

TABLE 1. Acreage Summary, Union County,  
Projected 2014

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 2014

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$8.55
General & Irrigators	\$/hour	\$7.50
<b>Purchased Inputs:</b>		
<b>Seed:</b>		
Wheat	\$/pound	\$0.45
Grain Sorghum	\$/pound	\$1.31
Diesel fuel	\$/gallon	\$4.00
Gasoline	\$/gallon	\$3.50
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	\$12.00 /acre (full value)	\$0.10
Personal Property Tax Rate	- NR     \$/\$1,000 (Assessed Value)	\$24.64
	- R	\$21.28
Supervision Factor	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for Union County,  
Projected 2014

Item		
Electricity (Domestic & Shop)	\$242.00 per month	\$2,904
Telephone	\$108.90 per month	\$1,307
Accounting & Legal		\$1,162
Misc. Supplies & Hand Tools		\$1,767
Pickup and Auto		
miles	18,695 @ \$0.500 per mile	\$9,347
<b>Insurance</b>		
- general liability (non-employee)		\$1,525
- fire/theft		\$1,162
<b>Property Taxes</b>		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$581
Dues, fees, publications		\$436
Farmstead Equipment		\$182
	<b>Total</b>	<b>\$26,380</b>
	<b>Total per planted acre</b>	<b>\$42.55</b>

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2014  
 Planting dates: August 15 - September 15  
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
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
<b>TOTAL</b>				<b>\$265.00</b>

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
<b>SUBTOTAL</b>			<b>\$27.00</b>		<b>\$27.00</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS (3X)	145 HP	0.30 HR		\$2.57	\$10.76	\$3.23	\$7.72	\$24.28
DRILL	145 HP	0.18 HR		\$1.54	\$6.46	\$1.16	\$5.56	\$14.71
<b>SUBTOTAL</b>		<b>0.48 HR</b>		<b>\$4.10</b>	<b>\$17.22</b>	<b>\$4.39</b>	<b>\$13.28</b>	<b>\$38.99</b>

HARVEST OPERATIONS					
COMBINE (CUSTOM)			\$16.00		\$16.00
HAUL (CUSTOM)			\$5.60		\$5.60
<b>SUBTOTAL</b>			<b>\$21.60</b>		<b>\$21.60</b>

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			\$42.55					\$42.55
<b>SUBTOTAL</b>		<b>0.12 HR</b>	<b>\$42.63</b>	<b>\$20.55</b>		<b>\$0.10</b>		<b>\$63.28</b>

TOTAL OPERATING EXPENSES 0.60 HR \$91.23 \$24.66 \$17.22 \$4.39 \$13.38 \$150.88

NET OPERATING PROFIT \$114.12

INTEREST ON OPERATING CAPITAL ( \$20.70 @ 5.50% ) \$1.14  
 INTEREST ON EQUIPMENT INVESTMENT \$4.92

RETURN TO LAND AND RISK \$108.06

BUDGET SUMMARY			
GROSS RETURN		\$265.00	
VARIABLE OPERATING EXPENSES	\$112.84		
RETURN OVER VARIABLE EXPENSES		\$152.16	(GROSS MARGIN)
FIXED EXPENSES	\$13.38		
NET FARM INCOME		\$138.78	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$24.66		
NET OPERATING PROFIT		\$114.12	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$6.06		
RETURN TO LAND AND RISK		\$108.06	

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County,  
 Projected 2014  
 Planting dates: May 15 - June 15  
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL	
<b>GROSS RETURNS</b>									
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	
<b>TOTAL</b>								<b>\$105.96</b>	
<b>PURCHASED INPUTS</b>									
	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	
<b>SUBTOTAL</b>			<b>\$33.68</b>						<b>\$33.68</b>
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEPS	145 HP	0.10 HR		\$0.86	\$3.59	\$1.08	\$2.57	\$8.09	
PLANTER	145 HP	0.17 HR		\$1.45	\$6.10	\$1.26	\$5.67	\$14.48	
CULTIVATOR (2X)	145 HP	0.26 HR		\$2.22	\$9.33	\$2.21	\$6.11	\$19.87	
<b>SUBTOTAL</b>		<b>0.53 HR</b>		<b>\$4.53</b>	<b>\$19.01</b>	<b>\$4.55</b>	<b>\$14.36</b>	<b>\$42.44</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		\$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			\$42.55					\$42.55	
<b>SUBTOTAL</b>		<b>0.13 HR</b>	<b>\$42.64</b>	<b>\$9.63</b>			<b>\$0.10</b>	<b>\$52.37</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>0.66 HR</b>	<b>\$99.67</b>	<b>\$14.16</b>	<b>\$19.01</b>	<b>\$4.55</b>	<b>\$14.46</b>	<b>\$151.84</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$45.88)</b>	
INTEREST ON OPERATING CAPITAL		( \$24.67 @	5.50%	)				\$1.36	
INTEREST ON EQUIPMENT INVESTMENT								\$5.30	
<b>RETURN TO LAND AND RISK</b>								<b>(\$52.53)</b>	

<b>BUDGET SUMMARY</b>			
GROSS RETURN		\$105.96	
VARIABLE OPERATING EXPENSES	\$123.23		
RETURN OVER VARIABLE EXPENSES		(\$17.26)	(GROSS MARGIN)
FIXED EXPENSES	\$14.46		
NET FARM INCOME		(\$31.72)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.16		
NET OPERATING PROFIT		(\$45.88)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$6.65		
RETURN TO LAND AND RISK		(\$52.53)	

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2014

	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	\$17.22	\$19.01
FUEL-IRRIGATION		
REPAIRS	\$4.39	\$4.55
CUSTOM CHARGES	\$21.60	\$23.35
LAND TAXES	\$0.10	\$0.10
OTHER EXPENSES	\$42.63	\$42.64
TOTAL CASH EXPENSES	\$112.93	\$123.32
RETURN OVER CASH EXPENSES	\$152.07	(\$17.36)
FIXED EXPENSES	\$13.28	\$14.36
TOTAL EXPENSES	\$126.22	\$137.68
NET FARM INCOME	\$138.78	(\$31.72)
LABOR AND MANAGEMENT COSTS	\$24.66	\$14.16
NET OPERATING PROFIT	\$114.12	(\$45.88)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.14	\$1.36
INTEREST ON EQUIPMENT INVESTMENT	\$4.92	\$5.30
TOTAL CAPITAL COSTS	\$6.06	\$6.65
RETURN TO LAND AND RISK	\$108.06	(\$52.53)
Flex Computation	126.27	-32.88

TABLE 8. Whole farm summary, Union County,  
Projected 2014

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		\$11,375
FUEL-IRRIGATION		\$0
REPAIRS		\$2,783
CUSTOM CHARGES		\$14,076
LAND TAXES		\$61
OTHER EXPENSES		\$26,435
TOTAL CASH EXPENSES		<u>\$74,082</u>
RETURN OVER CASH EXPENSES		\$28,035
FIXED EXPENSES		\$8,656
TOTAL EXPENSES		<u>\$82,738</u>
NET FARM INCOME		\$19,379
LABOR AND MANAGEMENT COSTS		\$11,184
NET OPERATING PROFIT		\$8,195
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$791
INTEREST ON EQUIPMENT INVESTMENT		\$3,198
TOTAL CAPITAL COSTS		<u>\$3,989</u>
RETURN TO LAND AND RISK		<u>\$4,206</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	\$2,286	6.94%
\$200 /ACRE	\$366	4.50%
\$300 /ACRE	(\$1,554)	3.33%

\* 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)