

TABLE 1. Acreage Summary, Union County,  
Projected 2012.

| 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 2012.

| 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          |                              | \$0.89       |
| Phosphate (P205)                | \$/pound          |                              | \$0.75       |
| <b>Seed:</b>                    |                   |                              |              |
| Wheat                           | \$/pound          |                              | \$0.50       |
| Corn for Grain                  | \$/bag            |                              | \$237.50     |
| Grain Sorghum                   | \$/pound          |                              | \$1.97       |
| Haygrazer/Millet                | \$/pound          |                              | \$0.85       |
| Natural gas (service charge)    | \$/MCF            |                              | \$4.00       |
| Diesel fuel                     | \$/month          |                              | \$10.00      |
| Gasoline                        | \$/gallon         |                              | \$3.00       |
| Electricity                     | \$/gallon         |                              | \$3.80       |
| LP Gas                          | cents/KwHr        |                              | 7.94         |
|                                 | \$/gallon         |                              | \$2.65       |
| Baling Twine                    | \$/roll           |                              | \$0.57       |
| 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           |                              | 7.00%        |
| Land Interest Rate              | percent           |                              | 6.00%        |
| Equipment Interest Rate         | percent           |                              | 7.00%        |
| Real Interest Rate              | percent           |                              | 3.00%        |
| Land Taxes                      | \$27.00 /acre     |                              | \$0.24       |
| Personal Property Tax Rate      | - NR              | \$/\$/1,000 (Assessed Value) | \$26.91      |
|                                 | - R               |                              | \$24.79      |
| <b>Supervision Factors</b>      |                   |                              |              |
| Field Crop-Irrigation           | \$/labor hour     |                              | \$1.00       |
| Field Crop-Equipment & General  | \$/labor hour     |                              | \$0.50       |
| <b>Management Rate</b>          | percent           |                              | <b>7.00%</b> |

TABLE 3. Overhead cost information for Union County,  
Projected 2012.

| 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                          |          |           | \$18,755         |
| - 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>  |
| Total per planted acre             |          |           | \$39.63          |
| Total per dryland acre             |          |           | \$7.93           |



TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2012.  
Planting dates: August 15 - November 15  
Harvesting dates: July 1 - July 15

| ITEM                             | PRICE       | YIELD               | BASE             |                 |                |                |                |                 | TOTAL           |        |
|----------------------------------|-------------|---------------------|------------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|--------|
| <b>GROSS RETURNS</b>             |             |                     |                  |                 |                |                |                |                 |                 |        |
| WHEAT                            | \$6.50      | 80.00               | BUSHEL           |                 |                |                |                |                 | \$520.00        |        |
| 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>\$557.50</b> |        |
| <b>PURCHASED INPUTS</b>          |             |                     |                  |                 |                |                |                |                 |                 |        |
| PURCHASED INPUTS                 | PRICE       | QUANTITY            | PURCHASED INPUTS |                 |                |                | FIXED COST     | TOTAL           |                 |        |
| SEED                             | \$0.50      | 100                 | LBS              | \$50.00         |                |                |                | \$50.00         |                 |        |
| MANURE                           | \$2.70      | 8                   | TON              | \$21.60         |                |                |                | \$21.60         |                 |        |
| LIVESTOCK FAC & EQUIP            |             |                     |                  |                 |                | \$5.00         | \$5.00         |                 |                 |        |
| PUMP WATER*                      |             | 11                  | AC. IN.          |                 |                |                |                |                 |                 |        |
| CROP INSURANCE                   | \$0.08      |                     |                  |                 |                |                |                |                 | \$0.08          |        |
| <b>SUBTOTAL</b>                  |             |                     |                  | <b>\$71.60</b>  |                |                |                | <b>\$5.00</b>   | <b>\$76.68</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          | \$2.18         | \$1.27         | \$1.90         | \$5.95          |                 |        |
| CHISEL                           | 185 HP      | 0.09                | HR               | \$0.77          | \$2.80         | \$0.70         | \$1.90         | \$6.17          |                 |        |
| DISC                             | 185 HP      | 0.07                | HR               | \$0.60          | \$2.18         | \$1.27         | \$1.90         | \$5.95          |                 |        |
| DRILL                            | 126 HP      | 0.12                | HR               | \$1.03          | \$2.97         | \$0.68         | \$2.40         | \$7.08          |                 |        |
| IRRIGATE (7X)                    |             | 0.70                | HR               | \$5.25          | \$30.21        | \$0.00         | \$3.15         | \$38.60         |                 |        |
| <b>SUBTOTAL</b>                  |             | <b>1.05</b>         | <b>HR</b>        | <b>\$8.24</b>   | <b>\$40.32</b> | <b>\$3.93</b>  | <b>\$11.25</b> | <b>\$63.75</b>  |                 |        |
| <b>HARVEST OPERATIONS</b>        |             |                     |                  |                 |                |                |                |                 |                 |        |
| COMBINE                          | GRAIN TABLE | 0.14                | HR               | \$1.20          | \$3.51         | \$0.55         | \$9.01         | \$14.27         |                 |        |
| GRAIN CART                       | 93 HP       | 0.14                | HR               | \$1.20          | \$3.24         | \$0.29         | \$1.55         | \$6.28          |                 |        |
| HAUL                             | SEMI        | 0.14                | HR               | \$1.20          | \$2.21         | \$0.39         | \$4.26         | \$8.05          |                 |        |
| <b>SUBTOTAL</b>                  |             | <b>0.42</b>         | <b>HR</b>        | <b>\$0.00</b>   | <b>\$3.59</b>  | <b>\$8.95</b>  | <b>\$1.23</b>  | <b>\$14.82</b>  | <b>\$28.60</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                       |             |                     |                  |                 |                | \$0.24         | \$0.24         |                 |                 |        |
| SUPERVISION AND MANAGEMENT       |             |                     |                  | \$40.11         |                |                |                | \$40.11         |                 |        |
| OTHER EXPENSES                   |             |                     |                  | \$39.63         |                |                |                | \$39.63         |                 |        |
| <b>SUBTOTAL</b>                  |             | <b>0.19</b>         | <b>HR</b>        | <b>\$39.87</b>  | <b>\$43.89</b> |                |                | <b>\$0.24</b>   | <b>\$83.99</b>  |        |
| <b>TOTAL OPERATING EXPENSES</b>  |             | <b>1.66</b>         | <b>HR</b>        | <b>\$111.47</b> | <b>\$55.72</b> | <b>\$49.28</b> | <b>\$5.17</b>  | <b>\$31.31</b>  | <b>\$253.03</b> |        |
| <b>NET OPERATING PROFIT</b>      |             |                     |                  |                 |                |                |                | <b>\$304.47</b> |                 |        |
| INTEREST ON OPERATING CAPITAL    |             | (                   | \$47.75          | @               | 7.00%          | )              |                |                 | \$3.34          |        |
| INTEREST ON EQUIPMENT INVESTMENT |             |                     |                  |                 |                |                |                |                 | \$13.07         |        |
| <b>RETURN TO LAND AND RISK</b>   |             |                     |                  |                 |                |                |                | <b>\$288.06</b> |                 |        |

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

**BUDGET SUMMARY**

|                               |          |          |   |
|-------------------------------|----------|----------|---|
| GROSS RETURN                  |          | \$557.50 |   |
| VARIABLE OPERATING EXPENSES   | \$165.91 |          |   |
| RETURN OVER VARIABLE EXPENSES |          | \$391.59 | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$31.31  |          |   |
| NET FARM INCOME               |          | \$360.27 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$55.72  |          |   |
| NET OPERATING PROFIT          |          | \$304.56 | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$16.41  |          |   |
| RETURN TO LAND AND RISK       |          | \$288.14 |   |

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 2012.  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 1 - November 15

| ITEM                     | PRICE   | YIELD         | BASE | TOTAL             |
|--------------------------|---------|---------------|------|-------------------|
| <b>GROSS RETURNS</b>     |         |               |      |                   |
| CORN FOR GRAIN           | \$5.25  | 200.00 BUSHEL |      | \$1,050.00        |
| 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>\$1,070.00</b> |

| PURCHASED INPUTS      | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST    | TOTAL           |
|-----------------------|---------|------------|------------------|---------------|-----------------|
| SEED                  | \$2.97  | 26 000     | \$77.19          |               | \$77.19         |
| NITROGEN (N)          | \$0.89  | 220 LBS    | \$195.80         |               | \$195.80        |
| PHOSPHATE (P2O5)      | \$0.75  | 70 LBS     | \$52.50          |               | \$52.50         |
| 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>\$449.59</b>  | <b>\$5.00</b> | <b>\$454.87</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE     | REPAIRS       | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|---------------|----------------|-----------------|
| DISC                  | 185 HP     | 0.07 HR             |                  | \$0.60         | \$2.18          | \$1.27        | \$1.90         | \$5.95          |
| CHISEL                | 185 HP     | 0.09 HR             |                  | \$0.77         | \$2.80          | \$0.70        | \$1.90         | \$6.17          |
| DISC & SPRAY          | 185 HP     | 0.10 HR             |                  | \$0.86         | \$3.11          | \$1.89        | \$3.20         | \$9.05          |
| PLANTER               | 126 HP     | 0.12 HR             |                  | \$1.03         | \$2.97          | \$0.79        | \$4.03         | \$8.82          |
| ROLLING CULT (2X)     | 126 HP     | 0.20 HR             |                  | \$1.71         | \$4.95          | \$1.79        | \$4.24         | \$12.69         |
| SIDEDRESS             | 185 HP     | 0.17 HR             |                  | \$1.45         | \$5.28          | \$0.98        | \$3.23         | \$10.95         |
| IRRIGATE (16X)        |            | 1.60 HR             |                  | \$12.00        | \$93.37         | \$0.00        | \$9.73         | \$115.09        |
| <b>SUBTOTAL</b>       |            | <b>2.35 HR</b>      |                  | <b>\$18.41</b> | <b>\$114.65</b> | <b>\$7.43</b> | <b>\$28.22</b> | <b>\$168.71</b> |

| <b>HARVEST OPERATIONS</b> |           |                |  |               |               |                |               |                |
|---------------------------|-----------|----------------|--|---------------|---------------|----------------|---------------|----------------|
| COMBINE                   | CORN HEAD | 0.20 HR        |  | \$1.71        | \$5.01        | \$0.93         | \$21.96       | \$29.61        |
| GRAIN CART                | 93 HP     | 0.20 HR        |  | \$1.71        | \$4.63        | \$0.41         | \$2.22        | \$8.97         |
| HAUL                      | SEMI      | 0.20 HR        |  | \$1.71        | \$3.15        | \$0.56         | \$6.08        | \$11.50        |
| <b>SUBTOTAL</b>           |           | <b>0.60 HR</b> |  | <b>\$0.00</b> | <b>\$5.13</b> | <b>\$12.79</b> | <b>\$1.91</b> | <b>\$30.26</b> |

| <b>OVERHEAD EXPENSES</b>   |  |                |         |                |                |  |               |                 |
|----------------------------|--|----------------|---------|----------------|----------------|--|---------------|-----------------|
| DOWNTIME                   |  | 0.30 HR        |         | \$2.52         |                |  |               | \$2.52          |
| EMPLOYEE BENEFITS          |  |                |         | \$4.24         |                |  |               | \$4.24          |
| INSURANCE                  |  |                | \$0.47  |                |                |  |               | \$0.47          |
| LAND TAXES                 |  |                |         |                |                |  | \$0.24        | \$0.24          |
| SUPERVISION AND MANAGEMENT |  |                |         | \$78.14        |                |  |               | \$78.14         |
| OTHER EXPENSES             |  |                | \$39.63 |                |                |  |               | \$39.63         |
| <b>SUBTOTAL</b>            |  | <b>0.30 HR</b> |         | <b>\$40.10</b> | <b>\$84.90</b> |  | <b>\$0.24</b> | <b>\$125.24</b> |

|                                  |  |                |       |                 |                 |                 |               |                |                 |
|----------------------------------|--|----------------|-------|-----------------|-----------------|-----------------|---------------|----------------|-----------------|
| <b>TOTAL OPERATING EXPENSES</b>  |  | <b>3.25 HR</b> |       | <b>\$489.69</b> | <b>\$108.44</b> | <b>\$127.44</b> | <b>\$9.34</b> | <b>\$63.72</b> | <b>\$798.91</b> |
| <b>NET OPERATING PROFIT</b>      |  |                |       |                 |                 |                 |               |                | <b>\$271.09</b> |
| INTEREST ON OPERATING CAPITAL    |  | ( \$269.17 @   | 7.00% | )               |                 |                 |               |                | \$18.84         |
| INTEREST ON EQUIPMENT INVESTMENT |  |                |       |                 |                 |                 |               |                | \$29.67         |
| <b>RETURN TO LAND AND RISK</b>   |  |                |       |                 |                 |                 |               |                | <b>\$222.58</b> |

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

**BUDGET SUMMARY**

|                                |          |                 |   |
|--------------------------------|----------|-----------------|---|
| GROSS RETURN                   |          | \$1,070.00      |   |
| VARIABLE OPERATING EXPENSES    | \$626.46 |                 |   |
| RETURN OVER VARIABLE EXPENSES  |          | \$443.54        | (GROSS MARGIN)                          |
| FIXED EXPENSES                 | \$63.72  |                 |   |
| NET FARM INCOME                |          | \$379.81        | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST      | \$108.44 |                 |   |
| NET OPERATING PROFIT           |          | \$271.37        | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                  | \$48.51  |                 |   |
| <b>RETURN TO LAND AND RISK</b> |          | <b>\$222.86</b> |   |

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 2012.  
Planting dates: May 15 - June 15  
Harvesting dates: October 15 - November 15

| ITEM                             | PRICE       | YIELD                | BASE             |                |                |               |                | TOTAL            |                 |
|----------------------------------|-------------|----------------------|------------------|----------------|----------------|---------------|----------------|------------------|-----------------|
| <b>GROSS RETURNS</b>             |             |                      |                  |                |                |               |                |                  |                 |
| GRAIN SORGHUM                    | \$8.63      | 45.00 CWT            |                  |                |                |               |                | \$388.13         |                 |
| 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>\$393.13</b>  |                 |
| <b>PURCHASED INPUTS</b>          |             |                      |                  |                |                |               |                |                  |                 |
| PURCHASED INPUTS                 | PRICE       | QUANTITY             | PURCHASED INPUTS |                |                |               |                | FIXED COST       | TOTAL           |
| SEED                             | \$1.97      | 5 LBS                | \$9.85           |                |                |               |                |                  | \$9.85          |
| NITROGEN (N)                     | \$0.89      | 150 LBS              | \$133.50         |                |                |               |                |                  | \$133.50        |
| PHOSPHATE (P205)                 | \$0.75      | 50 LBS               | \$37.50          |                |                |               |                |                  | \$37.50         |
| 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>\$209.01</b>  |                |                |               | <b>\$5.00</b>  |                  | <b>\$214.20</b> |
| <b>PREHARVEST OPERATIONS</b>     |             |                      |                  |                |                |               |                |                  |                 |
| PREHARVEST OPERATIONS            | POWER UNIT  | ACCOMPLISHMENT RATE  | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS       | FIXED COST     | TOTAL            |                 |
| DISC                             | 185 HP      | 0.07 HR              |                  | \$0.60         | \$2.18         | \$1.27        | \$1.90         | \$5.95           |                 |
| CHISEL                           | 185 HP      | 0.09 HR              |                  | \$0.77         | \$2.80         | \$0.70        | \$1.90         | \$6.17           |                 |
| DISC & SPRAY                     | 185 HP      | 0.10 HR              |                  | \$0.86         | \$3.11         | \$1.89        | \$3.20         | \$9.05           |                 |
| PLANTER                          | 126 HP      | 0.12 HR              |                  | \$1.03         | \$2.97         | \$0.79        | \$4.03         | \$8.82           |                 |
| ROLLING CULT.                    | 126 HP      | 0.10 HR              |                  | \$0.86         | \$2.47         | \$0.89        | \$2.12         | \$6.34           |                 |
| SIDEDRESS                        | 185 HP      | 0.17 HR              |                  | \$1.45         | \$5.28         | \$0.98        | \$3.23         | \$10.95          |                 |
| IRRIGATE (6X)                    |             | 0.60 HR              |                  | \$4.50         | \$32.95        | \$0.00        | \$3.43         | \$40.89          |                 |
| <b>SUBTOTAL</b>                  |             | <b>1.25 HR</b>       |                  | <b>\$10.06</b> | <b>\$51.76</b> | <b>\$6.54</b> | <b>\$19.81</b> | <b>\$88.16</b>   |                 |
| <b>HARVEST OPERATIONS</b>        |             |                      |                  |                |                |               |                |                  |                 |
| COMBINE                          | GRAIN TABLE | 0.14 HR              |                  | \$1.20         | \$3.51         | \$0.55        | \$9.01         | \$14.27          |                 |
| GRAIN TABLE                      | 93 HP       | 0.14 HR              |                  | \$1.20         | \$3.24         | \$0.29        | \$1.55         | \$6.28           |                 |
| HAUL                             | 2 TON       | 0.14 HR              |                  | \$1.20         | \$1.76         | \$0.06        | \$7.80         | \$10.82          |                 |
| <b>SUBTOTAL</b>                  |             | <b>0.42 HR</b>       | <b>\$0.00</b>    | <b>\$3.59</b>  | <b>\$8.51</b>  | <b>\$0.90</b> | <b>\$18.37</b> | <b>\$31.37</b>   |                 |
| <b>OVERHEAD EXPENSES</b>         |             |                      |                  |                |                |               |                |                  |                 |
| DOWNTIME                         |             | 0.23 HR              |                  | \$1.92         |                |               |                | \$1.92           |                 |
| EMPLOYEE BENEFITS                |             |                      |                  | \$2.46         |                |               |                | \$2.46           |                 |
| INSURANCE                        |             |                      | \$0.27           |                |                |               |                | \$0.27           |                 |
| LAND TAXES                       |             |                      |                  |                |                |               | \$0.24         | \$0.24           |                 |
| SUPERVISION AND MANAGEMENT       |             |                      |                  | \$28.78        |                |               |                | \$28.78          |                 |
| OTHER EXPENSES                   |             |                      | \$39.63          |                |                |               |                | \$39.63          |                 |
| <b>SUBTOTAL</b>                  |             | <b>0.23 HR</b>       | <b>\$39.90</b>   | <b>\$33.16</b> |                |               | <b>\$0.24</b>  | <b>\$73.30</b>   |                 |
| <b>TOTAL OPERATING EXPENSES</b>  |             | <b>1.90 HR</b>       | <b>\$248.91</b>  | <b>\$46.81</b> | <b>\$60.27</b> | <b>\$7.44</b> | <b>\$43.42</b> | <b>\$407.03</b>  |                 |
| <b>NET OPERATING PROFIT</b>      |             |                      |                  |                |                |               |                | <b>(\$13.91)</b> |                 |
| INTEREST ON OPERATING CAPITAL    |             | ( \$119.96 @ 7.00% ) |                  |                |                |               |                | \$8.40           |                 |
| INTEREST ON EQUIPMENT INVESTMENT |             |                      |                  |                |                |               |                | \$18.58          |                 |
| <b>RETURN TO LAND AND RISK</b>   |             |                      |                  |                |                |               |                | <b>(\$40.88)</b> |                 |

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

**BUDGET SUMMARY**

|                               |          |           |   |
|-------------------------------|----------|-----------|---|
| GROSS RETURN                  |          | \$393.13  |   |
| VARIABLE OPERATING EXPENSES   | \$316.62 |           |   |
| RETURN OVER VARIABLE EXPENSES |          | \$76.51   | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$43.42  |           |   |
| NET FARM INCOME               |          | \$33.09   | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$46.81  |           |   |
| NET OPERATING PROFIT          |          | (\$13.72) | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$26.98  |           |   |
| RETURN TO LAND AND RISK       |          | (\$40.70) |   |

TABLE 9. Haygrazer/millet, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2012.  
 Planting dates: June 1 - June 15  
 Harvesting dates: September 1 - September 15

| ITEM                             | PRICE      | YIELD               |                  |         |             |         |            | TOTAL    |
|----------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| GROSS RETURNS                    |            |                     |                  |         |             |         |            |          |
| HAY                              | \$240.00   | 1.50 TONS (STACKED) |                  |         |             |         |            | \$360.00 |
| TOTAL                            |            |                     |                  |         |             |         |            | \$360.00 |
| PURCHASED INPUTS                 | PRICE      | QUANTITY            | PURCHASED INPUTS |         |             |         | FIXED COST | TOTAL    |
| SEED                             | \$0.85     | 6.00 LBS            | \$5.10           |         |             |         |            | \$5.10   |
| HERBICIDE                        | \$14.79    | 1.00 ACRE           | \$14.79          |         |             |         |            | \$14.79  |
| BALING TWINE                     | \$0.57     | 0.13 ROLL           | \$0.08           |         |             |         |            | \$0.08   |
| SUBTOTAL                         |            |                     | \$19.97          |         |             |         |            | \$19.97  |
| PREHARVEST OPERATIONS            | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
| CHISEL                           | 185 HP     | 0.09 HR             |                  | \$0.77  | \$2.80      | \$0.70  | \$1.90     | \$6.17   |
| DISC                             | 185 HP     | 0.07 HR             |                  | \$0.60  | \$2.18      | \$1.27  | \$1.90     | \$5.95   |
| DRILL                            | 126 HP     | 0.12 HR             |                  | \$1.03  | \$2.97      | \$0.68  | \$2.40     | \$7.08   |
| SUBTOTAL                         |            | 0.28 HR             |                  | \$2.39  | \$7.94      | \$2.66  | \$6.20     | \$19.20  |
| HARVEST OPERATIONS               |            |                     |                  |         |             |         |            |          |
| SWATHER                          |            | 0.16 HR             |                  | \$1.37  | \$1.80      | \$0.09  | \$8.32     | \$11.57  |
| BALER                            | 126 HP     | 0.17 HR             |                  | \$1.45  | \$4.21      | \$0.71  | \$5.21     | \$11.58  |
| SUBTOTAL                         |            | 0.33 HR             | \$0.00           | \$2.82  | \$6.00      | \$0.81  | \$13.53    | \$23.16  |
| OVERHEAD EXPENSES                |            |                     |                  |         |             |         |            |          |
| DOWNTIME                         |            | 0.15 HR             |                  | \$1.30  |             |         |            | \$1.30   |
| EMPLOYEE BENEFITS                |            |                     |                  | \$0.94  |             |         |            | \$0.94   |
| INSURANCE                        |            |                     | \$0.10           |         |             |         |            | \$0.10   |
| LAND TAXES                       |            |                     |                  |         |             |         | \$0.24     | \$0.24   |
| SUPERVISION AND MANAGEMENT       |            |                     |                  | \$25.51 |             |         |            | \$25.51  |
| OTHER EXPENSES                   |            |                     | \$7.93           |         |             |         |            | \$7.93   |
| SUBTOTAL                         |            | 0.15 HR             | \$8.03           | \$27.75 |             |         | \$0.24     | \$36.02  |
| TOTAL OPERATING EXPENSES         |            | 0.43 HR             | \$28.00          | \$32.96 | \$13.95     | \$3.47  | \$19.97    | \$98.34  |
| NET OPERATING PROFIT             |            |                     |                  |         |             |         |            | \$261.66 |
| INTEREST ON OPERATING CAPITAL    |            | ( \$13.20 @ 7.00% ) |                  |         |             |         |            | \$0.92   |
| INTEREST ON EQUIPMENT INVESTMENT |            |                     |                  |         |             |         |            | \$12.31  |
| RETURN TO LAND AND RISK          |            |                     |                  |         |             |         |            | \$248.42 |

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

BUDGET SUMMARY

|                               |         |          |   |
|-------------------------------|---------|----------|---|
| GROSS RETURN                  |         | \$360.00 |   |
| VARIABLE OPERATING EXPENSES   | \$45.41 |          |   |
| RETURN OVER VARIABLE EXPENSES |         | \$314.59 | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$19.97 |          |   |
| NET FARM INCOME               |         | \$294.62 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$32.96 |          |   |
| NET OPERATING PROFIT          |         | \$261.66 | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$13.24 |          |   |
| RETURN TO LAND AND RISK       |         | \$248.42 |   |

TABLE 10. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2012.

|                                  | 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                    | \$6.50   | \$5.25         | \$8.63        | \$240.00           |
| GOVERNMENT PAYMENTS              | \$0.00   | \$0.00         | \$0.00        | \$0.00             |
| SECOND INCOME                    | \$37.50  | \$20.00        | \$5.00        | \$0.00             |
| GROSS RETURN                     | \$557.50 | \$1,070.00     | \$393.13      | \$360.00           |
| CASH OPERATING EXPENSES          |          |                |               |                    |
| SEED                             | \$50.00  | \$77.19        | \$9.85        | \$5.10             |
| FERTILIZER                       | \$21.60  | \$282.80       | \$171.00      |                    |
| CHEMICALS                        |          | \$89.60        | \$28.16       | \$14.79            |
| CROP INSURANCE                   | \$0.08   | \$0.28         | \$0.19        |                    |
| OTHER PURCHASED INPUTS           |          |                |               | \$0.08             |
| CANAL WATER                      |          |                |               |                    |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$19.07  | \$34.07        | \$27.32       | \$13.95            |
| FUEL-IRRIGATION                  | \$30.21  | \$93.37        | \$32.95       |                    |
| REPAIRS                          | \$5.17   | \$9.34         | \$7.44        | \$3.47             |
| CUSTOM CHARGES                   |          |                |               | \$0.00             |
| LAND TAXES                       | \$0.24   | \$0.24         | \$0.24        | \$0.24             |
| OTHER EXPENSES                   | \$39.87  | \$40.10        | \$39.90       | \$8.03             |
| TOTAL CASH EXPENSES              | \$166.24 | \$626.99       | \$317.05      | \$45.65            |
| RETURN OVER CASH EXPENSES        | \$391.26 | \$443.01       | \$76.08       | \$314.35           |
| FIXED EXPENSES                   | \$31.07  | \$63.48        | \$43.18       | \$19.73            |
| TOTAL EXPENSES                   | \$197.31 | \$690.47       | \$360.22      | \$65.38            |
| NET FARM INCOME                  | \$360.19 | \$379.53       | \$32.90       | \$294.62           |
| LABOR AND MANAGEMENT COSTS       | \$55.72  | \$108.44       | \$46.81       | \$32.96            |
| NET OPERATING PROFIT             | \$304.47 | \$271.09       | (\$13.91)     | \$261.66           |
| CAPITAL COSTS                    |          |                |               |                    |
| INTEREST ON OPERATING CAPITAL    | \$3.34   | \$18.84        | \$8.40        | \$0.92             |
| INTEREST ON EQUIPMENT INVESTMENT | \$13.07  | \$29.67        | \$18.58       | \$12.31            |
| TOTAL CAPITAL COSTS              | \$16.41  | \$48.51        | \$26.98       | \$13.24            |
| RETURN TO LAND AND RISK          | \$288.06 | \$222.58       | (\$40.88)     | \$248.42           |
| Flex Computation                 | 332.20   | 315.73         | 20.87         |                    |

TABLE 11. Whole farm summary, Union County,  
Projected 2012.

|                                  |           |                  |
|----------------------------------|-----------|------------------|
| GROSS RETURNS                    |           |                  |
| WHEAT                            | 604 ACRES |                  |
| CROP                             |           | \$313,950        |
| GRAZING                          |           | \$22,641         |
| DIRECT PAYMENT                   |           | \$0              |
| COUNTER CYCLICAL PAYMENT         |           | \$0              |
| CORN FOR GRAIN                   | 179 ACRES |                  |
| CROP                             |           | \$187,425        |
| GRAZING                          |           | \$3,570          |
| DIRECT PAYMENT                   |           | \$0              |
| COUNTER CYCLICAL PAYMENT         |           | \$0              |
| GRAIN SORGHUM                    | 268 ACRES |                  |
| CROP                             |           | \$103,920        |
| GRAZING                          |           | \$1,339          |
| DIRECT PAYMENT                   |           | \$0              |
| COUNTER CYCLICAL PAYMENT         |           | \$0              |
| HAYGRAZER/MILLET                 | 190 ACRES |                  |
| CROP                             |           | \$68,400         |
| GROSS RETURN                     |           | <u>\$701,245</u> |
| CASH OPERATING EXPENSES          |           |                  |
| SEED                             |           | \$47,572         |
| FERTILIZER                       |           | \$109,306        |
| CHEMICALS                        |           | \$26,344         |
| CROP INSURANCE                   |           | \$150            |
| OTHER PURCHASED INPUTS           |           | \$14             |
| CANAL WATER                      |           | \$0              |
| FUEL, OIL & LUBRICANTS-EQUIPMENT |           | \$27,559         |
| FUEL-IRRIGATION                  |           | \$43,726         |
| REPAIRS                          |           | \$7,437          |
| CUSTOM CHARGES                   |           | \$0              |
| LAND TAXES                       |           | \$300            |
| OTHER EXPENSES                   |           | \$43,437         |
| TOTAL CASH EXPENSES              |           | <u>\$305,846</u> |
| RETURN OVER CASH EXPENSES        |           | \$395,399        |
| FIXED EXPENSES                   |           | \$45,400         |
| TOTAL EXPENSES                   |           | <u>\$351,245</u> |
| NET FARM INCOME                  |           | \$350,000        |
| LABOR AND MANAGEMENT COSTS       |           | \$71,793         |
| NET OPERATING PROFIT             |           | \$278,206        |
| CAPITAL COSTS                    |           |                  |
| INTEREST ON OPERATING CAPITAL    |           | \$7,805          |
| INTEREST ON EQUIPMENT INVESTMENT |           | \$20,501         |
| TOTAL CAPITAL COSTS              |           | <u>\$28,306</u>  |
| RETURN TO LAND AND RISK          |           | <u>\$249,900</u> |

| LAND VALUE    | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE   | \$230,700       | 29.23%                 |
| \$750 /ACRE   | \$221,100       | 21.87%                 |
| \$1,000 /ACRE | \$211,500       | 17.48%                 |
| \$1,250 /ACRE | \$201,900       | 14.55%                 |
| \$1,500 /ACRE | \$192,300       | 12.47%                 |

\* 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)