

TABLE 1. Acreage Summary, Union County,
Projected 2016

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
TOTAL	640.0

TABLE 2. Basic cost information for Union County,
Projected 2016

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$8.55
General & Irrigators	\$/hour	\$7.50
Purchased Inputs:		
Seed:		
Wheat	\$/pound	\$0.30
Grain Sorghum	\$/pound	\$1.70
Diesel fuel	\$/gallon	\$2.65
Gasoline	\$/gallon	\$2.50
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	\$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 2016

Item		
Electricity (Domestic & Shop)	\$250.00 per month	\$3,000
Telephone	\$112.50 per month	\$1,350
Accounting & Legal		\$1,200
Misc. Supplies & Hand Tools		\$1,825
Pickup and Auto		
miles 19,313 @ \$0.500 per mile		\$9,656
Insurance		
- general liability (non-employee)		\$1,575
- fire/theft		\$1,200
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$600
Dues, fees, publications		\$450
Farmstead Equipment		\$188
	Total	\$27,054
	Total per planted acre	\$43.64

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County,
 Projected 2016
 Planting dates: August 15 - September 15
 Harvesting dates: July 1 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$5.00	35.00 BUSHEL		\$175.00
DIRECT PAYMENT	\$0.00	35.00 BUSHEL	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$20.00	1.00 ACRE		\$20.00
TOTAL				\$195.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.30	30.00 LBS	\$9.00		\$9.00
MANURE	\$2.70	5.00 TON	\$13.50		\$13.50
SUBTOTAL			\$22.50		\$22.50

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS (3X)	145 HP	0.30 HR		\$2.57	\$7.13	\$3.23	\$7.72	\$20.65
DRILL	145 HP	0.18 HR		\$1.54	\$4.28	\$1.16	\$5.56	\$12.53
SUBTOTAL		0.48 HR		\$4.10	\$11.41	\$4.39	\$13.28	\$33.18

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$16.00					\$16.00
HAUL (CUSTOM)			\$5.60					\$5.60
SUBTOTAL			\$21.60					\$21.60

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				\$13.89				\$13.89
OTHER EXPENSES			\$43.64					\$43.64
SUBTOTAL		0.12 HR		\$43.72	\$15.65		\$0.10	\$59.47

TOTAL OPERATING EXPENSES		0.60 HR		\$87.82	\$19.76	\$11.41	\$4.39	\$13.38	\$136.75
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NET OPERATING PROFIT									\$58.25
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INTEREST ON OPERATING CAPITAL	(\$17.00	@	5.50%)				\$0.93
INTEREST ON EQUIPMENT INVESTMENT									\$4.92

RETURN TO LAND AND RISK									\$52.39
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BUDGET SUMMARY			
GROSS RETURN		\$195.00	
VARIABLE OPERATING EXPENSES	\$103.61		
RETURN OVER VARIABLE EXPENSES		\$91.39	(GROSS MARGIN)
FIXED EXPENSES	\$13.38		
NET FARM INCOME		\$78.00	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$19.76		
NET OPERATING PROFIT		\$58.25	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$5.85		
RETURN TO LAND AND RISK		\$52.39	

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 640 acre farm with above average management, Union County,
 Projected 2016
 Planting dates: May 15 - June 15
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$5.91	15.00 CWT		\$88.71
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
DIRECT PAYMENT	\$0.00	15.00 CWT	0.85	\$0.00
TOTAL				\$88.71

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.70	3 LBS	\$5.10		\$5.10
MANURE	\$2.75	5 TON	\$13.75		\$13.75
HERBICIDE	\$16.00	1 X/ACRE	\$16.00		\$16.00
SUBTOTAL			\$34.85		\$34.85

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEPS	145 HP	0.10 HR		\$0.86	\$2.38	\$1.08	\$2.57	\$6.88
PLANTER	145 HP	0.17 HR		\$1.45	\$4.04	\$1.26	\$5.67	\$12.42
CULTIVATOR (2X)	145 HP	0.26 HR		\$2.22	\$6.18	\$2.21	\$6.11	\$16.72
SUBTOTAL		0.53 HR		\$4.53	\$12.59	\$4.55	\$14.36	\$36.03

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							\$0.10	\$0.10
SUPERVISION AND MANAGEMENT				\$6.48				\$6.48
OTHER EXPENSES			\$43.64					\$43.64
SUBTOTAL		0.13 HR	\$43.73	\$8.42			\$0.10	\$52.25

TOTAL OPERATING EXPENSES		0.66 HR	\$101.93	\$12.96	\$12.59	\$4.55	\$14.46	\$146.48
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NET OPERATING PROFIT								(\$57.76)
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INTEREST ON OPERATING CAPITAL	(\$23.66	@	5.50%)			\$1.30
INTEREST ON EQUIPMENT INVESTMENT								\$5.30

RETURN TO LAND AND RISK								(\$64.36)
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BUDGET SUMMARY

GROSS RETURN		\$88.71		
VARIABLE OPERATING EXPENSES	\$119.07			
RETURN OVER VARIABLE EXPENSES		(\$30.35)	(GROSS MARGIN)	
FIXED EXPENSES	\$14.46			
NET FARM INCOME		(\$44.81)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$12.96			
NET OPERATING PROFIT		(\$57.76)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$6.60			
RETURN TO LAND AND RISK		(\$64.36)		

TABLE 7. Summary of per acre costs and returns for a 640 acre farm with above average management, Union County, Projected 2016

	WHEAT	GRAIN SORGHUM
	BU	CWT
PRIMARY YIELD	35.00	15.00
PRIMARY PRICE	\$5.00	\$5.91
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$20.00	\$0.00
GROSS RETURN	\$195.00	\$88.71
CASH OPERATING EXPENSES		
SEED	\$9.00	\$5.10
FERTILIZER	\$13.50	\$13.75
CHEMICALS		\$16.00
CROP INSURANCE		
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$11.41	\$12.59
FUEL-IRRIGATION		
REPAIRS	\$4.39	\$4.55
CUSTOM CHARGES	\$21.60	\$23.35
LAND TAXES	\$0.10	\$0.10
OTHER EXPENSES	\$43.72	\$43.73
TOTAL CASH EXPENSES	\$103.71	\$119.16
RETURN OVER CASH EXPENSES	\$91.29	(\$30.45)
FIXED EXPENSES	\$13.28	\$14.36
TOTAL EXPENSES	\$117.00	\$133.52
NET FARM INCOME	\$78.00	(\$44.81)
LABOR AND MANAGEMENT COSTS	\$19.76	\$12.96
NET OPERATING PROFIT	\$58.25	(\$57.76)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.93	\$1.30
INTEREST ON EQUIPMENT INVESTMENT	\$4.92	\$5.30
TOTAL CAPITAL COSTS	\$5.85	\$6.60
RETURN TO LAND AND RISK	\$52.39	(\$64.36)
Flex Computation	70.60	-44.71

TABLE 8. Whole farm summary, Union County,
Projected 2016

GROSS RETURNS		
WHEAT	229.00 ACRES	
CROP		\$40,075
GRAZING		\$4,580
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	391.00 ACRES	
CROP		\$34,687
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$79,342</u>
CASH OPERATING EXPENSES		
SEED		\$4,055
FERTILIZER		\$8,468
CHEMICALS		\$6,256
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,536
FUEL-IRRIGATION		\$0
REPAIRS		\$2,783
CUSTOM CHARGES		\$14,076
LAND TAXES		\$61
OTHER EXPENSES		\$27,108
TOTAL CASH EXPENSES		<u>\$70,343</u>
RETURN OVER CASH EXPENSES		\$8,999
FIXED EXPENSES		\$8,656
TOTAL EXPENSES		\$78,999
NET FARM INCOME		\$343
LABOR AND MANAGEMENT COSTS		\$9,590
NET OPERATING PROFIT		(\$9,247)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$723
INTEREST ON EQUIPMENT INVESTMENT		\$3,198
TOTAL CAPITAL COSTS		<u>\$3,920</u>
RETURN TO LAND AND RISK		<u>(\$13,167)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$100 /ACRE	(\$15,087)	-7.83%
\$200 /ACRE	(\$17,007)	-5.08%
\$300 /ACRE	(\$18,927)	-3.76%

* 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)