 15  
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
<b>GROSS RETURNS</b>								
GRAIN SORGHUM	\$5.75	15.00 CWT						\$86.25
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT						\$0.00
DIRECT PAYMENT	\$0.00	15.00 CWT	0.85					\$0.00
<b>TOTAL</b>								<b>\$86.25</b>
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.60	3 LBS	\$1.80					\$1.80
MANURE	\$2.75	5 TON	\$13.75					\$13.75
HERBICIDE	\$16.00	1 X/ACRE	\$16.00					\$16.00
<b>SUBTOTAL</b>			<b>\$31.55</b>					<b>\$31.55</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS	145 HP	0.10 HR		\$0.75	\$2.42	\$1.08	\$2.59	\$6.83
PLANTER	145 HP	0.17 HR		\$1.27	\$4.12	\$1.26	\$5.69	\$12.33
CULTIVATOR (2X)	145 HP	0.26 HR		\$1.94	\$6.29	\$2.21	\$6.14	\$16.58
<b>SUBTOTAL</b>		<b>0.53 HR</b>		<b>\$3.95</b>	<b>\$12.83</b>	<b>\$4.55</b>	<b>\$14.42</b>	<b>\$35.74</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)			\$20.50					\$20.50
HAUL (CUSTOM)			\$2.85					\$2.85
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$23.35</b>					<b>\$23.35</b>
<b>OVERHEAD EXPENSES</b>								
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				\$6.30				\$6.30
OTHER EXPENSES			\$36.98					\$36.98
<b>SUBTOTAL</b>		<b>0.13 HR</b>	<b>\$37.06</b>	<b>\$8.00</b>			<b>\$0.11</b>	<b>\$45.17</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>0.66 HR</b>	<b>\$91.96</b>	<b>\$11.95</b>	<b>\$12.83</b>	<b>\$4.55</b>	<b>\$14.52</b>	<b>\$135.81</b>
<b>NET OPERATING PROFIT</b>								<b>(\$49.56)</b>
INTEREST ON OPERATING CAPITAL		( \$22.07 @	8.00%	)				\$1.77
INTEREST ON EQUIPMENT INVESTMENT								\$7.70
<b>RETURN TO LAND AND RISK</b>								<b>(\$59.03)</b>

**BUDGET SUMMARY**

GROSS RETURN		\$86.25	
VARIABLE OPERATING EXPENSES	\$109.34		
RETURN OVER VARIABLE EXPENSES		(\$23.09)	(GROSS MARGIN)
FIXED EXPENSES	\$14.52		
NET FARM INCOME		(\$37.61)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$11.95		
NET OPERATING PROFIT		(\$49.56)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.47		
<b>RETURN TO LAND AND RISK</b>		<b>(\$59.03)</b>	

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2007.

	WHEAT	GRAIN SORGHUM
	BU	CWT
PRIMARY YIELD	35.00	15.00
PRIMARY PRICE	\$5.00	\$5.75
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$20.00	\$0.00
GROSS RETURN	\$195.00	\$86.25
CASH OPERATING EXPENSES		
SEED	\$6.60	\$1.80
FERTILIZER	\$13.50	\$13.75
CHEMICALS		\$16.00
CROP INSURANCE		
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$11.62	\$12.83
FUEL-IRRIGATION		
REPAIRS	\$4.39	\$4.55
CUSTOM CHARGES	\$21.60	\$23.35
LAND TAXES	\$0.11	\$0.11
OTHER EXPENSES	\$37.05	\$37.06
TOTAL CASH EXPENSES	\$94.87	\$109.44
RETURN OVER CASH EXPENSES	\$100.13	(\$23.19)
FIXED EXPENSES	\$13.34	\$14.42
TOTAL EXPENSES	\$108.21	\$123.86
NET FARM INCOME	\$86.79	(\$37.61)
LABOR AND MANAGEMENT COSTS	\$19.00	\$11.95
NET OPERATING PROFIT	\$67.79	(\$49.56)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.27	\$1.77
INTEREST ON EQUIPMENT INVESTMENT	\$7.15	\$7.70
TOTAL CAPITAL COSTS	\$8.42	\$9.47
RETURN TO LAND AND RISK	\$59.37	(\$59.03)
Flex Computation	79.86	-36.91

TABLE 8. Whole farm summary, Union County,  
Projected 2007.

GROSS RETURNS		
WHEAT	229.00 ACRES	
CROP		\$40,075
GRAZING		\$4,580
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	391.00 ACRES	
CROP		\$33,724
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		\$78,379
CASH OPERATING EXPENSES		
SEED		\$2,215
FERTILIZER		\$8,468
CHEMICALS		\$6,256
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,678
FUEL-IRRIGATION		\$0
REPAIRS		\$2,783
CUSTOM CHARGES		\$14,076
LAND TAXES		\$66
OTHER EXPENSES		\$22,976
TOTAL CASH EXPENSES		\$64,518
RETURN OVER CASH EXPENSES		\$13,861
FIXED EXPENSES		\$8,691
TOTAL EXPENSES		\$73,209
NET FARM INCOME		\$5,170
LABOR AND MANAGEMENT COSTS		\$9,024
NET OPERATING PROFIT		(\$3,854)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$981
INTEREST ON EQUIPMENT INVESTMENT		\$4,651
TOTAL CAPITAL COSTS		\$5,632
RETURN TO LAND AND RISK		(\$9,486)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$11,406)	-3.30%
\$200 /ACRE	(\$13,326)	-2.13%
\$300 /ACRE	(\$15,246)	-1.57%

\* 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)

