

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County, Actual 2018
 Planting dates: August 15 - September 15
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$4.75	50.00 BUSHELS		\$237.50
DIRECT PAYMENT	\$0.00	50.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$20.00	1.00 ACRE		\$20.00
TOTAL				\$257.50

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.37	30.00 LBS	\$11.10		\$11.10
MANURE	\$2.70	5.00 TON	\$13.50		\$13.50
SUBTOTAL			\$24.60		\$24.60

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS (3X)	145 HP	0.30 HR		\$2.57	\$8.20	\$3.22	\$7.66	\$21.65
DRILL	145 HP	0.18 HR		\$1.54	\$4.92	\$1.15	\$5.52	\$13.13
SUBTOTAL		0.48 HR		\$4.10	\$13.13	\$4.37	\$13.19	\$34.79

HARVEST OPERATIONS					
COMBINE (CUSTOM)			\$16.00		\$16.00
HAUL (CUSTOM)			\$8.00		\$8.00
SUBTOTAL			\$24.00		\$24.00

OVERHEAD EXPENSES								
DOWNTIME		0.12 HR		\$1.03				\$1.03
EMPLOYEE BENEFITS				\$0.74				\$0.74
INSURANCE			\$0.08					\$0.08
LAND TAXES						\$0.09		\$0.09
SUPERVISION AND MANAGEMENT				\$18.27				\$18.27
OTHER EXPENSES			\$44.45					\$44.45
SUBTOTAL		0.12 HR	\$44.53	\$20.03		\$0.09		\$64.66

TOTAL OPERATING EXPENSES		0.60 HR	\$93.13	\$24.13	\$13.13	\$4.37	\$13.28	\$148.04
NET OPERATING PROFIT								\$109.46
INTEREST ON OPERATING CAPITAL		(\$18.67	@	5.75%)		\$1.07
INTEREST ON EQUIPMENT INVESTMENT								\$5.11
RETURN TO LAND AND RISK								\$103.27

BUDGET SUMMARY				
GROSS RETURN		\$257.50		
VARIABLE OPERATING EXPENSES	\$110.63			
RETURN OVER VARIABLE EXPENSES		\$146.87	(GROSS MARGIN)	
FIXED EXPENSES	\$13.28			
NET FARM INCOME		\$133.59	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$24.13			
NET OPERATING PROFIT		\$109.46	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$6.19			
RETURN TO LAND AND RISK		\$103.27		

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County,
 Actual 2018
 Planting dates: May 15 - June 15
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE						TOTAL	
GROSS RETURNS										
GRAIN SORGHUM	\$6.65	15.00 CWT							\$99.75	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT							\$0.00	
DIRECT PAYMENT	\$0.00	15.00 CWT	0.85						\$0.00	
TOTAL									\$99.75	
PURCHASED INPUTS										
	PRICE	QUANTITY	PURCHASED INPUTS						FIXED COST	TOTAL
SEED	\$2.25	3 LBS	\$6.75						\$6.75	
MANURE	\$2.75	5 TON	\$13.75						\$13.75	
HERBICIDE	\$16.00	1 X/ACRE	\$16.00						\$16.00	
SUBTOTAL			\$36.50							\$36.50
PREHARVEST OPERATIONS										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
SWEEPS	145 HP	0.10 HR		\$0.86	\$2.73	\$1.07	\$2.55	\$7.22		
PLANTER	145 HP	0.17 HR		\$1.45	\$4.65	\$1.26	\$5.63	\$12.99		
CULTIVATOR (2X)	145 HP	0.26 HR		\$2.22	\$7.11	\$2.20	\$6.06	\$17.59		
SUBTOTAL		0.53 HR		\$4.53	\$14.49	\$4.53	\$14.25	\$37.80		
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							\$0.09	\$0.09		
SUPERVISION AND MANAGEMENT				\$7.25					\$7.25	
OTHER EXPENSES			\$44.45					\$44.45		
SUBTOTAL		0.13 HR	\$44.54	\$9.20				\$0.09	\$53.83	
TOTAL OPERATING EXPENSES		0.66 HR	\$104.39	\$13.73	\$14.49	\$4.53	\$14.34	\$151.48		
NET OPERATING PROFIT									(\$51.73)	
INTEREST ON OPERATING CAPITAL		(\$24.95 @	5.75%)					\$1.43	
INTEREST ON EQUIPMENT INVESTMENT									\$5.51	
RETURN TO LAND AND RISK									(\$58.67)	
BUDGET SUMMARY										
GROSS RETURN			\$99.75							
VARIABLE OPERATING EXPENSES	\$123.41									
RETURN OVER VARIABLE EXPENSES		(\$23.66)	(GROSS MARGIN)							
FIXED EXPENSES	\$14.34									
NET FARM INCOME		(\$38.01)	(RETURN TO CAPITAL, LABOR, LAND & RISK)							
LABOR AND MANAGEMENT COST	\$13.73									
NET OPERATING PROFIT		(\$51.73)	(RETURN TO CAPITAL, LAND & RISK)							
CAPITAL COSTS	\$6.94									
RETURN TO LAND AND RISK		(\$58.67)								

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Actual 2018

	WHEAT	GRAIN SORGHUM
	BU	CWT
PRIMARY YIELD	50.00	15.00
PRIMARY PRICE	\$4.75	\$6.65
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$20.00	\$0.00
GROSS RETURN	\$257.50	\$99.75
CASH OPERATING EXPENSES		
SEED	\$11.10	\$6.75
FERTILIZER	\$13.50	\$13.75
CHEMICALS		\$16.00
CROP INSURANCE		
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$13.13	\$14.49
FUEL-IRRIGATION		
REPAIRS	\$4.37	\$4.53
CUSTOM CHARGES	\$24.00	\$23.35
LAND TAXES	\$0.09	\$0.09
OTHER EXPENSES	\$44.53	\$44.54
TOTAL CASH EXPENSES	\$110.72	\$123.51
RETURN OVER CASH EXPENSES	\$146.78	(\$23.76)
FIXED EXPENSES	\$13.19	\$14.25
TOTAL EXPENSES	\$123.91	\$137.76
NET FARM INCOME	\$133.59	(\$38.01)
LABOR AND MANAGEMENT COSTS	\$24.13	\$13.73
NET OPERATING PROFIT	\$109.46	(\$51.73)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.07	\$1.43
INTEREST ON EQUIPMENT INVESTMENT	\$5.11	\$5.51
TOTAL CAPITAL COSTS	\$6.19	\$6.94
RETURN TO LAND AND RISK	\$103.27	(\$58.67)
Flex Computation	121.57	-38.92

TABLE 8. Whole farm summary, Union County,
Actual 2018

GROSS RETURNS		
WHEAT	229.00 ACRES	
CROP		\$54,388
GRAZING		\$4,580
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	391.00 ACRES	
CROP		\$39,002
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$97,970</u>
CASH OPERATING EXPENSES		
SEED		\$5,181
FERTILIZER		\$8,468
CHEMICALS		\$6,256
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,673
FUEL-IRRIGATION		\$0
REPAIRS		\$2,771
CUSTOM CHARGES		\$14,626
LAND TAXES		\$59
OTHER EXPENSES		\$27,613
TOTAL CASH EXPENSES		<u>\$73,647</u>
RETURN OVER CASH EXPENSES		\$24,323
FIXED EXPENSES		\$8,591
TOTAL EXPENSES		\$82,238
NET FARM INCOME		\$15,732
LABOR AND MANAGEMENT COSTS		\$10,894
NET OPERATING PROFIT		\$4,838
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$807
INTEREST ON EQUIPMENT INVESTMENT		\$3,324
TOTAL CAPITAL COSTS		<u>\$4,131</u>
RETURN TO LAND AND RISK		<u>\$707</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$1,213)	4.10%
\$200 /ACRE	(\$3,133)	2.66%
\$300 /ACRE	(\$5,053)	1.97%

* 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)