

TABLE 1. Acreage Summary, Quay County,
Projected 2017

BUDGET AREA.....SOUTHERN QUAY COUNTY			
FARM SIZE.....1,000 ACRES			
IRRIGATION TYPE.....SPRINKLER/DRYLAND			
NUMBER OF CROPS.....2.			
		WATER USE	
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
WHEAT	607.75	0	0
ARP	0.00		
FLEX IN GRAIN SORGHUM	107.25	0	0
GRAIN SORGHUM	212.50	12	2,550
ARP	0.00		
FLEX IN GRAIN SORGHUM	37.50	12	450
ROADS, HOMESTEAD, FALLOW	35.00		
TOTAL	1,000.00		3,000

TABLE 2. Basic cost information for Southern Quay 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
Seed:			
Wheat	\$/pound		\$0.44
Grain Sorghum	\$/pound		\$1.70
Energy Costs:			
Diesel fuel	\$/gallon		\$2.35
Gasoline	\$/gallon		\$2.10
Electricity (Farmers Elec Coop)	cents/KwHr		8.27
LP Gas	\$/gallon		\$2.75
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			
Irrigated	\$96.00 /acre (full value)		\$0.82
Dryland	\$38.00 /acre (full value)		\$0.33
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$25.73
	- R		\$20.14
Supervision Factors			
Field Crop-Irrigation	\$/acre		\$1.00
Field Crop-Equipment & General	\$/acre		\$0.50
Management Rate	percent		7.00%

TABLE 3. Overhead cost information for Southern Quay County,
Projected 2017

Item			
Electricity (Domestic & Shop)		\$242.00 per month	\$2,904
Telephone		\$121.00 per month	\$1,452
Accounting & Legal			\$1,779
Misc. Supplies & Hand Tools			\$2,668
Pickup and Auto			
miles	24,926	@ \$0.500 per mile	\$12,463
Insurance			
- general liability (non-employee)			\$1,912
- fire/theft			\$1,513
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,452
Dues, fees, publications			\$436
Farmstead Equipment			\$182
		Total	\$32,769
		Total per planted acre	\$33.96
		Total per dryland acre	\$18.35

TABLE 6. Wheat, dryland, budgeted per acre costs and returns for a 1,000 acre farm with above average management, Southern Quay County, Projected 2017
 Planting dates: August 20 - September 15
 Harvesting dates: June 15 - July 10

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$4.20	20.00 BUSHELS		\$84.00
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
TOTAL				\$89.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.44	25 LBS	\$11.00		\$11.00
CROP INSURANCE	\$0.08		\$0.08		\$0.08
SUBTOTAL			\$11.08		\$11.08

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	185 HP	0.16 HR		\$1.37	\$3.89	\$1.77	\$3.76	\$10.79
STUBBLE MULCHER	185 HP	0.08 HR		\$0.68	\$1.95	\$1.21	\$3.27	\$7.11
RODWEED (2X)	126 HP	0.16 HR		\$1.37	\$3.10	\$0.76	\$1.74	\$6.97
DRILL	126 HP	0.12 HR		\$1.03	\$2.33	\$0.79	\$3.12	\$7.27
SUBTOTAL		0.52 HR		\$4.45	\$11.27	\$4.53	\$11.89	\$32.14

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$2.71	\$0.58	\$3.41	\$7.90
HAUL	2 TON	0.14 HR		\$1.20	\$2.09	\$0.90	\$4.72	\$8.91
SUBTOTAL		0.28 HR		\$2.39	\$4.80	\$1.48	\$8.13	\$16.81

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			\$7.23				\$7.23
OTHER EXPENSES			\$18.35				\$18.35
SUBTOTAL	0.20 HR		\$18.48	\$10.17		\$0.33	\$28.98

TOTAL OPERATING EXPENSES	1.00 HR		\$29.56	\$17.01	\$16.07	\$6.01	\$20.35	\$89.01
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NET OPERATING PROFIT								(\$0.01)
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INTEREST ON OPERATING CAPITAL	(\$10.02	@	5.50%)			\$0.55
INTEREST ON EQUIPMENT INVESTMENT								\$8.29

RETURN TO LAND AND RISK								(\$8.84)
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BUDGET SUMMARY

GROSS RETURN		\$89.00		
VARIABLE OPERATING EXPENSES	\$51.65			
RETURN OVER VARIABLE EXPENSES		\$37.35	(GROSS MARGIN)	
FIXED EXPENSES	\$20.35			
NET FARM INCOME		\$17.01	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$17.01			
NET OPERATING PROFIT		(\$0.01)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$8.84			
RETURN TO LAND AND RISK		(\$8.84)		

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 2017
 Planting dates: June 15 - July 15
 Harvesting dates: September 20 - October 30

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$5.91	50.00 CWT							\$295.71
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT							\$0.00
DIRECT PAYMENT	\$0.00	50.00 CWT	0.85						\$0.00
TOTAL									\$295.71
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$1.70	5 LBS	\$8.50						\$8.50
NITROGEN (N)	\$0.22	80 LBS	\$17.60						\$17.60
PHOSPHATE (P205)	\$0.27	40 LBS	\$10.80						\$10.80
HERBICIDE	\$16.99	1 ACRE	\$16.99						\$16.99
PUMP WATER		12 AC. IN.							
CROP INSURANCE	\$0.14		\$0.14						\$0.14
SUBTOTAL									\$54.03
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEP	185 HP	0.08 HR		\$0.68	\$1.95	\$0.88	\$1.88	\$5.39	
DISC (2X)	185 HP	0.22 HR		\$1.88	\$5.36	\$3.29	\$7.06	\$17.59	
SPRAYER	126 HP	0.06 HR		\$0.51	\$1.16	\$0.28	\$1.17	\$3.13	
LISTER	185 HP	0.12 HR		\$1.03	\$2.92	\$1.00	\$3.08	\$8.03	
ROD WEED & PLANTER	185 HP	0.18 HR		\$1.54	\$4.38	\$1.52	\$5.92	\$13.37	
CULTIVATOR (2X)	126 HP	0.26 HR		\$2.22	\$5.04	\$2.00	\$3.87	\$13.13	
IRRIGATE (12X)		1.20 HR		\$9.00	\$49.98	\$0.00	\$10.32	\$69.30	
SUBTOTAL		2.12 HR		\$16.87	\$70.79	\$8.98	\$33.32	\$129.94	
HARVEST OPERATIONS									
COMBINE	22 FT	0.16		\$1.37	\$3.10	\$0.66	\$3.90	\$9.03	
HAUL	2 TON	0.16		\$1.37	\$2.39	\$1.03	\$5.40	\$10.18	
SUBTOTAL		0.32 HR		\$2.74	\$5.49	\$1.69	\$9.29	\$19.21	
OVERHEAD EXPENSES									
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				\$21.70				\$21.70	
OTHER EXPENSES			\$33.96					\$33.96	
SUBTOTAL		0.61 HR		\$34.35	\$30.44		\$0.82	\$65.62	
TOTAL OPERATING EXPENSES		2.73 HR		\$88.38	\$50.05	\$76.28	\$10.67	\$268.80	
NET OPERATING PROFIT									\$26.92
INTEREST ON OPERATING CAPITAL (\$47.55 @ 5.50%)									\$2.62
INTEREST ON EQUIPMENT INVESTMENT									\$17.89
RETURN TO LAND AND RISK									\$6.42

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

BUDGET SUMMARY

GROSS RETURN		\$295.71	
VARIABLE OPERATING EXPENSES	\$175.32		
RETURN OVER VARIABLE EXPENSES		\$120.40	(GROSS MARGIN)
FIXED EXPENSES	\$43.43		
NET FARM INCOME		\$76.96	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$50.05		
NET OPERATING PROFIT		\$26.92	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$20.50		
RETURN TO LAND AND RISK		\$6.42	

TABLE 8. Summary of per acre costs and returns for a 1,000 acre farm, Southern Quay County, Projected 2017

	WHEAT (Dryland)	GRAIN SORGHUM (Sprinkler)
	BU	CWT
PRIMARY YIELD	20.00	50.00
PRIMARY PRICE	\$4.20	\$5.91
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$0.00
GROSS RETURN	\$89.00	\$295.71
CASH OPERATING EXPENSES		
SEED	\$11.00	\$8.50
FERTILIZER		\$28.40
CHEMICALS		\$16.99
CROP INSURANCE	\$0.08	\$0.14
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$16.07	\$26.30
FUEL-IRRIGATION		\$49.98
REPAIRS	\$6.01	\$10.67
CUSTOM CHARGES		
LAND TAXES	\$0.33	\$0.82
OTHER EXPENSES	\$18.48	\$34.35
TOTAL CASH EXPENSES	\$51.97	\$176.14
RETURN OVER CASH EXPENSES	\$37.03	\$119.57
FIXED EXPENSES	\$20.02	\$42.61
TOTAL EXPENSES	\$71.99	\$218.75
NET FARM INCOME	\$17.01	\$76.96
LABOR AND MANAGEMENT COSTS	\$17.01	\$50.05
NET OPERATING PROFIT	(\$0.01)	\$26.92
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.55	\$2.62
INTEREST ON EQUIPMENT INVESTMENT	\$8.29	\$17.89
TOTAL CAPITAL COSTS	\$8.84	\$20.50
RETURN TO LAND AND RISK	(\$8.84)	\$6.42

TABLE 9. Whole farm summary, Southern Quay County,
Projected 2017

GROSS RETURNS		
WHEAT	607.75 ACRES	
CROP		\$51,051
GRAZING		\$3,039
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	357.25 ACRES	
CROP		\$105,644
COUNTER CYCLICAL PAYMENT		\$0
DIRECT PAYMENT		\$0
GROSS RETURN		<u>\$159,734</u>
CASH OPERATING EXPENSES		
SEED		\$9,722
FERTILIZER		\$10,146
CHEMICALS		\$6,068
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$19,164
FUEL-IRRIGATION		\$17,854
REPAIRS		\$7,463
CUSTOM CHARGES		\$0
LAND TAXES		\$492
OTHER EXPENSES		\$23,504
TOTAL CASH EXPENSES		<u>\$94,514</u>
RETURN OVER CASH EXPENSES		\$65,219
FIXED EXPENSES		\$27,389
TOTAL EXPENSES		\$121,903
NET FARM INCOME		\$37,830
LABOR AND MANAGEMENT COSTS		\$28,217
NET OPERATING PROFIT		\$9,613
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,269
INTEREST ON EQUIPMENT INVESTMENT		\$11,426
TOTAL CAPITAL COSTS		<u>\$12,695</u>
RETURN TO LAND AND RISK		<u>(\$3,082)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$7,582)	2.71%
\$300 /ACRE	(\$12,082)	1.90%
\$450 /ACRE	(\$16,582)	1.47%
\$600 /ACRE	(\$21,082)	1.19%
\$750 /ACRE	(\$25,582)	1.01%
\$900 /ACRE	(\$30,082)	0.87%

* 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)