

TABLE 6. Wheat, dryland, budgeted per acre costs and returns for a 1,000 acre farm with above average management, Southern Quay County
 Projected 2016
 Planting dates: August 20 - September 1st
 Harvesting dates: June 15 - July 1st

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
WHEAT	\$5.00	20.00 BUSHELS						\$100.00
DIRECT PAYMENT	\$0.00	20.00 BUSHELS	0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$5.00	1.00 ACRE						\$5.00
TOTAL								\$105.00
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.30	25 LBS	\$7.50					\$7.50
CROP INSURANCE	\$0.08		\$0.08					\$0.08
SUBTOTAL			\$7.58					\$7.58
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	185 HP	0.16 HR		\$1.37	\$4.23	\$1.77	\$3.76	\$11.12
STUBBLE MULCHER	185 HP	0.08 HR		\$0.68	\$2.11	\$1.21	\$3.27	\$7.28
RODWEED (2X)	126 HP	0.16 HR		\$1.37	\$3.37	\$0.76	\$1.74	\$7.23
DRILL	126 HP	0.12 HR		\$1.03	\$2.52	\$0.79	\$3.12	\$7.47
SUBTOTAL		0.52 HR		\$4.45	\$12.23	\$4.53	\$11.89	\$33.10
HARVEST OPERATIONS								
COMBINE	22 FT	0.14 HR		\$1.20	\$2.94	\$0.58	\$3.41	\$8.13
HAUL	2 TON	0.14 HR		\$1.20	\$2.27	\$0.90	\$4.72	\$9.09
SUBTOTAL		0.28 HR		\$2.39	\$5.21	\$1.48	\$8.13	\$17.22
OVERHEAD EXPENSES								
DOWNTIME		0.20 HR		\$1.71				\$1.71
EMPLOYEE BENEFITS				\$1.23				\$1.23
INSURANCE			\$0.14					\$0.14
LAND TAXES							\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$8.35				\$8.35
OTHER EXPENSES			\$18.84					\$18.84
SUBTOTAL		0.20 HR	\$18.98	\$11.29			\$0.33	\$30.59
TOTAL OPERATING EXPENSES		1.00 HR	\$26.56	\$18.13	\$17.44	\$6.01	\$20.35	\$88.49
NET OPERATING PROFIT								\$16.51
INTEREST ON OPERATING CAPITAL		(\$8.54 @	5.50%)				\$0.47
INTEREST ON EQUIPMENT INVESTMENT								\$8.29
RETURN TO LAND AND RISK								\$7.75

BUDGET SUMMARY

GROSS RETURN		\$105.00	
VARIABLE OPERATING EXPENSES	\$50.01		
RETURN OVER VARIABLE EXPENSES		\$54.99	(GROSS MARGIN)
FIXED EXPENSES	\$20.35		
NET FARM INCOME		\$34.64	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$18.13		
NET OPERATING PROFIT		\$16.51	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$8.76		
RETURN TO LAND AND RISK		\$7.75	

TABLE 7. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 1,000 acre farm with above average management, Southern Quay County
 Projected 2016
 Planting dates: June 15 - July 1st
 Harvesting dates: September 20 - October 30

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$5.91	50.00 CWT		\$295.71
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
DIRECT PAYMENT	\$0.00	50.00 CWT	0.85	\$0.00
TOTAL				\$295.71

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.70	5 LBS	\$8.50		\$8.50
NITROGEN (N)	\$0.48	80 LBS	\$38.40		\$38.40
PHOSPHATE (P205)	\$0.61	40 LBS	\$24.40		\$24.40
HERBICIDE	\$16.99	1 ACRE	\$16.99		\$16.99
PUMP WATER		12 AC. IN.			
CROP INSURANCE	\$0.14		\$0.14		\$0.14
SUBTOTAL			\$88.43		\$88.43

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	185 HP	0.08 HR		\$0.68	\$2.11	\$0.88	\$1.88	\$5.56
DISC (2X)	185 HP	0.22 HR		\$1.88	\$5.81	\$3.29	\$7.06	\$18.05
SPRAYER	126 HP	0.06 HR		\$0.51	\$1.26	\$0.28	\$1.17	\$3.23
LISTER	185 HP	0.12 HR		\$1.03	\$3.17	\$1.00	\$3.08	\$8.28
ROD WEED & PLANTER	185 HP	0.18 HR		\$1.54	\$4.75	\$1.52	\$5.92	\$13.74
CULTIVATOR (2X)	126 HP	0.26 HR		\$2.22	\$5.47	\$2.00	\$3.87	\$13.56
IRRIGATE (12X)		1.20 HR		\$9.00	\$49.98	\$0.00	\$10.32	\$69.30
SUBTOTAL		2.12 HR		\$16.87	\$72.56	\$8.98	\$33.32	\$131.71

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.16		\$1.37	\$3.37	\$0.66	\$3.90	\$9.29
HAUL	2 TON	0.16		\$1.37	\$2.59	\$1.03	\$5.40	\$10.39
SUBTOTAL		0.32 HR		\$2.74	\$5.96	\$1.69	\$9.29	\$19.68

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.61 HR			\$5.22			\$5.22
EMPLOYEE BENEFITS				\$3.53			\$3.53
INSURANCE			\$0.39				\$0.39
LAND TAXES						\$0.82	\$0.82
SUPERVISION AND MANAGEMENT				\$21.70			\$21.70
OTHER EXPENSES			\$34.87				\$34.87
SUBTOTAL	0.61 HR		\$35.27	\$30.44		\$0.82	\$66.53

TOTAL OPERATING EXPENSES 2.73 HR \$123.69 \$50.05 \$78.52 \$10.67 \$43.43 \$306.35

NET OPERATING PROFIT (\$10.64)

INTEREST ON OPERATING CAPITAL (\$65.23 @ 5.50%) \$3.59
 INTEREST ON EQUIPMENT INVESTMENT \$17.89

RETURN TO LAND AND RISK (\$32.11)

* Pump water costs are shown under irrigation in the preharvest operations section

BUDGET SUMMARY

GROSS RETURN		\$295.71	
VARIABLE OPERATING EXPENSES	\$212.87		
RETURN OVER VARIABLE EXPENSES	\$82.84		(GROSS MARGIN)
FIXED EXPENSES	\$43.43		
NET FARM INCOME	\$39.41		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$50.05		
NET OPERATING PROFIT	(\$10.64)		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$21.47		
RETURN TO LAND AND RISK	(\$32.11)		

TABLE 8. Summary of per acre costs and returns for a 1,000 acre farm, Southern Quay County, Projected 2016

	WHEAT (Dryland)	GRAIN SORGHUM (Sprinkler)
	BU	CWT
PRIMARY YIELD	20.00	50.00
PRIMARY PRICE	\$5.00	\$5.91
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$0.00
GROSS RETURN	\$105.00	\$295.71
CASH OPERATING EXPENSES		
SEED	\$7.50	\$8.50
FERTILIZER		\$62.80
CHEMICALS		\$16.99
CROP INSURANCE	\$0.08	\$0.14
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$17.44	\$28.54
FUEL-IRRIGATION		\$49.98
REPAIRS	\$6.01	\$10.67
CUSTOM CHARGES		
LAND TAXES	\$0.33	\$0.82
OTHER EXPENSES	\$18.98	\$35.27
TOTAL CASH EXPENSES	\$50.34	\$213.70
RETURN OVER CASH EXPENSES	\$54.66	\$82.02
FIXED EXPENSES	\$20.02	\$42.61
TOTAL EXPENSES	\$70.36	\$256.30
NET FARM INCOME	\$34.64	\$39.41
LABOR AND MANAGEMENT COSTS	\$18.13	\$50.05
NET OPERATING PROFIT	\$16.51	(\$10.64)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.47	\$3.59
INTEREST ON EQUIPMENT INVESTMENT	\$8.29	\$17.89
TOTAL CAPITAL COSTS	\$8.76	\$21.47
RETURN TO LAND AND RISK	\$7.75	(\$32.11)

TABLE 9. Whole farm summary, Southern Quay County,
Projected 2016

GROSS RETURNS		
WHEAT	607.75 ACRES	
CROP		\$60,775
GRAZING		\$3,039
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	357.25 ACRES	
CROP		\$105,644
COUNTER CYCLICAL PAYMENT		\$0
DIRECT PAYMENT		\$0
GROSS RETURN		<u>\$169,458</u>
CASH OPERATING EXPENSES		
SEED		\$7,595
FERTILIZER		\$22,435
CHEMICALS		\$6,068
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$20,795
FUEL-IRRIGATION		\$17,854
REPAIRS		\$7,463
CUSTOM CHARGES		\$0
LAND TAXES		\$492
OTHER EXPENSES		\$24,132
TOTAL CASH EXPENSES		<u>\$106,936</u>
RETURN OVER CASH EXPENSES		\$62,522
FIXED EXPENSES		\$27,389
TOTAL EXPENSES		\$134,325
NET FARM INCOME		\$35,133
LABOR AND MANAGEMENT COSTS		\$28,898
NET OPERATING PROFIT		\$6,235
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,567
INTEREST ON EQUIPMENT INVESTMENT		\$11,426
TOTAL CAPITAL COSTS		<u>\$12,994</u>
RETURN TO LAND AND RISK		<u>(\$6,759)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$11,259)	1.86%
\$300 /ACRE	(\$15,759)	1.29%
\$450 /ACRE	(\$20,259)	0.98%
\$600 /ACRE	(\$24,759)	0.79%
\$750 /ACRE	(\$29,259)	0.67%
\$900 /ACRE	(\$33,759)	0.57%

* 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)