

TABLE 1. Acreage Summary, Quay County, Projected 2013.

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 2013.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.61
Phosphate (P205)		\$/pound	\$0.60
Seed:			
Wheat		\$/pound	\$0.65
Grain Sorghum		\$/pound	\$2.04
Energy Costs:			
Diesel fuel		\$/gallon	\$3.00
Gasoline		\$/gallon	\$3.80
Electricity (Farmers Elec Coop)		cents/KwHr	8.27
LP Gas		\$/gallon	\$3.05
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	5.00%
Land Interest Rate		percent	5.00%
Equipment Interest Rate		percent	5.00%
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 2013.

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 2013.  
 Planting dates: August 20 - September 15  
 Harvesting dates: June 15 - July 10

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
WHEAT	\$7.75	20.00 BUSHELS		\$155.00
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>\$160.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.65	25 LBS	\$16.25		\$16.25
CROP INSURANCE	\$0.08		\$0.08		\$0.08
<b>SUBTOTAL</b>			<b>\$16.33</b>		<b>\$16.33</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	\$4.97	\$1.77	\$3.76	\$11.86
STUBBLE MULCHER	185 HP	0.08 HR		\$0.68	\$2.49	\$1.21	\$3.27	\$7.65
RODWEED (2X)	126 HP	0.16 HR		\$1.37	\$3.96	\$0.76	\$1.74	\$7.82
DRILL	126 HP	0.12 HR		\$1.03	\$2.97	\$0.79	\$3.12	\$7.91
<b>SUBTOTAL</b>		<b>0.52 HR</b>		<b>\$4.45</b>	<b>\$14.39</b>	<b>\$4.53</b>	<b>\$11.89</b>	<b>\$35.25</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$3.46	\$0.58	\$3.41	\$8.65
HAUL	2 TON	0.14 HR		\$1.20	\$2.67	\$0.90	\$4.72	\$9.49
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$6.13</b>	<b>\$1.48</b>	<b>\$8.13</b>	<b>\$18.14</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			\$12.20				\$12.20
OTHER EXPENSES		\$18.35					\$18.35
<b>SUBTOTAL</b>	<b>0.20 HR</b>	<b>\$18.48</b>	<b>\$15.14</b>			<b>\$0.33</b>	<b>\$33.95</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>1.00 HR</b>	<b>\$34.81</b>	<b>\$21.98</b>	<b>\$20.52</b>	<b>\$6.01</b>	<b>\$20.35</b>	<b>\$103.67</b>
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<b>NET OPERATING PROFIT</b>							<b>\$56.33</b>
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INTEREST ON OPERATING CAPITAL	(	\$13.53	@	5.00%	)		\$0.68
INTEREST ON EQUIPMENT INVESTMENT							\$7.53

<b>RETURN TO LAND AND RISK</b>							<b>\$48.12</b>
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BUDGET SUMMARY	
GROSS RETURN	\$160.00
VARIABLE OPERATING EXPENSES	\$61.35
RETURN OVER VARIABLE EXPENSES	\$98.65 (GROSS MARGIN)
FIXED EXPENSES	\$20.35
NET FARM INCOME	\$78.31 (RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$21.98
NET OPERATING PROFIT	\$56.33 (RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$8.21
RETURN TO LAND AND RISK	\$48.12

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 2013.  
 Planting dates: June 15 - July 15  
 Harvesting dates: September 20 - October 30

ITEM	PRICE	YIELD	BASE					TOTAL
<b>GROSS RETURNS</b>								
GRAIN SORGHUM	\$10.43	50.00 CWT						\$521.61
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>\$521.61</b>
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$2.04	5 LBS	\$10.20					\$10.20
NITROGEN (N)	\$0.61	80 LBS	\$48.80					\$48.80
PHOSPHATE (P205)	\$0.60	40 LBS	\$24.00					\$24.00
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>\$100.13</b>					<b>\$100.13</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	\$2.49	\$0.88	\$1.88	\$5.93
DISC (2X)	185 HP	0.22 HR		\$1.88	\$6.84	\$3.29	\$7.06	\$19.07
SPRAYER	126 HP	0.06 HR		\$0.51	\$1.48	\$0.28	\$1.17	\$3.45
LISTER	185 HP	0.12 HR		\$1.03	\$3.73	\$1.00	\$3.08	\$8.84
ROD WEED & PLANTER	185 HP	0.18 HR		\$1.54	\$5.59	\$1.52	\$5.92	\$14.58
CULTIVATOR (2X)	126 HP	0.26 HR		\$2.22	\$6.43	\$2.00	\$3.87	\$14.53
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>\$76.54</b>	<b>\$8.98</b>	<b>\$33.32</b>	<b>\$135.70</b>
<b>HARVEST OPERATIONS</b>								
COMBINE	22 FT	0.16		\$1.37	\$3.96	\$0.66	\$3.90	\$9.88
HAUL	2 TON	0.16		\$1.37	\$3.05	\$1.03	\$5.40	\$10.84
<b>SUBTOTAL</b>		<b>0.32 HR</b>		<b>\$2.74</b>	<b>\$7.01</b>	<b>\$1.69</b>	<b>\$9.29</b>	<b>\$20.73</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				\$37.51				\$37.51
OTHER EXPENSES			\$33.96					\$33.96
<b>SUBTOTAL</b>		<b>0.61 HR</b>	<b>\$34.35</b>	<b>\$46.26</b>			<b>\$0.82</b>	<b>\$81.43</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>2.73 HR</b>	<b>\$134.48</b>	<b>\$65.86</b>	<b>\$83.55</b>	<b>\$10.67</b>	<b>\$43.43</b>	<b>\$337.98</b>
<b>NET OPERATING PROFIT</b>								<b>\$183.62</b>
INTEREST ON OPERATING CAPITAL		( \$72.17 @	5.00%	)				\$3.61
INTEREST ON EQUIPMENT INVESTMENT								\$16.26
<b>RETURN TO LAND AND RISK</b>								<b>\$163.76</b>

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

BUDGET SUMMARY

GROSS RETURN		\$521.61	
VARIABLE OPERATING EXPENSES	\$228.69		
RETURN OVER VARIABLE EXPENSES		\$292.92	(GROSS MARGIN)
FIXED EXPENSES	\$43.43		
NET FARM INCOME		\$249.48	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$65.86		
NET OPERATING PROFIT		\$183.62	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$19.87		
RETURN TO LAND AND RISK		\$163.76	

TABLE 8. Summary of per acre costs and returns for a 1,000 acre farm, Southern Quay County, Projected 2013.

	WHEAT (Dryland)	GRAIN SORGHUM (Sprinkler)
	BU	CWT
PRIMARY YIELD	20.00	50.00
PRIMARY PRICE	\$7.75	\$10.43
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$0.00
GROSS RETURN	\$160.00	\$521.61
CASH OPERATING EXPENSES		
SEED	\$16.25	\$10.20
FERTILIZER		\$72.80
CHEMICALS		\$16.99
CROP INSURANCE	\$0.08	\$0.14
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$20.52	\$33.57
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	\$61.67	\$229.52
RETURN OVER CASH EXPENSES	\$98.33	\$292.09
FIXED EXPENSES	\$20.02	\$42.61
TOTAL EXPENSES	\$81.69	\$272.12
NET FARM INCOME	\$78.31	\$249.48
LABOR AND MANAGEMENT COSTS	\$21.98	\$65.86
NET OPERATING PROFIT	\$56.33	\$183.62
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.68	\$3.61
INTEREST ON EQUIPMENT INVESTMENT	\$7.53	\$16.26
TOTAL CAPITAL COSTS	\$8.21	\$19.87
RETURN TO LAND AND RISK	\$48.12	\$163.76

TABLE 9. Whole farm summary, Southern Quay County,  
Projected 2013.

GROSS RETURNS		
WHEAT	607.75 ACRES	
CROP		\$94,201
GRAZING		\$3,039
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	357.25 ACRES	
CROP		\$186,344
COUNTER CYCLICAL PAYMENT		\$0
DIRECT PAYMENT		\$0
GROSS RETURN		<u>\$283,584</u>
CASH OPERATING EXPENSES		
SEED		\$13,520
FERTILIZER		\$26,008
CHEMICALS		\$6,068
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$24,465
FUEL-IRRIGATION		\$17,854
REPAIRS		\$7,463
CUSTOM CHARGES		\$0
LAND TAXES		\$492
OTHER EXPENSES		\$23,504
TOTAL CASH EXPENSES		<u>\$119,475</u>
RETURN OVER CASH EXPENSES		\$164,109
FIXED EXPENSES		\$27,389
TOTAL EXPENSES		\$146,864
NET FARM INCOME		\$136,720
LABOR AND MANAGEMENT COSTS		\$36,887
NET OPERATING PROFIT		\$99,833
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,700
INTEREST ON EQUIPMENT INVESTMENT		\$10,388
TOTAL CAPITAL COSTS		<u>\$12,088</u>
RETURN TO LAND AND RISK		<u>\$87,745</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	\$83,245	28.11%
\$300 /ACRE	\$78,745	19.76%
\$450 /ACRE	\$74,245	15.24%
\$600 /ACRE	\$69,745	12.40%
\$750 /ACRE	\$65,245	10.45%
\$900 /ACRE	\$60,745	9.03%

\* 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)