

TABLE 6. Wheat, dryland, budgeted per acre costs and returns for a 1,000 acre farm with above average management, Southern Quay County,  
 Projected 2015  
 Planting dates: August 20 - September 15  
 Harvesting dates: June 15 - July 10

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
WHEAT	\$7.00	20.00 BUSHELS		\$140.00
DIRECT PAYMENT	\$0.00	20.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$5.00	1.00 ACRE		\$5.00
<b>TOTAL</b>				<b>\$145.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.45	25 LBS	\$11.25		\$11.25
CROP INSURANCE	\$0.08		\$0.08		\$0.08
<b>SUBTOTAL</b>			<b>\$11.33</b>		<b>\$11.33</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	185 HP	0.16 HR		\$1.37	\$5.80	\$1.77	\$3.76	\$12.69
STUBBLE MULCHER	185 HP	0.08 HR		\$0.68	\$2.90	\$1.21	\$3.27	\$8.07
RODWEED (2X)	126 HP	0.16 HR		\$1.37	\$4.62	\$0.76	\$1.74	\$8.48
DRILL	126 HP	0.12 HR		\$1.03	\$3.46	\$0.79	\$3.12	\$8.41
<b>SUBTOTAL</b>		<b>0.52 HR</b>		<b>\$4.45</b>	<b>\$16.79</b>	<b>\$4.53</b>	<b>\$11.89</b>	<b>\$37.65</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$4.04	\$0.58	\$3.41	\$9.23
HAUL	2 TON	0.14 HR		\$1.20	\$3.11	\$0.90	\$4.72	\$9.93
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$7.15</b>	<b>\$1.48</b>	<b>\$8.13</b>	<b>\$19.16</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.20 HR		\$1.71				\$1.71
EMPLOYEE BENEFITS			\$1.23				\$1.23
INSURANCE		\$0.14					\$0.14
LAND TAXES						\$0.33	\$0.33
SUPERVISION AND MANAGEMENT			\$11.15				\$11.15
OTHER EXPENSES		\$18.84					\$18.84
<b>SUBTOTAL</b>	<b>0.20 HR</b>	<b>\$18.98</b>	<b>\$14.09</b>			<b>\$0.33</b>	<b>\$33.39</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>1.00 HR</b>	<b>\$30.31</b>	<b>\$20.93</b>	<b>\$23.94</b>	<b>\$6.01</b>	<b>\$20.35</b>	<b>\$101.54</b>
---------------------------------	----------------	----------------	----------------	----------------	---------------	----------------	-----------------

<b>NET OPERATING PROFIT</b>							<b>\$43.46</b>
-----------------------------	--	--	--	--	--	--	----------------

INTEREST ON OPERATING CAPITAL	(	\$11.71	@	5.50%	)		\$0.64
INTEREST ON EQUIPMENT INVESTMENT							\$8.29

<b>RETURN TO LAND AND RISK</b>							<b>\$34.53</b>
--------------------------------	--	--	--	--	--	--	----------------

BUDGET SUMMARY	
GROSS RETURN	\$145.00
VARIABLE OPERATING EXPENSES	\$60.26
RETURN OVER VARIABLE EXPENSES	\$84.74 (GROSS MARGIN)
FIXED EXPENSES	\$20.35
NET FARM INCOME	\$64.39 (RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$20.93
NET OPERATING PROFIT	\$43.46 (RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$8.93
RETURN TO LAND AND RISK	\$34.53

TABLE 7. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 1,000 acre farm with above average management, Southern Quay County, Projected 2015  
 Planting dates: June 15 - July 15  
 Harvesting dates: September 20 - October 30

ITEM	PRICE	YIELD	BASE					TOTAL
<b>GROSS RETURNS</b>								
GRAIN SORGHUM	\$7.06	50.00 CWT						\$353.21
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT						\$0.00
DIRECT PAYMENT	\$0.00	50.00 CWT	0.85					\$0.00
<b>TOTAL</b>								<b>\$353.21</b>
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.31	5 LBS	\$6.55					\$6.55
NITROGEN (N)	\$0.45	80 LBS	\$36.00					\$36.00
PHOSPHATE (P205)	\$0.40	40 LBS	\$16.00					\$16.00
HERBICIDE	\$16.99	1 ACRE	\$16.99					\$16.99
PUMP WATER		12 AC. IN.						
CROP INSURANCE	\$0.14		\$0.14					\$0.14
<b>SUBTOTAL</b>			<b>\$75.68</b>					<b>\$75.68</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	185 HP	0.08 HR		\$0.68	\$2.90	\$0.88	\$1.88	\$6.35
DISC (2X)	185 HP	0.22 HR		\$1.88	\$7.98	\$3.29	\$7.06	\$20.21
SPRAYER	126 HP	0.06 HR		\$0.51	\$1.73	\$0.28	\$1.17	\$3.70
LISTER	185 HP	0.12 HR		\$1.03	\$4.35	\$1.00	\$3.08	\$9.46
ROD WEED & PLANTER	185 HP	0.18 HR		\$1.54	\$6.53	\$1.52	\$5.92	\$15.51
CULTIVATOR (2X)	126 HP	0.26 HR		\$2.22	\$7.51	\$2.00	\$3.87	\$15.60
IRRIGATE (12X)		1.20 HR		\$9.00	\$49.98	\$0.00	\$10.32	\$69.30
<b>SUBTOTAL</b>		<b>2.12 HR</b>		<b>\$16.87</b>	<b>\$80.97</b>	<b>\$8.98</b>	<b>\$33.32</b>	<b>\$140.13</b>
<b>HARVEST OPERATIONS</b>								
COMBINE	22 FT	0.16		\$1.37	\$4.62	\$0.66	\$3.90	\$10.54
HAUL	2 TON	0.16		\$1.37	\$3.56	\$1.03	\$5.40	\$11.35
<b>SUBTOTAL</b>		<b>0.32 HR</b>		<b>\$2.74</b>	<b>\$8.18</b>	<b>\$1.69</b>	<b>\$9.29</b>	<b>\$21.90</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.61 HR		\$5.22				\$5.22
EMPLOYEE BENEFITS				\$3.53				\$3.53
INSURANCE			\$0.39					\$0.39
LAND TAXES							\$0.82	\$0.82
SUPERVISION AND MANAGEMENT				\$25.73				\$25.73
OTHER EXPENSES			\$34.87					\$34.87
<b>SUBTOTAL</b>		<b>0.61 HR</b>		<b>\$35.27</b>	<b>\$34.47</b>		<b>\$0.82</b>	<b>\$70.56</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>2.73 HR</b>		<b>\$110.94</b>	<b>\$54.07</b>	<b>\$89.15</b>	<b>\$10.67</b>	<b>\$308.26</b>
<b>NET OPERATING PROFIT</b>								<b>\$44.96</b>
INTEREST ON OPERATING CAPITAL		( \$61.15 @ 5.50% )						\$3.36
INTEREST ON EQUIPMENT INVESTMENT								\$17.89
<b>RETURN TO LAND AND RISK</b>								<b>\$23.71</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$353.21	
VARIABLE OPERATING EXPENSES	\$210.75		
RETURN OVER VARIABLE EXPENSES		\$142.46	(GROSS MARGIN)
FIXED EXPENSES	\$43.43		
NET FARM INCOME		\$99.03	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$54.07		
NET OPERATING PROFIT		\$44.96	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$21.25		
RETURN TO LAND AND RISK		\$23.71	

TABLE 8. Summary of per acre costs and returns for a 1,000 acre farm, Southern Quay County, Projected 2015

	WHEAT (Dryland)	GRAIN SORGHUM (Sprinkler)
	BU	CWT
PRIMARY YIELD	20.00	50.00
PRIMARY PRICE	\$7.00	\$7.06
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$0.00
GROSS RETURN	\$145.00	\$353.21
CASH OPERATING EXPENSES		
SEED	\$11.25	\$6.55
FERTILIZER		\$52.00
CHEMICALS		\$16.99
CROP INSURANCE	\$0.08	\$0.14
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$23.94	\$39.17
FUEL-IRRIGATION		\$49.98
REPAIRS	\$6.01	\$10.67
CUSTOM CHARGES		
LAND TAXES	\$0.33	\$0.82
OTHER EXPENSES	\$18.98	\$35.27
TOTAL CASH EXPENSES	\$60.59	\$211.58
RETURN OVER CASH EXPENSES	\$84.41	\$141.64
FIXED EXPENSES	\$20.02	\$42.61
TOTAL EXPENSES	\$80.61	\$254.19
NET FARM INCOME	\$64.39	\$99.03
LABOR AND MANAGEMENT COSTS	\$20.93	\$54.07
NET OPERATING PROFIT	\$43.46	\$44.96
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.64	\$3.36
INTEREST ON EQUIPMENT INVESTMENT	\$8.29	\$17.89
TOTAL CAPITAL COSTS	\$8.93	\$21.25
RETURN TO LAND AND RISK	\$34.53	\$23.71

TABLE 9. Whole farm summary, Southern Quay County,  
Projected 2015

GROSS RETURNS		
WHEAT	607.75 ACRES	
CROP		\$85,085
GRAZING		\$3,039
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	357.25 ACRES	
CROP		\$126,186
COUNTER CYCLICAL PAYMENT		\$0
DIRECT PAYMENT		\$0
GROSS RETURN		<u>\$214,310</u>
CASH OPERATING EXPENSES		
SEED		\$9,177
FERTILIZER		\$18,577
CHEMICALS		\$6,068
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$28,543
FUEL-IRRIGATION		\$17,854
REPAIRS		\$7,463
CUSTOM CHARGES		\$0
LAND TAXES		\$492
OTHER EXPENSES		\$24,132
TOTAL CASH EXPENSES		<u>\$112,407</u>
RETURN OVER CASH EXPENSES		\$101,902
FIXED EXPENSES		\$27,389
TOTAL EXPENSES		\$139,796
NET FARM INCOME		\$74,513
LABOR AND MANAGEMENT COSTS		\$32,038
NET OPERATING PROFIT		\$42,475
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,593
INTEREST ON EQUIPMENT INVESTMENT		\$11,426
TOTAL CAPITAL COSTS		<u>\$13,019</u>
RETURN TO LAND AND RISK		<u>\$29,456</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	\$24,956	12.70%
\$300 /ACRE	\$20,456	8.77%
\$450 /ACRE	\$15,956	6.69%
\$600 /ACRE	\$11,456	5.41%
\$750 /ACRE	\$6,956	4.54%
\$900 /ACRE	\$2,456	3.92%

\* 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)