

TABLE 1. Acreage Summary, Union County,  
Projected 2017

| BUDGET AREA..... UNION COUNTY |             |
|-------------------------------|-------------|
| FARM SIZE.....                | 1,280 ACRES |
| IRRIGATION TYPE.....          | SPRINKLER   |
| NUMBER OF CROPS..             | 4           |

  

| WATER USE                                 |                  |                |               |
|---|------------------|----------------|---------------|
| ACREAGE SUMMARY:                          | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN.  |
| WHEAT                                     | 446.25           | 11             | 4,909         |
| ARP                                       | 0.00             |                |               |
| FLEX IN WHEAT                             | 78.75            | 11             | 866           |
| CORN                                      | 178.50           | 34             | 6,069         |
| ARP                                       | 0.00             |                |               |
| FLEX IN WHEAT                             | 31.50            | 11             | 347           |
| GRAIN SORGHUM                             | 267.75           | 12             | 3,213         |
| ARP                                       | 0.00             |                |               |
| FLEX IN WHEAT                             | 47.25            | 11             | 520           |
| HAYGRAZER                                 | 190.00           |                |               |
| ROADS, HOMESTEAD                          | 40.00            |                |               |
| <b>TOTAL</b>                              | <b>1,280.00</b>  |                | <b>15,923</b> |
| <b>ACRE FEET PER ACRE OF WATER RIGHTS</b> |                  |                | <b>1.04</b>   |

TABLE 2. Basic cost information for Union County,  
Projected 2017

| Item                            |                                  |          |
|---------------------------------|----------------------------------|----------|
| <b>Labor Wage Rate:</b>         |                                  |          |
| Equipment operators             | \$/hour                          | \$8.55   |
| General & Irrigators            | \$/hour                          | \$7.50   |
| <b>Purchased Inputs:</b>        |                                  |          |
| <b>Fertilizer:</b>              |                                  |          |
| Nitrogen (N)                    | \$/pound                         | \$0.22   |
| Phosphate (P205)                | \$/pound                         | \$0.27   |
| <b>Seed:</b>                    |                                  |          |
| Wheat                           | \$/pound                         | \$0.44   |
| Corn for Grain                  | \$/bag                           | \$300.00 |
| Grain Sorghum                   | \$/pound                         | \$1.70   |
| Haygrazer/Millet                | \$/pound                         | \$0.86   |
| Natural gas (service charge)    | \$/MCF                           | \$4.00   |
|                                 | \$/month                         | \$10.00  |
| Diesel fuel                     | \$/gallon                        | \$2.35   |
| Gasoline                        | \$/gallon                        | \$2.10   |
| Electricity                     | cents/KwHr                       | 7.94     |
| LP Gas                          | \$/gallon                        | \$2.60   |
| Baling Twine                    | \$/roll                          | \$0.72   |
| 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                          | 5.50%    |
| Land Interest Rate              | percent                          | 5.00%    |
| Equipment Interest Rate         | percent                          | 5.50%    |
| Real Interest Rate              | percent                          | 3.00%    |
| Land Taxes                      | \$27.00 /acre                    | \$0.20   |
| Personal Property Tax Rate      | - NR \$/\$1,000 (Assessed Value) | \$22.53  |
|                                 | - R                              | \$18.53  |
| <b>Supervision Factors</b>      |                                  |          |
| Field Crop-Irrigation           | \$/labor hour                    | \$1.00   |
| Field Crop-Equipment & General  | \$/labor hour                    | \$0.50   |
| Management Rate                 | percent                          | 7.00%    |

TABLE 3. Overhead cost information for Union County,  
Projected 2017

| Item                               |          |                               |                  |
|------------------------------------|----------|-------------------------------|------------------|
| Electricity (Domestic & Shop)      | \$484.00 | per month                     | \$5,808          |
| Telephone                          | \$235.95 | per month                     | \$2,831          |
| Accounting & Legal                 |          |                               | \$3,576          |
| Misc. Supplies & Hand Tools        |          |                               | \$4,338          |
| Pickup and Auto                    |          |                               |                  |
| miles                              | 37,510   | @                             | \$0.500 per mile |
| Insurance                          |          |                               |                  |
| - general liability (non-employee) |          |                               | \$4,459          |
| - fire/theft                       |          |                               | \$2,263          |
| Property Taxes                     |          |                               |                  |
| - non-planted land                 |          |                               | \$0              |
| - other than land & machinery      |          |                               | \$6,010          |
| Building repairs and maintenance   |          |                               | \$1,888          |
| Dues, fees, publications           |          |                               | \$436            |
| Farmstead Equipment                |          |                               | \$284            |
|                                    |          | <b>Total</b>                  | <b>\$50,647</b>  |
|                                    |          | <b>Total per planted acre</b> | <b>\$39.63</b>   |
|                                    |          | <b>Total per dryland acre</b> | <b>\$7.93</b>    |



TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2017  
Planting dates: August 15 - November 15  
Harvesting dates: July 1 - July 15

| ITEM                             | PRICE       | YIELD               | BASE             |                |                |               |                | TOTAL           |
|----------------------------------|-------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| <b>GROSS RETURNS</b>             |             |                     |                  |                |                |               |                |                 |
| WHEAT                            | \$4.20      | 80.00 BUSHEL        |                  |                |                |               |                | \$336.00        |
| DIRECT PAYMENT                   | \$0.00      | 80.00 BUSHEL        | 0.85             |                |                |               |                | \$0.00          |
| COUNTER CYCLICAL PAYMENT         | \$0.00      |                     |                  |                |                |               |                | \$0.00          |
| GRAZING                          | \$37.50     | 1.00 ACRE           |                  |                |                |               |                | \$37.50         |
| <b>TOTAL</b>                     |             |                     |                  |                |                |               |                | <b>\$373.50</b> |
| <b>PURCHASED INPUTS</b>          |             |                     |                  |                |                |               |                |                 |
|                                  | PRICE       | QUANTITY            | PURCHASED INPUTS |                |                |               |                | TOTAL           |
| SEED                             | \$0.44      | 100 LBS             | \$44.00          |                |                |               |                | \$44.00         |
| MANURE                           | \$2.70      | 8 TON               | \$21.60          |                |                |               |                | \$21.60         |
| LIVESTOCK FAC & EQUIP            |             |                     |                  |                |                | \$5.00        |                | \$5.00          |
| PUMP WATER*                      |             | 11 AC. IN.          |                  |                |                |               |                | \$0.08          |
| CROP INSURANCE                   | \$0.08      |                     |                  |                |                |               |                | \$0.08          |
| <b>SUBTOTAL</b>                  |             |                     | <b>\$65.60</b>   |                |                | <b>\$5.00</b> |                | <b>\$70.68</b>  |
| <b>PREHARVEST OPERATIONS</b>     |             |                     |                  |                |                |               |                |                 |
|                                  | POWER UNIT  | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS       | FIXED COST     | TOTAL           |
| DISC                             | 185 HP      | 0.07 HR             |                  | \$0.60         | \$1.70         | \$1.26        | \$1.85         | \$5.42          |
| CHISEL                           | 185 HP      | 0.09 HR             |                  | \$0.77         | \$2.19         | \$0.69        | \$1.84         | \$5.50          |
| DISC                             | 185 HP      | 0.07 HR             |                  | \$0.60         | \$1.70         | \$1.26        | \$1.85         | \$5.42          |
| DRILL                            | 126 HP      | 0.12 HR             |                  | \$1.03         | \$2.33         | \$0.68        | \$2.37         | \$6.40          |
| IRRIGATE (7X)                    |             | 0.70 HR             |                  | \$5.25         | \$30.21        | \$0.00        | \$3.11         | \$38.57         |
| <b>SUBTOTAL</b>                  |             | <b>1.05 HR</b>      |                  | <b>\$8.24</b>  | <b>\$38.13</b> | <b>\$3.90</b> | <b>\$11.03</b> | <b>\$61.31</b>  |
| <b>HARVEST OPERATIONS</b>        |             |                     |                  |                |                |               |                |                 |
| COMBINE                          | GRAIN TABLE | 0.14 HR             |                  | \$1.20         | \$2.75         | \$0.55        | \$8.92         | \$13.42         |
| GRAIN CART                       | 93 HP       | 0.14 HR             |                  | \$1.20         | \$1.79         | \$0.13        | \$0.91         | \$4.03          |
| HAUL                             | SEMI        | 0.14 HR             |                  | \$1.20         | \$1.73         | \$0.39        | \$4.23         | \$7.54          |
| <b>SUBTOTAL</b>                  |             | <b>0.42 HR</b>      | <b>\$0.00</b>    | <b>\$3.59</b>  | <b>\$6.27</b>  | <b>\$1.08</b> | <b>\$14.05</b> | <b>\$24.99</b>  |
| <b>OVERHEAD EXPENSES</b>         |             |                     |                  |                |                |               |                |                 |
| DOWNTIME                         |             | 0.19 HR             |                  | \$1.65         |                |               |                | \$1.65          |
| EMPLOYEE BENEFITS                |             |                     |                  | \$2.13         |                |               |                | \$2.13          |
| INSURANCE                        |             |                     | \$0.24           |                |                |               |                | \$0.24          |
| LAND TAXES                       |             |                     |                  |                |                |               | \$0.20         | \$0.20          |
| SUPERVISION AND MANAGEMENT       |             |                     |                  | \$27.23        |                |               |                | \$27.23         |
| OTHER EXPENSES                   |             |                     | \$39.63          |                |                |               |                | \$39.63         |
| <b>SUBTOTAL</b>                  |             | <b>0.19 HR</b>      | <b>\$39.87</b>   | <b>\$31.01</b> |                |               | <b>\$0.20</b>  | <b>\$71.08</b>  |
| <b>TOTAL OPERATING EXPENSES</b>  |             | <b>1.66 HR</b>      | <b>\$105.47</b>  | <b>\$42.84</b> | <b>\$44.40</b> | <b>\$4.98</b> | <b>\$30.28</b> | <b>\$228.05</b> |
| <b>NET OPERATING PROFIT</b>      |             |                     |                  |                |                |               |                | <b>\$145.45</b> |
| INTEREST ON OPERATING CAPITAL    |             | ( \$43.96 @ 5.50% ) |                  |                |                |               |                | \$2.42          |
| INTEREST ON EQUIPMENT INVESTMENT |             |                     |                  |                |                |               |                | \$9.77          |
| <b>RETURN TO LAND AND RISK</b>   |             |                     |                  |                |                |               |                | <b>\$133.26</b> |

\* Pump water costs are shown under irrigation in the preharvest operations sections.

**BUDGET SUMMARY**

|                                |          |                 |   |
|--------------------------------|----------|-----------------|---|
| GROSS RETURN                   |          | \$373.50        |   |
| VARIABLE OPERATING EXPENSES    | \$154.84 |                 |   |
| RETURN OVER VARIABLE EXPENSES  |          | \$218.66        | (GROSS MARGIN)                          |
| FIXED EXPENSES                 | \$30.28  |                 |   |
| NET FARM INCOME                |          | \$188.37        | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST      | \$42.84  |                 |   |
| NET OPERATING PROFIT           |          | \$145.53        | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                  | \$12.19  |                 |   |
| <b>RETURN TO LAND AND RISK</b> |          | <b>\$133.34</b> |   |

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County,  
 Projected 2017  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 1 - November 15

| ITEM                     | PRICE   | YIELD         | BASE | TOTAL           |
|--------------------------|---------|---------------|------|-----------------|
| <b>GROSS RETURNS</b>     |         |               |      |                 |
| CORN FOR GRAIN           | \$3.60  | 200.00 BUSHEL |      | \$720.00        |
| DIRECT PAYMENT           | \$0.00  | 200.00 BUSHEL | 0.85 | \$0.00          |
| COUNTER CYCLICAL PAYMENT | \$0.00  | 0.00 BUSHEL   |      | \$0.00          |
| GRAZING                  | \$20.00 | 1.00 ACRE     |      | \$20.00         |
| <b>TOTAL</b>             |         |               |      | <b>\$740.00</b> |

| PURCHASED INPUTS      | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST    | TOTAL           |
|-----------------------|---------|------------|------------------|---------------|-----------------|
| SEED                  | \$3.75  | 26 000     | \$97.50          |               | \$97.50         |
| NITROGEN (N)          | \$0.22  | 220 LBS    | \$48.40          |               | \$48.40         |
| PHOSPHATE (P2O5)      | \$0.27  | 70 LBS     | \$18.90          |               | \$18.90         |
| POTASSIUM (K-MAG)     | \$0.12  | 300 LBS    | \$34.50          |               | \$34.50         |
| INSECTICIDE           | \$20.48 | 3 ACRE     | \$61.44          |               | \$61.44         |
| HERBICIDE             | \$28.16 | 1 ACRE     | \$28.16          |               | \$28.16         |
| LIVESTOCK FAC & EQUIP |         |            |                  | \$5.00        | \$5.00          |
| PUMP WATER*           |         | 34 AC. IN. |                  |               |                 |
| CROP INSURANCE        | \$0.28  |            |                  |               | \$0.28          |
| <b>SUBTOTAL</b>       |         |            | <b>\$288.90</b>  | <b>\$5.00</b> | <b>\$294.18</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE     | REPAIRS       | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|---------------|----------------|-----------------|
| DISC                  | 185 HP     | 0.07 HR             |                  | \$0.60         | \$1.70          | \$1.26        | \$1.85         | \$5.42          |
| CHISEL                | 185 HP     | 0.09 HR             |                  | \$0.77         | \$2.19          | \$0.69        | \$1.84         | \$5.50          |
| DISC & SPRAY          | 185 HP     | 0.10 HR             |                  | \$0.86         | \$2.43          | \$1.88        | \$3.12         | \$8.29          |
| PLANTER               | 126 HP     | 0.12 HR             |                  | \$1.03         | \$2.33          | \$0.79        | \$3.98         | \$8.13          |
| ROLLING CULT (2X)     | 126 HP     | 0.20 HR             |                  | \$1.71         | \$3.88          | \$1.79        | \$4.18         | \$11.55         |
| SIDEDRESS             | 185 HP     | 0.17 HR             |                  | \$1.45         | \$4.14          | \$0.96        | \$3.12         | \$9.68          |
| IRRIGATE (16X)        |            | 1.60 HR             |                  | \$12.00        | \$93.37         | \$0.00        | \$9.61         | \$114.98        |
| <b>SUBTOTAL</b>       |            | <b>2.35 HR</b>      |                  | <b>\$18.41</b> | <b>\$110.04</b> | <b>\$7.38</b> | <b>\$27.72</b> | <b>\$163.54</b> |

| HARVEST OPERATIONS |           |                |  |               |               |               |                |                |
|--------------------|-----------|----------------|--|---------------|---------------|---------------|----------------|----------------|
| COMBINE            | CORN HEAD | 0.20 HR        |  | \$1.71        | \$3.93        | \$0.93        | \$21.74        | \$28.30        |
| GRAIN CART         | 93 HP     | 0.20 HR        |  | \$1.71        | \$2.56        | \$0.19        | \$1.29         | \$5.75         |
| HAUL               | SEMI      | 0.20 HR        |  | \$1.71        | \$2.47        | \$0.56        | \$6.04         | \$10.78        |
| <b>SUBTOTAL</b>    |           | <b>0.60 HR</b> |  | <b>\$0.00</b> | <b>\$5.13</b> | <b>\$8.95</b> | <b>\$29.07</b> | <b>\$44.83</b> |

| OVERHEAD EXPENSES          |  |                |         |                |                |        |               |                 |
|----------------------------|--|----------------|---------|----------------|----------------|--------|---------------|-----------------|
| DOWNTIME                   |  | 0.30 HR        |         | \$2.52         |                |        |               | \$2.52          |
| EMPLOYEE BENEFITS          |  |                |         | \$4.24         |                |        |               | \$4.24          |
| INSURANCE                  |  |                | \$0.47  |                |                |        |               | \$0.47          |
| LAND TAXES                 |  |                |         |                |                | \$0.20 |               | \$0.20          |
| SUPERVISION AND MANAGEMENT |  |                |         | \$55.04        |                |        |               | \$55.04         |
| OTHER EXPENSES             |  |                | \$39.63 |                |                |        |               | \$39.63         |
| <b>SUBTOTAL</b>            |  | <b>0.30 HR</b> |         | <b>\$40.10</b> | <b>\$61.80</b> |        | <b>\$0.20</b> | <b>\$102.10</b> |

TOTAL OPERATING EXPENSES 3.25 HR \$329.00 \$85.34 \$118.99 \$9.06 \$61.99 \$604.66

NET OPERATING PROFIT \$135.34

INTEREST ON OPERATING CAPITAL ( \$182.86 @ 5.50% ) \$10.06  
 INTEREST ON EQUIPMENT INVESTMENT \$22.59

RETURN TO LAND AND RISK \$102.70

\* Pump water costs are shown under irrigation in the preharvest operations sections.  
 BUDGET SUMMARY

|                               |          |          |   |
|-------------------------------|----------|----------|---|
| GROSS RETURN                  |          | \$740.00 |   |
| VARIABLE OPERATING EXPENSES   | \$457.04 |          |   |
| RETURN OVER VARIABLE EXPENSES |          | \$282.96 | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$61.99  |          |   |
| NET FARM INCOME               |          | \$220.96 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$85.34  |          |   |
| NET OPERATING PROFIT          |          | \$135.62 | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$32.64  |          |   |
| RETURN TO LAND AND RISK       |          | \$102.98 |   |

TABLE 8. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2017  
 Planting dates: May 15 - June 15  
 Harvesting dates: October 15 - November 15

| ITEM                     | PRICE  | YIELD     | BASE | TOTAL           |
|--------------------------|--------|-----------|------|-----------------|
| <b>GROSS RETURNS</b>     |        |           |      |                 |
| GRAIN SORGHUM            | \$5.91 | 45.00 CWT |      | \$266.14        |
| DIRECT PAYMENT           | \$0.00 | 45.00 CWT | 0.85 | \$0.00          |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT  |      | \$0.00          |
| GRAZING                  | \$5.00 | 1.00 ACRE |      | \$5.00          |
| <b>TOTAL</b>             |        |           |      | <b>\$271.14</b> |

| PURCHASED INPUTS      | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST    | TOTAL          |
|-----------------------|---------|------------|------------------|---------------|----------------|
| SEED                  | \$1.70  | 5 LBS      | \$8.50           |               | \$8.50         |
| NITROGEN (N)          | \$0.22  | 150 LBS    | \$33.00          |               | \$33.00        |
| PHOSPHATE (P205)      | \$0.27  | 50 LBS     | \$13.50          |               | \$13.50        |
| HERBICIDE             | \$28.16 | 1 ACRE     | \$28.16          |               | \$28.16        |
| LIVESTOCK FAC & EQUIP |         |            |                  | \$5.00        | \$5.00         |
| PUMP WATER*           |         | 12 AC. IN. |                  |               |                |
| CROP INSURANCE        | \$0.19  |            |                  |               | \$0.19         |
| <b>SUBTOTAL</b>       |         |            | <b>\$83.16</b>   | <b>\$5.00</b> | <b>\$88.35</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS       | FIXED COST     | TOTAL          |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|----------------|
| DISC                  | 185 HP     | 0.07 HR             |                  | \$0.60         | \$1.70         | \$1.26        | \$1.85         | \$5.42         |
| CHISEL                | 185 HP     | 0.09 HR             |                  | \$0.77         | \$2.19         | \$0.69        | \$1.84         | \$5.50         |
| DISC & SPRAY          | 185 HP     | 0.10 HR             |                  | \$0.86         | \$2.43         | \$1.88        | \$3.12         | \$8.29         |
| PLANTER               | 126 HP     | 0.12 HR             |                  | \$1.03         | \$2.33         | \$0.79        | \$3.98         | \$8.13         |
| ROLLING CULT.         | 126 HP     | 0.10 HR             |                  | \$0.86         | \$1.94         | \$0.89        | \$2.09         | \$5.78         |
| SIDEDRESS             | 185 HP     | 0.17 HR             |                  | \$1.45         | \$4.14         | \$0.96        | \$3.12         | \$9.68         |
| IRRIGATE (6X)         |            | 0.60 HR             |                  | \$4.50         | \$32.95        | \$0.00        | \$3.39         | \$40.84        |
| <b>SUBTOTAL</b>       |            | <b>1.25 HR</b>      |                  | <b>\$10.06</b> | <b>\$47.68</b> | <b>\$6.48</b> | <b>\$19.41</b> | <b>\$83.63</b> |

| HARVEST OPERATIONS | GRAIN TABLE | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR         | FUEL & LUBE   | REPAIRS       | FIXED COST     | TOTAL          |
|--------------------|-------------|---------------------|------------------|---------------|---------------|---------------|----------------|----------------|
| COMBINE            | GRAIN TABLE | 0.14 HR             |                  | \$1.20        | \$2.75        | \$0.55        | \$8.92         | \$13.42        |
| GRAIN TABLE        | 93 HP       | 0.14 HR             |                  | \$1.20        | \$1.79        | \$0.13        | \$0.91         | \$4.03         |
| HAUL               | 2 TON       | 0.14 HR             |                  | \$1.20        | \$1.38        | \$0.06        | \$7.75         | \$10.38        |
| <b>SUBTOTAL</b>    |             | <b>0.42 HR</b>      | <b>\$0.00</b>    | <b>\$3.59</b> | <b>\$5.92</b> | <b>\$0.74</b> | <b>\$17.57</b> | <b>\$27.83</b> |

| OVERHEAD EXPENSES          | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE | REPAIRS | FIXED COST    | TOTAL          |
|----------------------------|---------------------|------------------|----------------|-------------|---------|---------------|----------------|
| DOWNTIME                   | 0.23 HR             |                  | \$1.92         |             |         |               | \$1.92         |
| EMPLOYEE BENEFITS          |                     |                  | \$2.46         |             |         |               | \$2.46         |
| INSURANCE                  |                     | \$0.27           |                |             |         |               | \$0.27         |
| LAND TAXES                 |                     |                  |                |             |         | \$0.20        | \$0.20         |
| SUPERVISION AND MANAGEMENT |                     |                  | \$20.24        |             |         |               | \$20.24        |
| OTHER EXPENSES             |                     | \$39.63          |                |             |         |               | \$39.63        |
| <b>SUBTOTAL</b>            | <b>0.23 HR</b>      | <b>\$39.90</b>   | <b>\$24.62</b> |             |         | <b>\$0.20</b> | <b>\$64.73</b> |

|                                 |                |                 |                |                |               |                |                 |
|---------------------------------|----------------|-----------------|----------------|----------------|---------------|----------------|-----------------|
| <b>TOTAL OPERATING EXPENSES</b> | <b>1.90 HR</b> | <b>\$123.06</b> | <b>\$38.27</b> | <b>\$53.60</b> | <b>\$7.22</b> | <b>\$42.19</b> | <b>\$264.53</b> |
|---------------------------------|----------------|-----------------|----------------|----------------|---------------|----------------|-----------------|

|                             |  |  |  |  |  |  |               |
|-----------------------------|--|--|--|--|--|--|---------------|
| <b>NET OPERATING PROFIT</b> |  |  |  |  |  |  | <b>\$6.61</b> |
|-----------------------------|--|--|--|--|--|--|---------------|

|                                  |   |         |   |       |   |  |         |
|----------------------------------|---|---------|---|-------|---|--|---------|
| INTEREST ON OPERATING CAPITAL    | ( | \$55.77 | @ | 5.50% | ) |  | \$3.07  |
| INTEREST ON EQUIPMENT INVESTMENT |   |         |   |       |   |  | \$14.07 |

|                                |  |  |  |  |  |  |                  |
|--------------------------------|--|--|--|--|--|--|------------------|
| <b>RETURN TO LAND AND RISK</b> |  |  |  |  |  |  | <b>(\$10.52)</b> |
|--------------------------------|--|--|--|--|--|--|------------------|

\* Pump water costs are shown under irrigation in the preharvest operations sections.

**BUDGET SUMMARY**

|                               |          |   |  |
|-------------------------------|----------|---|--|
| GROSS RETURN                  |          | \$271.14                                |  |
| VARIABLE OPERATING EXPENSES   | \$183.89 |   |  |
| RETURN OVER VARIABLE EXPENSES | \$87.25  | (GROSS MARGIN)                          |  |
| FIXED EXPENSES                | \$42.19  |   |  |
| NET FARM INCOME               | \$45.07  | (RETURN TO CAPITAL, LABOR, LAND & RISK) |  |
| LABOR AND MANAGEMENT COST     | \$38.27  |   |  |
| NET OPERATING PROFIT          | \$6.80   | (RETURN TO CAPITAL, LAND & RISK)        |  |
| CAPITAL COSTS                 | \$17.14  |   |  |
| RETURN TO LAND AND RISK       |          | (\$10.34)                               |  |

TABLE 9. Haygrazer/millet, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County,  
 Projected 2017  
 Planting dates: June 1 - June 15  
 Harvesting dates: September 1 - September 15

| ITEM                             | PRICE      | YIELD               |                  |         |             |         |            | TOTAL    |
|----------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| GROSS RETURNS                    |            |                     |                  |         |             |         |            |          |
| HAY                              | \$160.00   | 1.50                | TONS (STACKED)   |         |             |         |            | \$240.00 |
| TOTAL                            |            |                     |                  |         |             |         |            | \$240.00 |
| PURCHASED INPUTS                 | PRICE      | QUANTITY            | PURCHASED INPUTS |         |             |         | FIXED COST | TOTAL    |
| SEED                             | \$0.86     | 6.00 LBS            | \$5.16           |         |             |         |            | \$5.16   |
| HERBICIDE                        | \$14.79    | 1.00 ACRE           | \$14.79          |         |             |         |            | \$14.79  |
| BALING TWINE                     | \$0.72     | 0.13 ROLL           | \$0.10           |         |             |         |            | \$0.10   |
| SUBTOTAL                         |            |                     | \$20.05          |         |             |         |            | \$20.05  |
| PREHARVEST OPERATIONS            | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
| CHISEL                           | 185 HP     | 0.09 HR             |                  | \$0.77  | \$2.19      | \$0.69  | \$1.84     | \$5.50   |
| DISC                             | 185 HP     | 0.07 HR             |                  | \$0.60  | \$1.70      | \$1.26  | \$1.85     | \$5.42   |
| DRILL                            | 126 HP     | 0.12 HR             |                  | \$1.03  | \$2.33      | \$0.68  | \$2.37     | \$6.40   |
| SUBTOTAL                         |            | 0.28 HR             |                  | \$2.39  | \$6.22      | \$2.64  | \$6.06     | \$17.32  |
| HARVEST OPERATIONS               |            |                     |                  |         |             |         |            |          |
| SWATHER                          |            | 0.16 HR             |                  | \$1.37  | \$1.41      | \$0.09  | \$8.20     | \$11.07  |
| BALER                            | 126 HP     | 0.17 HR             |                  | \$1.45  | \$3.30      | \$0.71  | \$5.13     | \$10.59  |
| SUBTOTAL                         |            | 0.33 HR             | \$0.00           | \$2.82  | \$4.70      | \$0.81  | \$13.34    | \$21.67  |
| OVERHEAD EXPENSES                |            |                     |                  |         |             |         |            |          |
| DOWNTIME                         |            | 0.15 HR             |                  | \$1.30  |             |         |            | \$1.30   |
| EMPLOYEE BENEFITS                |            |                     |                  | \$0.94  |             |         |            | \$0.94   |
| INSURANCE                        |            |                     | \$0.10           |         |             |         |            | \$0.10   |
| LAND TAXES                       |            |                     |                  |         |             |         | \$0.20     | \$0.20   |
| SUPERVISION AND MANAGEMENT       |            |                     |                  | \$17.11 |             |         |            | \$17.11  |
| OTHER EXPENSES                   |            |                     | \$7.93           |         |             |         |            | \$7.93   |
| SUBTOTAL                         |            | 0.15 HR             | \$8.03           | \$19.35 |             |         | \$0.20     | \$27.58  |
| TOTAL OPERATING EXPENSES         |            | 0.43 HR             | \$28.08          | \$24.56 | \$10.92     | \$3.45  | \$19.60    | \$86.62  |
| NET OPERATING PROFIT             |            |                     |                  |         |             |         |            | \$153.38 |
| INTEREST ON OPERATING CAPITAL    |            | ( \$12.70 @         | 5.50%            | )       |             |         |            | \$0.70   |
| INTEREST ON EQUIPMENT INVESTMENT |            |                     |                  |         |             |         |            | \$9.65   |
| RETURN TO LAND AND RISK          |            |                     |                  |         |             |         |            | \$143.04 |

\* Pump water costs are shown under irrigation in the preharvest operations sections.

BUDGET SUMMARY

|                               |         |          |   |
|-------------------------------|---------|----------|---|
| GROSS RETURN                  |         | \$240.00 |   |
| VARIABLE OPERATING EXPENSES   | \$42.45 |          |   |
| RETURN OVER VARIABLE EXPENSES |         | \$197.55 | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$19.60 |          |   |
| NET FARM INCOME               |         | \$177.95 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$24.56 |          |   |
| NET OPERATING PROFIT          |         | \$153.38 | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$10.35 |          |   |
| RETURN TO LAND AND RISK       |         | \$143.04 |   |

TABLE 10. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Union County,  
Projected 2017

|                                  | WHEAT    | CORN FOR GRAIN | GRAIN SORGHUM | HAYGRAZER & MILLET |
|----------------------------------|----------|----------------|---------------|--------------------|
|                                  | BU       | BU             | CWT           | (Dryland)<br>TONS  |
| PRIMAR YIELD                     | 80.00    | 200.00         | 45.00         | 1.50               |
| PRIMARY PRICE                    | \$4.20   | \$3.60         | \$5.91        | \$160.00           |
| GOVERNMENT PAYMENTS              | \$0.00   | \$0.00         | \$0.00        | \$0.00             |
| SECOND INCOME                    | \$37.50  | \$20.00        | \$5.00        | \$0.00             |
| GROSS RETURN                     | \$373.50 | \$740.00       | \$271.14      | \$240.00           |
| CASH OPERATING EXPENSES          |          |                |               |                    |
| SEED                             | \$44.00  | \$97.50        | \$8.50        | \$5.16             |
| FERTILIZER                       | \$21.60  | \$101.80       | \$46.50       |                    |
| CHEMICALS                        |          | \$89.60        | \$28.16       | \$14.79            |
| CROP INSURANCE                   | \$0.08   | \$0.28         | \$0.19        |                    |
| OTHER PURCHASED INPUTS           |          |                |               | \$0.10             |
| CANAL WATER                      |          |                |               |                    |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$14.19  | \$25.62        | \$20.65       | \$10.92            |
| FUEL-IRRIGATION                  | \$30.21  | \$93.37        | \$32.95       |                    |
| REPAIRS                          | \$4.98   | \$9.06         | \$7.22        | \$3.45             |
| CUSTOM CHARGES                   |          |                |               | \$0.00             |
| LAND TAXES                       | \$0.20   | \$0.20         | \$0.20        | \$0.20             |
| OTHER EXPENSES                   | \$39.87  | \$40.10        | \$39.90       | \$8.03             |
| TOTAL CASH EXPENSES              | \$155.13 | \$457.53       | \$184.28      | \$42.65            |
| RETURN OVER CASH EXPENSES        | \$218.37 | \$282.47       | \$86.86       | \$197.35           |
| FIXED EXPENSES                   | \$30.08  | \$61.79        | \$41.98       | \$19.40            |
| TOTAL EXPENSES                   | \$185.21 | \$519.32       | \$226.26      | \$62.05            |
| NET FARM INCOME                  | \$188.29 | \$220.68       | \$44.88       | \$177.95           |
| LABOR AND MANAGEMENT COSTS       | \$42.84  | \$85.34        | \$38.27       | \$24.56            |
| NET OPERATING PROFIT             | \$145.45 | \$135.34       | \$6.61        | \$153.38           |
| CAPITAL COSTS                    |          |                |               |                    |
| INTEREST ON OPERATING CAPITAL    | \$2.42   | \$10.06        | \$3.07        | \$0.70             |
| INTEREST ON EQUIPMENT INVESTMENT | \$9.77   | \$22.59        | \$14.07       | \$9.65             |
| TOTAL CAPITAL COSTS              | \$12.19  | \$32.64        | \$17.14       | \$10.35            |
| RETURN TO LAND AND RISK          | \$133.26 | \$102.70       | (\$10.52)     | \$143.04           |
| Flex Computation                 | 173.11   | 187.07         | 45.53         |                    |

TABLE 11. Whole farm summary, Union County,  
Projected 2017

|                                  |           |                  |
|----------------------------------|-----------|------------------|
| GROSS RETURNS                    |           |                  |
| WHEAT                            | 604 ACRES |                  |
| CROP                             |           | \$202,860        |
| GRAZING                          |           | \$22,641         |
| DIRECT PAYMENT                   |           | \$0              |
| COUNTER CYCLICAL PAYMENT         |           | \$0              |
| CORN FOR GRAIN                   | 179 ACRES |                  |
| CROP                             |           | \$128,520        |
| GRAZING                          |           | \$3,570          |
| DIRECT PAYMENT                   |           | \$0              |
| COUNTER CYCLICAL PAYMENT         |           | \$0              |
| GRAIN SORGHUM                    | 268 ACRES |                  |
| CROP                             |           | \$71,260         |
| GRAZING                          |           | \$1,339          |
| DIRECT PAYMENT                   |           | \$0              |
| COUNTER CYCLICAL PAYMENT         |           | \$0              |
| HAYGRAZER/MILLET                 | 190 ACRES |                  |
| CROP                             |           | \$45,600         |
| GROSS RETURN                     |           | <u>\$475,789</u> |
| CASH OPERATING EXPENSES          |           |                  |
| SEED                             |           | \$47,225         |
| FERTILIZER                       |           | \$43,663         |
| CHEMICALS                        |           | \$26,344         |
| CROP INSURANCE                   |           | \$150            |
| OTHER PURCHASED INPUTS           |           | \$18             |
| CANAL WATER                      |           | \$0              |
| FUEL, OIL & LUBRICANTS-EQUIPMENT |           | \$20,746         |
| FUEL-IRRIGATION                  |           | \$43,726         |
| REPAIRS                          |           | \$7,212          |
| CUSTOM CHARGES                   |           | \$0              |
| LAND TAXES                       |           | \$251            |
| OTHER EXPENSES                   |           | \$43,437         |
| TOTAL CASH EXPENSES              |           | <u>\$232,773</u> |
| RETURN OVER CASH EXPENSES        |           | \$243,016        |
| FIXED EXPENSES                   |           | \$44,118         |
| TOTAL EXPENSES                   |           | \$276,891        |
| NET FARM INCOME                  |           | \$198,898        |
| LABOR AND MANAGEMENT COSTS       |           | \$56,011         |
| NET OPERATING PROFIT             |           | \$142,887        |
| CAPITAL COSTS                    |           |                  |
| INTEREST ON OPERATING CAPITAL    |           | \$4,209          |
| INTEREST ON EQUIPMENT INVESTMENT |           | \$15,531         |
| TOTAL CAPITAL COSTS              |           | <u>\$19,740</u>  |
| RETURN TO LAND AND RISK          |           | <u>\$123,147</u> |

| LAND VALUE    | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE   | \$103,947       | 15.85%                 |
| \$750 /ACRE   | \$94,347        | 11.70%                 |
| \$1,000 /ACRE | \$84,747        | 9.27%                  |
| \$1,250 /ACRE | \$75,147        | 7.68%                  |
| \$1,500 /ACRE | \$65,547        | 6.55%                  |

\* 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)