

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County,
 Projected 2015
 Planting dates: August 15 - September 15
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$7.00	35.00 BUSHELS		\$245.00
DIRECT PAYMENT	\$0.00	35.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$20.00	1.00 ACRE		\$20.00
TOTAL				\$265.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.45	30.00 LBS	\$13.50		\$13.50
MANURE	\$2.70	5.00 TON	\$13.50		\$13.50
SUBTOTAL			\$27.00		\$27.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS (3X)	145 HP	0.30 HR		\$2.57	\$9.41	\$3.23	\$7.72	\$22.94
DRILL	145 HP	0.18 HR		\$1.54	\$5.65	\$1.16	\$5.56	\$13.90
SUBTOTAL		0.48 HR		\$4.10	\$15.06	\$4.39	\$13.28	\$36.84

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		\$1.03				\$1.03
EMPLOYEE BENEFITS				\$0.74				\$0.74
INSURANCE			\$0.08					\$0.08
LAND TAXES							\$0.10	\$0.10
SUPERVISION AND MANAGEMENT				\$18.79				\$18.79
OTHER EXPENSES			\$43.64					\$43.64
SUBTOTAL		0.12 HR	\$43.72	\$20.55			\$0.10	\$64.37

TOTAL OPERATING EXPENSES		0.60 HR	\$92.32	\$24.66	\$15.06	\$4.39	\$13.38	\$149.81
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NET OPERATING PROFIT \$115.19

INTEREST ON OPERATING CAPITAL (\$20.16 @ 5.50%) \$1.11
 INTEREST ON EQUIPMENT INVESTMENT \$4.92

RETURN TO LAND AND RISK \$109.16

BUDGET SUMMARY			
GROSS RETURN		\$265.00	
VARIABLE OPERATING EXPENSES	\$111.77		
RETURN OVER VARIABLE EXPENSES		\$153.23	(GROSS MARGIN)
FIXED EXPENSES	\$13.38		
NET FARM INCOME		\$139.85	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$24.66		
NET OPERATING PROFIT		\$115.19	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$6.03		
RETURN TO LAND AND RISK		\$109.16	

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County,
 Projected 2015
 Planting dates: May 15 - June 15
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$7.06	15.00 CWT		\$105.96
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
DIRECT PAYMENT	\$0.00	15.00 CWT	0.85	\$0.00
TOTAL				\$105.96

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.31	3 LBS	\$3.93		\$3.93
MANURE	\$2.75	5 TON	\$13.75		\$13.75
HERBICIDE	\$16.00	1 X/ACRE	\$16.00		\$16.00
SUBTOTAL			\$33.68		\$33.68

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS	145 HP	0.10 HR		\$0.86	\$3.14	\$1.08	\$2.57	\$7.65
PLANTER	145 HP	0.17 HR		\$1.45	\$5.34	\$1.26	\$5.67	\$13.72
CULTIVATOR (2X)	145 HP	0.26 HR		\$2.22	\$8.16	\$2.21	\$6.11	\$18.70
SUBTOTAL		0.53 HR		\$4.53	\$16.63	\$4.55	\$14.36	\$40.07

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		\$1.13				\$1.13
EMPLOYEE BENEFITS				\$0.82				\$0.82
INSURANCE			\$0.09					\$0.09
LAND TAXES							\$0.10	\$0.10
SUPERVISION AND MANAGEMENT				\$7.68				\$7.68
OTHER EXPENSES			\$43.64					\$43.64
SUBTOTAL		0.13 HR	\$43.73	\$9.63			\$0.10	\$53.46

TOTAL OPERATING EXPENSES		0.66 HR	\$100.76	\$14.16	\$16.63	\$4.55	\$14.46	\$150.55
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NET OPERATING PROFIT								(\$44.59)
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INTEREST ON OPERATING CAPITAL	(\$24.08	@	5.50%)			\$1.32
INTEREST ON EQUIPMENT INVESTMENT								\$5.30

RETURN TO LAND AND RISK								(\$51.21)
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BUDGET SUMMARY			
GROSS RETURN		\$105.96	
VARIABLE OPERATING EXPENSES	\$121.94		
RETURN OVER VARIABLE EXPENSES		(\$15.97)	(GROSS MARGIN)
FIXED EXPENSES	\$14.46		
NET FARM INCOME		(\$30.43)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.16		
NET OPERATING PROFIT		(\$44.59)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$6.62		
RETURN TO LAND AND RISK		(\$51.21)	

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2015

	WHEAT	GRAIN SORGHUM
	BU	CWT
PRIMARY YIELD	35.00	15.00
PRIMARY PRICE	\$7.00	\$7.06
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$20.00	\$0.00
GROSS RETURN	\$265.00	\$105.96
CASH OPERATING EXPENSES		
SEED	\$13.50	\$3.93
FERTILIZER	\$13.50	\$13.75
CHEMICALS		\$16.00
CROP INSURANCE		
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$15.06	\$16.63
FUEL-IRRIGATION		
REPAIRS	\$4.39	\$4.55
CUSTOM CHARGES	\$21.60	\$23.35
LAND TAXES	\$0.10	\$0.10
OTHER EXPENSES	\$43.72	\$43.73
TOTAL CASH EXPENSES	\$111.87	\$122.03
RETURN OVER CASH EXPENSES	\$153.13	(\$16.07)
FIXED EXPENSES	\$13.28	\$14.36
TOTAL EXPENSES	\$125.15	\$136.39
NET FARM INCOME	\$139.85	(\$30.43)
LABOR AND MANAGEMENT COSTS	\$24.66	\$14.16
NET OPERATING PROFIT	\$115.19	(\$44.59)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.11	\$1.32
INTEREST ON EQUIPMENT INVESTMENT	\$4.92	\$5.30
TOTAL CAPITAL COSTS	\$6.03	\$6.62
RETURN TO LAND AND RISK	\$109.16	(\$51.21)
Flex Computation	127.36	-31.56

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

GROSS RETURNS		
WHEAT	229.00 ACRES	
CROP		\$56,105
GRAZING		\$4,580
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	391.00 ACRES	
CROP		\$41,432
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$102,117</u>
CASH OPERATING EXPENSES		
SEED		\$4,628
FERTILIZER		\$8,468
CHEMICALS		\$6,256
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$9,953
FUEL-IRRIGATION		\$0
REPAIRS		\$2,783
CUSTOM CHARGES		\$14,076
LAND TAXES		\$61
OTHER EXPENSES		\$27,108
TOTAL CASH EXPENSES		<u>\$73,333</u>
RETURN OVER CASH EXPENSES		\$28,784
FIXED EXPENSES		\$8,656
TOTAL EXPENSES		\$81,989
NET FARM INCOME		\$20,128
LABOR AND MANAGEMENT COSTS		\$11,184
NET OPERATING PROFIT		\$8,943
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$772
INTEREST ON EQUIPMENT INVESTMENT		\$3,198
TOTAL CAPITAL COSTS		<u>\$3,969</u>
RETURN TO LAND AND RISK		<u>\$4,974</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	\$3,054	7.57%
\$200 /ACRE	\$1,134	4.91%
\$300 /ACRE	(\$786)	3.63%

* 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)