

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 1,600 acre farm with above average management, Curry County, Projected 2015
 Planting Dates: September 1 - October 15
 Harvesting Dates: June 15 - July 15

ITEM	PRICE	YIELD	Base	TOTAL
GROSS RETURNS				
WHEAT	\$7.00	18.00 BUSHELS		\$126.00
DIRECT PAYMENT	\$0.00	18.00 BUSHE	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$12.00	1.00 ACRE		\$12.00
TOTAL				\$138.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.35	30 LBS	\$10.50		\$10.50
HERBICIDE	\$7.05	1 ACRE	\$7.05		\$7.05
CROP INSURANCE	\$0.08		\$0.08		\$0.08
SUBTOTAL			\$17.63		\$17.63

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	300 HP	0.10 HR		\$0.90	\$7.75	\$1.87	\$7.31	\$17.83
ROD WEEDER	300 HP	0.05 HR		\$0.45	\$3.87	\$0.59	\$3.36	\$8.28
DRILL	300 HP	0.05 HR		\$0.45	\$3.87	\$0.70	\$4.72	\$9.75
SUBTOTAL		0.20 HR		\$1.80	\$15.50	\$3.16	\$15.40	\$35.86

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$9.25					\$9.25
HAUL (CUSTOM)			\$2.88					\$2.88
SUBTOTAL			\$12.13					\$12.13

OVERHEAD EXPENSES								
DOWNTIME		0.05 HR		\$0.45				\$0.45
EMPLOYEE BENEFITS				\$0.32				\$0.32
INSURANCE			\$0.04					\$0.04
LAND TAXES						\$40.00		\$40.00
SUPERVISION AND MANAGEMENT				\$9.86				\$9.86
OTHER EXPENSES			\$21.74					\$21.74
SUBTOTAL		0.05 HR	\$21.77	\$10.63		\$40.00		\$72.41

TOTAL OPERATING EXPENSES		0.25 HR	\$51.54	\$12.43	\$15.50	\$3.16	\$55.40	\$138.03
NET OPERATING PROFIT								(\$0.03)
INTEREST ON OPERATING CAPITAL	(\$10.93	@	5.50%)			\$0.60
INTEREST ON EQUIPMENT INVESTMENT								\$5.82
RETURN TO LAND AND RISK								(\$6.45)

BUDGET SUMMARY			
GROSS RETURN		\$138.00	
VARIABLE OPERATING EXPENSES	\$70.20		
RETURN OVER VARIABLE EXPENSES	\$67.80	(GROSS MARGIN)	
FIXED EXPENSES	\$55.40		
NET FARM INCOME	\$12.40	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$12.43		
NET OPERATING PROFIT	(\$0.03)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$6.42		
RETURN TO LAND AND RISK	(\$6.45)		

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,600 acre farm with aboveaverage management, Curry County, Projected 2015
 Planting Dates: May 15 - June 20
 Harvesting Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$7.06	18.00 CWT		\$127.16
DIRECT PAYMENT	\$0.00	18.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$4.00	1.00 ACRE		\$4.00
TOTAL				\$131.16

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.00	2 LBS	\$1.50		\$1.50
ANHYDROUS	\$0.35	50 LBS	\$17.50		\$17.50
HERBICIDE	\$13.22	1 X/ACRE	\$13.22		\$13.22
INSECTICIDE	\$13.22	1 X/ACRE	\$13.22		\$13.22
CROP INSURANCE	\$0.11		\$0.11		\$0.11
SUBTOTAL			\$45.56		\$45.56

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	300 HP	0.10 HR		\$0.90	\$7.75	\$1.87	\$7.31	\$17.83
ROD WEEDER	300 HP	0.05 HR		\$0.45	\$3.87	\$0.59	\$3.36	\$8.28
ANHYDROUS APPL	155 HP	0.17 HR		\$1.53	\$7.39	\$0.92	\$5.97	\$15.81
DRILL	155 HP	0.05 HR		\$0.45	\$2.17	\$0.46	\$3.27	\$6.35
ROTARY HOE	155 HP	0.05 HR		\$0.45	\$2.17	\$0.39	\$2.35	\$5.36
CULTIVATOR	155 HP	0.13 HR		\$1.17	\$5.65	\$1.51	\$6.13	\$14.46
SUBTOTAL		0.55 HR		\$4.95	\$29.02	\$5.73	\$28.40	\$68.09

HARVEST OPERATIONS					
COMBINE (CUSTOM)			\$9.67		\$9.67
HAUL (CUSTOM)			\$3.42		\$3.42
SUBTOTAL			\$13.09		\$13.09

OVERHEAD EXPENSES							
DOWNTIME		0.10 HR		\$0.90			\$0.90
EMPLOYEE BENEFITS				\$0.89			\$0.89
INSURANCE			\$0.10				\$0.10
LAND TAXES						\$40.00	\$40.00
SUPERVISION AND MANAGEMENT				\$9.73			\$9.73
OTHER EXPENSES			\$21.74				\$21.74
SUBTOTAL		0.10 HR	\$21.84	\$11.52		\$40.00	\$73.36

TOTAL OPERATING EXPENSES 0.65 HR \$80.48 \$16.47 \$29.02 \$5.73 \$68.40 \$200.10

NET OPERATING PROFIT (\$68.94)

INTEREST ON OPERATING CAPITAL (\$32.55 @ 5.50%) \$1.79
 INTEREST ON EQUIPMENT INVESTMENT \$10.89

RETURN TO LAND AND RISK (\$81.62)

BUDGET SUMMARY			
GROSS RETURN		\$131.16	
VARIABLE OPERATING EXPENSES	\$115.23		
RETURN OVER VARIABLE EXPENSES		\$15.93	(GROSS MARGIN)
FIXED EXPENSES	\$68.40		
NET FARM INCOME		(\$52.47)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$16.47		
NET OPERATING PROFIT		(\$68.94)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.68		
RETURN TO LAND AND RISK		(\$81.62)	

TABLE 7. Summary of per acre costs and returns for a 1,600 acre farm with above average management, Curry County, Projected 2015

	WHEAT	GRAIN SORGHUM
	BUSHELS	CWT
PRIMARY YIELD	18.00	18.00
PRIMARY PRICE	\$7.00	\$7.06
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$12.00 ACRE	\$4.00 ACRE
GROSS RETURN	\$138.00	\$131.16
CASH OPERATING EXPENSES		
SEED	\$10.50	\$1.50
FERTILIZER		\$17.50
CHEMICALS	\$7.05	\$26.44
CROP INSURANCE	\$0.08	\$0.11
OTHER PURCHASED INPUTS		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$15.50	\$29.02
REPAIRS	\$3.16	\$5.73
CUSTOM CHARGES	\$12.13	\$13.09
LAND TAXES	\$40.00	\$40.00
OTHER EXPENSES	\$21.77	\$21.84
TOTAL CASH EXPENSES	\$110.20	\$155.23
RETURN OVER CASH EXPENSES	\$27.80	(\$24.07)
FIXED EXPENSES	\$15.40	\$28.40
TOTAL EXPENSES	\$125.60	\$183.63
NET FARM INCOME	\$12.40	(\$52.47)
LABOR AND MANAGEMENT COSTS	\$12.43	\$16.47
NET OPERATING PROFIT	(\$0.03)	(\$68.94)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.60	\$1.79
INTEREST ON EQUIPMENT INVESTMENT	\$5.82	\$10.89
TOTAL CAPITAL COSTS	\$6.42	\$12.68
RETURN TO LAND AND RISK	(\$6.45)	(\$81.62)
Flex Computation	14.76	-42.33

TABLE 8. Whole farm summary, Curry County,
Projected 2015

GROSS RETURNS		
WHEAT	530 acres	
CROP		\$66,780
GRAZING		\$6,360
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	530 acres	
CROP		\$67,393
GRAZING		\$2,120
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$142,653</u>
CASH OPERATING EXPENSES		
SEED		\$7,076
FERTILIZER		\$7,884
CHEMICALS		\$16,212
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$22,519
REPAIRS		\$4,509
CUSTOM CHARGES		\$13,290
LAND TAXES		\$42,400
OTHER EXPENSES		\$23,108
TOTAL CASH EXPENSES		<u>\$137,097</u>
RETURN OVER CASH EXPENSES		\$5,556
FIXED EXPENSES		\$22,177
TOTAL EXPENSES		\$159,275
NET FARM INCOME		(\$16,621)
LABOR AND MANAGEMENT COSTS		\$14,999
NET OPERATING PROFIT		(\$31,620)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,173
INTEREST ON EQUIPMENT INVESTMENT		\$8,450
TOTAL CAPITAL COSTS		<u>\$9,622</u>
RETURN TO LAND AND RISK		<u><u>(\$41,243)</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$48,443)	-8.32%
\$200 /ACRE	(\$50,843)	-6.88%
\$250 /ACRE	(\$53,243)	-5.86%
\$300 /ACRE	(\$55,643)	-5.10%

* 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)