

TABLE 1. Acreage Summary, Union County,
Projected 2017

BUDGET AREA.....UNION COUNTY			
FARM SIZE.....1,280 ACRES			
IRRIGATION TYPE.....SPRINKLER			
NUMBER OF CROPS... 5			
WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	55.00 *	3	165
ALFALFA	375.00	40	15,000
WHEAT	318.75	11	3,506
ARP	0.00		
FLEX IN WHEAT	56.25	11	619
CORN	127.50	34	4,335
ARP	0.00		
FLEX IN WHEAT	22.50	11	248
GRAIN SORGHUM	127.50	12	1,530
ARP	0.00		
FLEX IN WHEAT	22.50	11	248
HAYGRAZER	190.00		
ROADS, HOMESTEAD	40.00		
TOTAL	1,280.00		25,650
ACRE FEET PER ACRE OF WATER RIGHTS			1.67

* DOUBLE-CROPPED

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

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.22
Phosphate (P205)		\$/pound	\$0.27
Potash (K2O)		\$/pound	\$0.20
Seed:			
Alfalfa		\$/pound	\$3.05
Wheat		\$/pound	\$0.44
Corn for Grain		\$/bag	\$300.00
Grain Sorghum		\$/pound	\$1.70
Haygrazer/Millet		\$/pound	\$0.86
Oats		\$/pound	\$0.34
Natural gas			
(service charge)		\$/MCF	\$4.00
Diesel fuel		\$/month	\$10.00
Gasoline		\$/gallon	\$2.35
Electricity		\$/gallon	\$2.10
LP Gas		cents/KwHr	7.94
		\$/gallon	\$2.60
Baling Twine		\$/pound	\$0.72
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
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
Supervision Factors			
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			\$4,398
Misc. Supplies & Hand Tools			\$4,465
Pickup and Auto			
miles	37,510	@ \$0.500 per mile	\$18,755
Insurance			
- general liability (non-employee)			\$2,844
- fire/theft			\$2,281
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,833
Dues, fees, publications			\$424
Farmstead Equipment			\$351
Total			\$50,000
Total per planted acre			\$45.96
Total per dryland acre			\$9.19

TABLE 6. Alfalfa establishment, 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 1 - September 1								
ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	\$3.05	20 LBS	\$61.00					\$61.00
OAT SEED	\$0.34	30 LBS	\$10.20					\$10.20
PUMP WATER*		3 AC. IN.						
SUBTOTAL			\$71.20					\$71.20
<u>PREHARVEST OPERATIONS</u>								
	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	\$2.76	\$6.32
CULTI-PACKER	93 HP	0.17 HR		\$1.45	\$2.17	\$0.17	\$3.40	\$7.20
DRILL	93 HP	0.12 HR		\$1.03	\$1.53	\$0.32	\$1.72	\$4.60
IRRIGATE (4X)		0.40 HR		\$3.00	\$8.24	\$0.00	\$0.43	\$11.67
SUBTOTAL		0.76 HR		\$6.08	\$13.65	\$1.75	\$8.31	\$29.79
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.09 HR		\$0.77				\$0.77
EMPLOYEE BENEFITS				\$1.09				\$1.09
INSURANCE			\$0.12					\$0.12
SUPERVISION AND MANAGEMENT				\$7.65				\$7.65
SUBTOTAL		0.09	\$0.12	\$9.51				\$9.63
<u>TOTAL OPERATING EXPENSES</u>		0.85 HR	\$71.32	\$15.59	\$13.65	\$1.75	\$8.31	\$110.62

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Union County, Projected 2017

Harvesting dates: June 1 - October 10									
ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
ALFALFA HAY	\$175.00	6.50 TONS (STACKED)							\$1,137.50
TOTAL								\$1,137.50	
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
NITROGEN (N)	\$0.22	30 LBS	\$6.60					\$6.60	
PHOSPHATE (P2O5)	\$0.27	100 LBS	\$27.00					\$27.00	
POTASH (K2O)	\$0.20	50 LBS	\$10.00					\$10.00	
TRACE ELEMENTS	\$0.15	12 LBS	\$1.80					\$1.80	
ESTABLISHMENT:Principal		7 YEARS					\$15.80	\$15.80	
: Interest							\$3.39	\$3.39	
BALING TWINE	\$0.72	1 ROLL	\$0.41					\$0.41	
PUMP WATER*		40 AC. IN.						\$0.41	
SUBTOTAL			\$45.81				\$19.19	\$65.00	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (11X)		1.10 HR		\$8.25	\$109.84	\$0.00	\$5.79	\$123.88	
SUBTOTAL		1.10 HR		\$8.25	\$109.84	\$0.00	\$5.79	\$123.88	
HARVEST OPERATIONS									
SWATHER (4X)	13 FT SP	0.64 HR		\$5.47	\$5.63	\$0.37	\$3.69	\$15.16	
BALER (4X)	126 HP	0.68 HR		\$5.81	\$13.18	\$2.85	\$5.99	\$27.83	
SUBTOTAL		1.32 HR		\$11.29	\$18.81	\$3.22	\$9.68	\$43.00	
OVERHEAD EXPENSES									
DOWNTIME		0.33 HR		\$2.82				\$2.82	
EMPLOYEE BENEFITS				\$3.52				\$3.52	
INSURANCE			\$0.39					\$0.39	
LAND TAXES							\$0.20	\$0.20	
SUPERVISION AND MANAGEMENT				\$81.39				\$81.39	
OTHER EXPENSES			\$45.96					\$45.96	
SUBTOTAL		0.33 HR		\$46.35	\$87.72		\$0.20	\$134.27	
TOTAL OPERATING EXPENSES		2.75 HR		\$92.15	\$107.26	\$3.22	\$34.86	\$366.15	
NET OPERATING PROFIT								\$771.35	
INTEREST ON OPERATING CAPITAL		(\$52.20	@	5.50%)		\$2.87	
INTEREST ON EQUIPMENT INVESTMENT								\$8.22	
RETURN TO LAND AND RISK								\$760.26	

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

BUDGET SUMMARY

GROSS RETURN		\$1,137.50	
VARIABLE OPERATING EXPENSES	\$224.03		
RETURN OVER VARIABLE EXPENSES		\$913.47	(GROSS MARGIN)
FIXED EXPENSES	\$34.86		
NET FARM INCOME		\$878.61	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$107.26		
NET OPERATING PROFIT		\$771.35	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.09		
RETURN TO LAND AND RISK		\$760.26	

TABLE 8. 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
GROSS RETURNS				
WHEAT	\$4.20	80.00 BUSHELS		\$336.00
DIRECT PAYMENT	\$0.00	80.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$40.00	1.00 ACRE		\$40.00
TOTAL				\$376.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	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.			\$0.00
CROP INSURANCE	\$0.12				\$0.12
SUBTOTAL			\$65.60	\$5.00	\$70.72

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	\$2.76	\$6.32
CHISEL	185 HP	0.09 HR		\$0.77	\$2.19	\$0.69	\$2.75	\$6.41
DISC	185 HP	0.07 HR		\$0.60	\$1.70	\$1.26	\$2.76	\$6.32
DRILL	126 HP	0.12 HR		\$1.03	\$2.33	\$0.68	\$1.93	\$5.97
IRRIGATE (7X)		0.70 HR		\$5.25	\$30.21	\$0.00	\$2.01	\$37.46
SUBTOTAL		1.05 HR		\$8.24	\$38.13	\$3.90	\$12.21	\$62.49

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	\$0.52	\$13.80	\$18.27
GRAIN CART	93 HP	0.14 HR		\$1.20	\$1.79	\$0.44	\$1.89	\$5.31
TRUCK	SEMI	0.14 HR		\$1.20	\$1.73	\$0.39	\$6.03	\$9.35
SUBTOTAL		0.42 HR	\$0.00	\$3.59	\$6.27	\$1.35	\$21.72	\$32.93

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
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			\$27.41				\$27.41
OTHER EXPENSES		\$45.96					\$45.96
SUBTOTAL	0.19 HR	\$46.19	\$31.18			\$0.20	\$77.58

TOTAL OPERATING EXPENSES	1.66 HR	\$111.79	\$43.01	\$44.40	\$5.26	\$39.13	\$243.71
NET OPERATING PROFIT							\$132.29
INTEREST ON OPERATING CAPITAL	(\$44.00	@	5.50%)		\$2.42
INTEREST ON EQUIPMENT INVESTMENT							\$12.68
RETURN TO LAND AND RISK							\$117.19

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

BUDGET SUMMARY

GROSS RETURN		\$376.00	
VARIABLE OPERATING EXPENSES	\$161.45		
RETURN OVER VARIABLE EXPENSES	\$214.55	(GROSS MARGIN)	
FIXED EXPENSES	\$39.13		
NET FARM INCOME	\$175.42	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$43.01		
NET OPERATING PROFIT	\$132.41	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$15.10		
RETURN TO LAND AND RISK		\$117.30	

TABLE 9. 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
GROSS RETURNS				
CORN FOR GRAIN	\$3.60	200.00 BUSHELS		\$720.00
DIRECT PAYMENT	\$0.00	200.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 BUSHELS		\$0.00
GRAZING	\$20.00	1.00 ACRE		\$20.00
TOTAL				\$740.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$3.75	26.00 000	\$97.50		\$97.50
NITROGEN (N)	\$0.22	220.00 LBS	\$48.40		\$48.40
PHOSPHATE (P2O5)	\$0.27	70.00 LBS	\$18.90		\$18.90
POTASSIUM (K-MAG)	\$0.21	300.00 LBS	\$63.00		\$63.00
INSECTICIDE	\$15.07	3.00 ACRE	\$45.20		\$45.20
HERBICIDE	\$22.60	1.00 ACRE	\$22.60		\$22.60
LIVESTOCK FAC & EQUIP				\$5.00	\$5.00
PUMP WATER*		34.00 AC. IN.			\$0.00
CROP INSURANCE	\$0.39				\$0.39
SUBTOTAL			\$295.60	\$5.00	\$300.99

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	\$2.76	\$6.32
CHISEL	185 HP	0.09 HR		\$0.77	\$2.19	\$0.69	\$2.75	\$6.41
DISC & SPRAY	185 HP	0.10 HR		\$0.86	\$2.43	\$1.88	\$4.77	\$9.94
PLANTER	126 HP	0.12 HR		\$1.03	\$2.33	\$0.79	\$5.29	\$9.43
ROLLING CULT (2X)	126 HP	0.20 HR		\$1.71	\$3.88	\$1.79	\$4.29	\$11.67
SIDEDRESS	185 HP	0.17 HR		\$1.45	\$4.14	\$0.96	\$4.69	\$11.25
IRRIGATE (16X)		1.60 HR		\$12.00	\$93.37	\$0.00	\$6.20	\$111.56
SUBTOTAL		2.35 HR		\$18.41	\$110.04	\$7.38	\$30.75	\$166.58

HARVEST OPERATIONS								
COMBINE	CORN HEAD	0.20 HR		\$1.71	\$3.93	\$0.93	\$32.14	\$38.71
GRAIN CART	93 HP	0.20 HR		\$1.71	\$2.56	\$0.62	\$2.70	\$7.59
TRUCK	SEMI	0.20 HR		\$1.71	\$2.47	\$0.56	\$8.62	\$13.35
SUBTOTAL		0.60 HR	\$0.00	\$5.13	\$8.95	\$2.11	\$43.45	\$59.65

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			\$45.96					\$45.96
SUBTOTAL		0.30 HR	\$46.43	\$61.80		\$0.20		\$108.43

TOTAL OPERATING EXPENSES		3.25 HR	\$342.03	\$85.34	\$118.99	\$9.49	\$79.41	\$635.65
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NET OPERATING PROFIT								\$104.35
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INTEREST ON OPERATING CAPITAL	(\$178.27	@	5.50%)			\$9.80
INTEREST ON EQUIPMENT INVESTMENT								\$28.27

RETURN TO LAND AND RISK								\$66.28
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* Pump water costs are shown under irrigation in the preharvest operations section

BUDGET SUMMARY

GROSS RETURN		\$740.00		
VARIABLE OPERATING EXPENSES	\$470.51			
RETURN OVER VARIABLE EXPENSES		\$269.49	(GROSS MARGIN)	
FIXED EXPENSES	\$79.41			
NET FARM INCOME		\$190.09	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$85.34			
NET OPERATING PROFIT		\$104.74	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$38.07			
RETURN TO LAND AND RISK		\$66.67		

TABLE 10. 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
GROSS RETURNS								
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
TOTAL								\$271.14
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					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	\$22.60	1 ACRE	\$22.60					\$22.60
LIVESTOCK FAC & EQUIP PUMP WATER*							\$5.00	\$5.00
CROP INSURANCE	\$0.39	12 AC. IN.						\$0.39
SUBTOTAL			\$77.60				\$5.00	\$83.00
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	\$2.76	\$6.32
CHISEL	185 HP	0.09 HR		\$0.77	\$2.19	\$0.69	\$2.75	\$6.41
DISC & SPRAY	185 HP	0.10 HR		\$0.86	\$2.43	\$1.88	\$4.77	\$9.94
PLANTER	126 HP	0.12 HR		\$1.03	\$2.33	\$0.79	\$5.29	\$9.43
ROLLING CULT.	126 HP	0.10 HR		\$0.86	\$1.94	\$0.89	\$2.15	\$5.83
SIDEDRESS ANHYDROUS	185 HP	0.17 HR		\$1.45	\$4.14	\$0.96	\$4.69	\$11.25
IRRIGATE (6X)		0.60 HR		\$4.50	\$32.95	\$0.00	\$2.19	\$39.64
SUBTOTAL		1.25 HR		\$10.06	\$47.68	\$6.48	\$24.59	\$88.82
HARVEST OPERATIONS								
COMBINE	GRAIN TABLE	0.14 HR		\$1.20	\$2.75	\$0.52	\$13.80	\$18.27
GRAIN CART	93 HP	0.14 HR		\$1.20	\$1.79	\$0.44	\$1.89	\$5.31
TRUCK	2 T 18 FT	0.14 HR		\$1.20	\$1.38	\$0.06	\$16.28	\$18.91
SUBTOTAL		0.42 HR	\$0.00	\$3.59	\$5.92	\$1.02	\$31.96	\$42.49
OVERHEAD EXPENSES								
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			\$45.96					\$45.96
SUBTOTAL		0.23 HR	\$46.23	\$24.62			\$0.20	\$71.05
TOTAL OPERATING EXPENSES		1.90 HR	\$123.83	\$38.27	\$53.60	\$7.50	\$61.76	\$285.36
NET OPERATING PROFIT								(\$14.22)
INTEREST ON OPERATING CAPITAL		(\$53.12 @ 5.50%)						\$2.92
INTEREST ON EQUIPMENT INVESTMENT								\$19.99
RETURN TO LAND AND RISK								(\$37.12)

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

BUDGET SUMMARY

GROSS RETURN		\$271.14	
VARIABLE OPERATING EXPENSES	\$184.94		
RETURN OVER VARIABLE EXPENSES	\$86.21	(GROSS MARGIN)	
FIXED EXPENSES	\$61.76		
NET FARM INCOME	\$24.45	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$38.27		
NET OPERATING PROFIT	(\$13.82)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$22.91		
RETURN TO LAND AND RISK		(\$36.73)	

TABLE 11. 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						\$240.00
TOTAL								\$240.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.86	6 LBS	\$5.16					\$5.16
HERBICIDE	\$13.70	1 ACRE	\$13.70					\$13.70
BALING TWINE	\$0.72	0 ROLL	\$0.10					\$0.10
SUBTOTAL			\$18.95					\$18.95

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	\$2.75	\$6.41
DISC	185 HP	0.07 HR		\$0.60	\$1.70	\$1.26	\$2.76	\$6.32
DRILL	126 HP	0.12 HR		\$1.03	\$2.33	\$0.68	\$1.93	\$5.97
SUBTOTAL		0.28 HR		\$2.39	\$6.22	\$2.64	\$7.44	\$18.70

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER	14 FT SP	0.16 HR		\$1.37	\$1.41	\$0.09	\$0.92	\$3.79
BALER	126 HP	0.17 HR		\$1.45	\$3.30	\$0.71	\$1.50	\$6.96
SUBTOTAL		0.33 HR	\$0.00	\$2.82	\$4.70	\$0.81	\$2.42	\$10.75

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
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		\$45.96					\$45.96	
SUBTOTAL	0.15 HR	\$46.06	\$19.35				\$0.20	\$65.61

TOTAL OPERATING EXPENSES	0.43 HR	\$65.01	\$24.56	\$10.92	\$3.45	\$10.07	\$114.01
NET OPERATING PROFIT							\$125.99
INTEREST ON OPERATING CAPITAL	(\$12.15 @ 5.50%)						\$0.67
INTEREST ON EQUIPMENT INVESTMENT							\$4.33
RETURN TO LAND AND RISK							\$120.99

BUDGET SUMMARY

GROSS RETURN		\$240.00	
VARIABLE OPERATING EXPENSES	\$79.38		
RETURN OVER VARIABLE EXPENSES	\$160.62		(GROSS MARGIN)
FIXED EXPENSES	\$10.07		
NET FARM INCOME	\$150.55		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$24.56		
NET OPERATING PROFIT	\$125.99		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$5.00		
RETURN TO LAND AND RISK	\$120.99		

TABLE 12. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Union County,
Projected 2017

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	CORN FOR GRAIN	GRAIN SORGHUM	HAYGRAZER & MILLET
		TONS	BU	BU	CWT	TONS
PRIMARY YIELD		6.50	80.00	200.00	45.00	1.50
PRIMARY PRICE		\$175.00	\$4.20	\$3.60	\$5.91	\$160.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME		\$0.00	\$40.00	\$20.00	\$5.00	\$0.00
GROSS RETURN		\$1,137.50	\$376.00	\$740.00	\$271.14	\$240.00
CASH OPERATING EXPENSES						
SEED	\$71.20		\$44.00	\$97.50	\$8.50	\$5.16
FERTILIZER		\$45.40	\$21.60	\$130.30	\$46.50	
CHEMICALS				\$67.80	\$22.60	\$13.70
CROP INSURANCE			\$0.12	\$0.39	\$0.39	
OTHER PURCHASED INPUTS		\$0.41				\$0.10
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.41	\$18.81	\$14.19	\$25.62	\$20.65	\$10.92
FUEL-IRRIGATION	\$8.24	\$109.84	\$30.21	\$93.37	\$32.95	
REPAIRS	\$1.75	\$3.22	\$5.26	\$9.49	\$7.50	\$3.45
CUSTOM CHARGES						\$0.00
LAND TAXES		\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
OTHER EXPENSES	\$0.12	\$46.35	\$46.19	\$46.43	\$46.23	\$46.06
TOTAL CASH EXPENSES	\$86.72	\$224.23	\$161.77	\$471.10	\$185.53	\$79.59
RETURN OVER CASH EXPENSES	(\$86.72)	\$913.27	\$214.23	\$268.90	\$85.61	\$160.41
FIXED EXPENSES	\$8.31	\$34.65	\$38.93	\$79.20	\$61.56	\$9.86
TOTAL EXPENSES	\$95.03	\$258.89	\$200.70	\$550.31	\$247.09	\$89.45
NET FARM INCOME	(\$95.03)	\$878.61	\$175.30	\$189.69	\$24.05	\$150.55
LABOR AND MANAGEMENT COSTS	\$15.59	\$107.26	\$43.01	\$85.34	\$38.27	\$24.56
NET OPERATING PROFIT	(\$110.62)	\$771.35	\$132.29	\$104.35	(\$14.22)	\$125.99
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$2.87	\$2.42	\$9.80	\$2.92	\$0.67
INTEREST ON EQUIPMENT INVESTMENT		\$8.22	\$12.68	\$28.27	\$19.99	\$4.33
TOTAL CAPITAL COSTS	\$0.00	\$11.09	\$15.10	\$38.07	\$22.91	\$5.00
RETURN TO LAND AND RISK	(\$110.62)	\$760.26	\$117.19	\$66.28	(\$37.12)	\$120.99

Flex Computation

168.80 173.75 44.42

TABLE 13. Whole farm summary, Union County,
Projected 2017

GROSS RETURNS		
ALFALFA HAY	375 ACRES	
CROP		\$426,563
WHEAT	420.00 ACRES	
CROP		\$141,120
GRAZING		\$16,800
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	127.50 ACRES	
CROP		\$91,800
GRAZING		\$2,550
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	127.5 ACRES	
CROP		\$33,933
GRAZING		\$638
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
HAYGRAZER/MILLET	190 ACRES	
CROP		\$45,600
GROSS RETURN		<u>\$759,003</u>
CASH OPERATING EXPENSES		
SEED		\$36,891
FERTILIZER		\$48,639
CHEMICALS		\$14,129
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$171
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$21,288
FUEL-IRRIGATION		\$70,437
REPAIRS		\$6,334
CUSTOM CHARGES		\$0
LAND TAXES		\$251
OTHER EXPENSES		\$57,352
TOTAL CASH EXPENSES		<u>\$255,642</u>
RETURN OVER CASH EXPENSES		\$503,361
FIXED EXPENSES		\$43,697
TOTAL EXPENSES		<u>\$299,339</u>
NET FARM INCOME		\$459,664
LABOR AND MANAGEMENT COSTS		\$79,573
NET OPERATING PROFIT		\$380,091
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,843
INTEREST ON EQUIPMENT INVESTMENT		\$15,386
TOTAL CAPITAL COSTS		<u>\$19,228</u>
RETURN TO LAND AND RISK		<u>\$360,863</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$341,663	42.09%
\$750 /ACRE	\$332,063	31.08%
\$1,000 /ACRE	\$322,463	24.63%
\$1,250 /ACRE	\$312,863	20.40%
\$1,500 /ACRE	\$303,263	17.41%

* 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)