

Millard County Crop Production Costs and Returns, 2012

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Introduction

Sample costs and returns to establish and produce alfalfa hay, barley, and corn under flood irrigation and wheat under wheel line irrigation in Millard County, Utah, are presented in this publication. This publication is intended to be a guide used to make production decisions, determine potential returns and prepare business and marketing plans. The practices described are not the recommendations of Utah State University, but rather the production practices and materials considered typical of a well-managed farm in the region, as determined by producer survey results from 2012. Costs, materials, and practices are not applicable to all situations as management and cultural practices vary among growers within the region. The “*Your Farm*” column in all tables is provided for your use.

Farm. The representative farm consists of 600 acres of land on which 200 acres are cultivated for alfalfa production, 200 acres for barley production (as a rotation crop to rest alfalfa), 70 acres for wheat production, and 100 acres for corn production. The market value in 2012 was approximately \$3,500 per acre for agricultural land in Millard County with water rights.

Crop Pricing. Five-year average pricing (2006-2010) for alfalfa hay is \$125/ton, barley \$3.48/bu, wheat \$6.90/bu, and corn (grain) \$4.43/bu (UDAF, 2011).

Owner Labor. The owner is provided \$45,000 annually for the 600 acre farm, or \$75/acre.

Hired Labor. Hired labor is paid \$10/hr, \$15,000 annually for the 600 acre farm, or \$25/acre.

Irrigation System. Wheel line system estimated at \$13,000 for a new ¼ mile with maximum of 40 acre coverage (Valley Irrigation Company, March 2011).

Cash Overhead. Cash overhead consists of various cash expenses paid out during the year. These costs include property taxes, interest, office expenses, liability and property insurance, accounting/legal costs, as well as investment/machinery repairs.

Property Taxes. Property taxes in Utah differ across counties. For the purposes of this publication, property taxes on buildings are calculated at 1 percent of the average asset value of the property. Property taxes on land should be taken into consideration, but are not included here.

Insurance. Insurance on farm investments vary, depending on the assets included and the amount of coverage. Property insurance provides coverage for property loss at .666 percent of the average asset value. Liability and crop insurance covers accidents and crop loss on the 600 acre farm at an annual cost of \$5,000.

Fuel and Lube. The fuel and lube for machinery and vehicles is calculated at 8 percent of the average asset value.

Investment Repairs. Annual repairs on all farm investments or capital recovery items that require average asset value for buildings, improvements, maintenance are calculated at 2 percent of the and equipment and 7 percent of

the average asset value for machinery and vehicles.

Office & Travel. Office and travel costs are estimated at \$2,000 for an average year for the 600 acre farm. These expenses include office supplies, telephone service, Internet service, and travel expenses to educational seminars.

Accounting & Legal. Annual accounting and legal costs are estimated at \$2,000 for an average year for the 600 acre farm.

Capital Recovery. Capital recovery costs are the annual depreciation (opportunity cost) of all farm investments. Capital recovery costs are calculated using straight line depreciation. All equipment listed is new unless otherwise noted. For used machinery the price is calculated as one-half of the new purchase price and useful life is two-thirds that of new machinery (Painter, 2011).

Salvage Value. Salvage value is 10 percent of the purchase price, which is an estimate of the remaining value of an investment at the end of its useful life. The

salvage value for land is the purchase price, as land does not normally depreciate.

Average Asset Value Computation

$$\left(\frac{\text{Purchase Price} + \text{Salvage Value}}{2} \right)$$

Straight Line Depreciation Computation

$$\left(\frac{\text{Purchase Price} - \text{Salvage Value}}{\text{Useful Life}} \right)$$

References

- Painter, Kathleen. 2011. The Costs of Owning and Operating Farm Machinery in the Pacific Northwest 2011. A Pacific Northwest Publication #346. University of Idaho, Washington State University, and Oregon State University.
- Utah Department of Agriculture and Food. 2011. 2011 Utah Agriculture Statistics and Utah Department of Agriculture and Food Annual Report.

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Table 1: Millard County Alfalfa Hay Establishment Costs, 200 acres, 2012.

	Total Units	Unit	Price/Cost Per Unit	Total Cost/Value	Total Cost/Value Per Acre	Your Farm
OPERATING COSTS						
Insecticide	200.00	Acre	\$ 20.00	\$ 4,000.00	\$ 20.00	_____
Herbicide	200.00	Acre	\$ 20.00	\$ 4,000.00	\$ 20.00	_____
Fertilizer	200.00	Acre	\$ 52.50	\$ 10,500.00	\$ 52.50	_____
Fertilizer (Establishment)	1.00	Annual	\$ 4,000.00	\$ 4,000.00	\$ 20.00	_____
Rodent Control	1.00	Annual	\$ 400.00	\$ 400.00	\$ 2.00	_____
Custom Chemical App	200.00	Acre	\$ 5.50	\$ 1,100.00	\$ 5.50	_____
Custom Soil Prep	200.00	Acre	\$ 10.00	\$ 2,000.00	\$ 10.00	_____
Testing (Soil & Forage)	1.00	Annual	\$ 300.00	\$ 300.00	\$ 1.50	_____
Custom Baling/Raking	1.00	Annual	\$ 17,000.00	\$ 17,000.00	\$ 85.00	_____
Irrigation	1.00	Annual	\$ 4,950.00	\$ 4,950.00	\$ 24.75	_____
Alfalfa Seed	200.00	Acre	\$ 15.00	\$ 3,000.00	\$ 15.00	_____
Labor	200.00	Acre	\$ 25.00	\$ 5,000.00	\$ 25.00	_____
Operator Labor	200.00	Acre	\$ 75.00	\$ 15,000.00	\$ 75.00	_____
Fuel & Lube	1.00	Annual	\$ 3,296.92	\$ 3,296.92	\$ 16.48	_____
Maintenance	1.00	Annual	\$ 3,120.76	\$ 3,120.76	\$ 15.60	_____
Miscellaneous	200.00	Acre	\$ 5.00	\$ 1,000.00	\$ 5.00	_____
TOTAL OPERATING COSTS				\$ 78,667.68	\$ 393.34	
OWNERSHIP COSTS						
CASH OVERHEAD COSTS						
Liability/Crop Insurance				\$ 1,650.00	\$ 8.25	_____
Accounting & Legal				\$ 660.00	\$ 3.30	_____
Office & Travel				\$ 660.00	\$ 3.30	_____
Annual Investment Insurance				\$ 353.04	\$ 1.77	_____
Annual Investment Taxes				\$ 72.60	\$ 0.36	_____
TOTAL CASH OVERHEAD COSTS				\$ 3,395.64	\$ 16.98	
NONCASH OVERHEAD COSTS (Capital Recovery)						
Buildings, Improvements, & Equipment				\$ 792.00	\$ 3.96	_____
Machinery & Vehicles				\$ 8,609.91	\$ 43.05	_____
TOTAL NONCASH OVERHEAD COSTS				\$ 9,401.91	\$ 47.01	
TOTAL OWNERSHIP COSTS				\$ 12,797.55	\$ 63.99	
TOTAL COSTS				\$ 91,465.23	\$ 457.33	
YEAR ONE INCOME						
Alfalfa Hay	4.00	Tons	\$ 125.00	\$ 100,000.00	\$ 500.00	_____
TOTAL GROSS INCOME				\$ 100,000.00	\$ 500.00	
TOTAL ESTABLISHMENT INVESTMENT				\$ (8,534.77)	\$ (42.67)	

Table 2: Millard County Alfalfa Hay Production Costs and Returns, 200 acres, 2012.

	Total Units	Unit	Price/Cost Per Unit	Total Cost/Value	Total Cost/Value Per Acre	Your Farm
GROSS INCOME						
Alfalfa Hay	5.25	Tons	\$ 125.00	\$ 131,250.00	\$ 656.25	_____
TOTAL GROSS INCOME				\$ 131,250.00	\$ 656.25	
OPERATING COSTS						
Insecticide	200.00	Acre	\$ 20.00	\$ 4,000.00	\$ 20.00	_____
Herbicide	200.00	Acre	\$ 20.00	\$ 4,000.00	\$ 20.00	_____
Fertilizer	200.00	Acre	\$ 52.50	\$ 10,500.00	\$ 52.50	_____
Rodent Control	1.00	Annual	\$ 400.00	\$ 400.00	\$ 2.00	_____
Custom Chemical App	200.00	Acre	\$ 5.50	\$ 1,100.00	\$ 5.50	_____
Testing (Soil & Forage)	1.00	Annual	\$ 300.00	\$ 300.00	\$ 1.50	_____
Custom Bailing/Raking	1.00	Annual	\$17,000.00	\$ 17,000.00	\$ 85.00	_____
Irrigation	1.00	Acre	\$ 4,950.00	\$ 4,950.00	\$ 24.75	_____
Labor	200.00	Acre	\$ 25.00	\$ 5,000.00	\$ 25.00	_____
Operator Labor	200.00	Acre	\$ 75.00	\$ 15,000.00	\$ 75.00	_____
Fuel & Lube	1.00	Annual	\$ 3,296.92	\$ 3,296.92	\$ 16.48	_____
Maintenance	1.00	Annual	\$ 3,120.76	\$ 3,120.76	\$ 15.60	_____
Miscellaneous	200.00	Acre	\$ 5.00	\$ 1,000.00	\$ 5.00	_____
TOTAL OPERATING COSTS				\$ 69,667.68	\$ 348.34	
INCOME ABOVE OPERATING COSTS				\$ 61,582.33	\$ 307.91	
OWNERSHIP COSTS						
CASH OVERHEAD COSTS						
Liability/Crop Insurance				\$ 1,650.00	\$ 8.25	_____
Accounting & Legal				\$ 660.00	\$ 3.30	_____
Office & Travel				\$ 660.00	\$ 3.30	_____
Annual Investment Insurance				\$ 353.04	\$ 1.77	_____
Annual Investment Taxes				\$ 72.60	\$ 0.36	_____
TOTAL CASH OVERHEAD COSTS				\$ 3,395.64	\$ 16.98	
NONCASH OVERHEAD COSTS (Capital Recovery)						
Buildings, Improvements, & Equipment				\$ 792.00	\$ 3.96	_____
Machinery & Vehicles				\$ 8,609.91	\$ 43.05	_____
TOTAL NONCASH OVERHEAD COSTS				\$ 9,401.91	\$ 47.01	
TOTAL OWNERSHIP COSTS				\$ 12,797.55	\$ 63.99	
TOTAL COSTS				\$ 82,465.23	\$ 412.33	
NET PROJECTED RETURNS				\$ 48,784.77	\$ 243.92	

Table 3: Alfalfa Production Investment Summary.

Description	Purchase Price	Percentage Use	Purchase Price	Useful Life (Yrs)	Salvage Value	Annual Capital Recovery	Annual Insurance	Annual Taxes	Annual Repairs	Annual Fuel & Lube
Buildings, Improvements, and Equipment										
Land	\$ 2,100,000.00	33%	\$ 693,000.00	150.00	\$ 693,000.00	\$ -	\$ -	TBD	\$ -	\$ -
Shop (40X100) & Tools	\$ 40,000.00	33%	\$ 13,200.00	40.00	\$ 1,320.00	\$ 297.00	\$ 48.35	\$ 72.60	\$ 145.20	\$ -
Implements	\$ 25,000.00	33%	\$ 8,250.00	15.00	\$ 825.00	\$ 495.00	\$ 30.22	\$ -	\$ 90.75	\$ -
Alfalfa Establishment	\$ -	100%	\$ -	4.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total Pre-Establishment	\$ 2,165,000.00		\$ 714,450.00		\$ 695,145.00	\$ 792.00	\$ 78.57	\$ 72.60	\$ 235.95	\$ -
Sub Total Post-Establishment	\$ 2,165,000.00		\$ 714,450.00		\$ 695,145.00	\$ 792.00	\$ 78.57	\$ 72.60	\$ 235.95	\$ -
Machinery and Vehicles										
85 HP Tractor (used)	\$ 26,000.00	33%	\$ 8,580.00	10.00	\$ 858.00	\$ 772.20	\$ 31.43	\$ -	\$ 330.33	\$ 377.52
95 HP Tractor (used)	\$ 31,000.00	33%	\$ 10,230.00	10.00	\$ 1,023.00	\$ 920.70	\$ 37.47	\$ -	\$ 393.86	\$ 450.12
145 HP Tractor (used)	\$ 59,000.00	33%	\$ 19,470.00	10.00	\$ 1,947.00	\$ 1,752.30	\$ 71.32	\$ -	\$ 749.60	\$ 856.68
Sw ather (used)	\$ 20,000.00	43%	\$ 8,600.00	7.00	\$ 860.00	\$ 1,105.71	\$ 31.50	\$ -	\$ 331.10	\$ 378.40
2 ton flatbed (used)	\$ 15,000.00	33%	\$ 4,950.00	7.00	\$ 495.00	\$ 636.43	\$ 18.13	\$ -	\$ 190.58	\$ 217.80
Dumptruck (used)	\$ 20,000.00	33%	\$ 6,600.00	7.00	\$ 660.00	\$ 848.57	\$ 24.18	\$ -	\$ 254.10	\$ 290.40
4-Wheeler (used)	\$ 10,000.00	33%	\$ 3,300.00	5.00	\$ 330.00	\$ 594.00	\$ 12.09	\$ -	\$ 127.05	\$ 145.20
3/4 Ton Pickup (used)	\$ 40,000.00	33%	\$ 13,200.00	6.00	\$ 1,320.00	\$ 1,980.00	\$ 48.35	\$ -	\$ 508.20	\$ 580.80
Sub Total			\$ 74,930.00		\$ 7,493.00	\$ 8,609.91	\$ 274.47	\$ -	\$ 2,884.81	\$ 3,296.92
Total			\$ 789,380.00		\$ 702,638.00	\$ 9,401.91	\$ 353.04	\$ 72.60	\$ 3,120.76	\$ 3,296.92

Table 4: Millard County Barley Production Costs and Returns, 200 acres, 2012.

	Total Units	Unit	Price/Cost Per Unit	Total Cost/Value	Total Cost/Value Per Acre	Your Farm
GROSS INCOME						
Barley	90.00	Bushels	\$ 3.48	\$ 62,640.00	\$ 313.20	_____
Straw	1.50	Ton	\$ 50.00	\$ 15,000.00	\$ 75.00	_____
TOTAL GROSS INCOME				\$ 77,640.00	\$ 388.20	
OPERATING COSTS						
Insecticide	200.00	Acre	\$ 18.70	\$ 3,740.00	\$ 18.70	_____
Herbicide	200.00	Acre	\$ 13.40	\$ 2,680.00	\$ 13.40	_____
Fertilizer	200.00	Acre	\$ 123.25	\$ 24,650.00	\$ 123.25	_____
Custom Seed	200.00	Acre	\$ 15.00	\$ 3,000.00	\$ 15.00	_____
Custom Combine	200.00	Acre	\$ 40.00	\$ 8,000.00	\$ 40.00	_____
Testing (Soil)	1.00	Annual	\$ 240.00	\$ 240.00	\$ 1.20	_____
Seed	200.00	Acre	\$ 16.00	\$ 3,200.00	\$ 16.00	_____
Custom Chemical App	200.00	Acre	\$ 6.00	\$ 1,200.00	\$ 6.00	_____
Irrigation	1.00	Annual	\$ 4,950.00	\$ 4,950.00	\$ 24.75	_____
Labor	200.00	Acre	\$ 25.00	\$ 5,000.00	\$ 25.00	_____
Operator Labor	200.00	Acre	\$ 75.00	\$ 15,000.00	\$ 75.00	_____
Fuel & Lube	1.00	Annual	\$ 3,296.92	\$ 3,296.92	\$ 16.48	_____
Maintenance	1.00	Annual	\$ 3,120.76	\$ 3,120.76	\$ 15.60	_____
Miscellaneous	200.00	Acre	\$ 5.00	\$ 1,000.00	\$ 5.00	_____
TOTAL OPERATING COSTS				\$ 79,077.68	\$ 395.39	
INCOME ABOVE OPERATING COSTS				\$ (1,437.68)	\$ (7.19)	
OWNERSHIP COSTS						
CASH OVERHEAD COSTS						
Liability/Crop Insurance				\$ 1,680.00	\$ 8.40	_____
Accounting & Legal				\$ 660.00	\$ 3.30	_____
Office & Travel				\$ 660.00	\$ 3.30	_____
Annual Investment Insurance				\$ 353.04	\$ 1.77	_____
Annual Investment Taxes				\$ 72.60	\$ 0.36	_____
TOTAL CASH OVERHEAD COSTS				\$ 3,425.64	\$ 17.13	
NONCASH OVERHEAD COSTS (Capital Recovery)						
Buildings, Improvements, & Equipment				\$ 792.00	\$ 3.96	_____
Machinery & Vehicles				\$ 8,609.91	\$ 43.05	_____
TOTAL NONCASH OVERHEAD COSTS				\$ 9,401.91	\$ 47.01	
TOTAL OWNERSHIP COSTS				\$ 12,827.55	\$ 64.14	
TOTAL COSTS				\$ 91,905.23	\$ 459.53	
NET PROJECTED RETURNS				\$ (14,265.23)	\$ (71.33)	

Table 5: Barley Production Investment Summary.

Description	Purchase Price	Percentage Use	Purchase Price	Useful Life (Yrs)	Salvage Value	Annual Capital Recovery	Annual Insurance	Annual Taxes	Annual Repairs	Annual Fuel & Lube
Buildings, Improvements, and Equipment										
Land	\$ 2,100,000.00	33%	\$ 693,000.00	150.00	\$ 693,000.00	\$ -	\$ -	TBD	\$ -	\$ -
Shop (40X100) & Tools	\$ 40,000.00	33%	\$ 13,200.00	40.00	\$ 1,320.00	\$ 297.00	\$ 48.35	\$ 72.60	\$ 145.20	\$ -
Implements	\$ 25,000.00	33%	\$ 8,250.00	15.00	\$ 825.00	\$ 495.00	\$ 30.22	\$ -	\$ 90.75	\$ -
Sub Total			\$ 714,450.00	NA	\$ 695,145.00	\$ 792.00	\$ 78.57	\$ 72.60	\$ 235.95	\$ -
Machinery and Vehicles										
85 HP Tractor (used)	\$ 26,000.00	33%	\$ 8,580.00	10.00	\$ 858.00	\$ 772.20	\$ 31.43	\$ -	\$ 330.33	\$ 377.52
95 HP Tractor (used)	\$ 31,000.00	33%	\$ 10,230.00	10.00	\$ 1,023.00	\$ 920.70	\$ 37.47	\$ -	\$ 393.86	\$ 450.12
145 HP Tractor (used)	\$ 59,000.00	33%	\$ 19,470.00	10.00	\$ 1,947.00	\$ 1,752.30	\$ 71.32	\$ -	\$ 749.60	\$ 856.68
Sw ather (used)	\$ 20,000.00	43%	\$ 8,600.00	7.00	\$ 860.00	\$ 1,105.71	\$ 31.50	\$ -	\$ 331.10	\$ 378.40
2 ton flatbed (used)	\$ 15,000.00	33%	\$ 4,950.00	7.00	\$ 495.00	\$ 636.43	\$ 18.13	\$ -	\$ 190.58	\$ 217.80
Dumptruck (used)	\$ 20,000.00	33%	\$ 6,600.00	7.00	\$ 660.00	\$ 848.57	\$ 24.18	\$ -	\$ 254.10	\$ 290.40
4-Wheeler	\$ 10,000.00	33%	\$ 3,300.00	5.00	\$ 330.00	\$ 594.00	\$ 12.09	\$ -	\$ 127.05	\$ 145.20
3/4 Ton Pickup	\$ 40,000.00	33%	\$ 13,200.00	6.00	\$ 1,320.00	\$ 1,980.00	\$ 48.35	\$ -	\$ 508.20	\$ 580.80
Sub Total			\$ 74,930.00	NA	\$ 7,493.00	\$ 8,609.91	\$ 274.47	\$ -	\$ 2,884.81	\$ 3,296.92
Total			\$ 789,380.00	NA	\$ 702,638.00	\$ 9,401.91	\$ 353.04	\$ 72.60	\$ 3,120.76	\$ 3,296.92

Table 6: Millard County Corn Production Costs and Returns, 100 acres, 2012.

	Total Units	Unit	Price/Cost Per Unit	Total Cost/Value	Total Cost/Value Per Acre	Your Farm
GROSS INCOME						
Grain Corn	160.00	Bushels	\$ 4.43	\$ 70,880.00	\$ 708.80	_____
TOTAL GROSS INCOME				\$ 70,880.00	\$ 708.80	
OPERATING COSTS						
Herbicide	100.00	Acre	\$ 32.00	\$ 3,200.00	\$ 32.00	_____
Fertilizer	100.00	Acre	\$ 84.00	\$ 8,400.00	\$ 84.00	_____
Seed	100.00	Acre	\$ 112.00	\$ 11,200.00	\$ 112.00	_____
Custom Chemical App	100.00	Acre	\$ 7.00	\$ 700.00	\$ 7.00	_____
Irrigation	1.00	Annual	\$ 2,700.00	\$ 2,700.00	\$ 27.00	_____
Labor	100.00	Acre	\$ 25.00	\$ 2,500.00	\$ 25.00	_____
Operator Labor	100.00	Acre	\$ 75.00	\$ 7,500.00	\$ 75.00	_____
Fuel & Lube	1.00	Annual	\$ 5,991.92	\$ 5,991.92	\$ 59.92	_____
Maintenance	1.00	Annual	\$ 6,295.63	\$ 6,295.63	\$ 62.96	_____
Miscellaneous	100.00	Acre	\$ 5.00	\$ 500.00	\$ 5.00	_____
TOTAL OPERATING COSTS				\$ 48,987.55	\$ 489.88	
INCOME ABOVE OPERATING COSTS				\$ 21,892.45	\$ 218.92	
OWNERSHIP COSTS						
CASH OVERHEAD COSTS						
Liability/Crop Insurance				\$ 900.00	\$ 9.00	_____
Accounting & Legal				\$ 360.00	\$ 3.60	_____
Office & Travel				\$ 360.00	\$ 3.60	_____
Annual Investment Insurance				\$ 849.38	\$ 8.49	_____
Annual Investment Taxes				\$ 501.60	\$ 5.02	_____
TOTAL CASH OVERHEAD COSTS				\$ 2,970.98	\$ 29.71	
NONCASH OVERHEAD COSTS (Capital Recovery)						
Buildings, Improvements, & Equipment				\$ 2,322.00	\$ 23.22	_____
Machinery & Vehicles				\$ 11,593.20	\$ 115.93	_____
TOTAL NONCASH OVERHEAD COSTS				\$ 13,915.20	\$ 139.15	
TOTAL OWNERSHIP COSTS				\$ 16,886.18	\$ 168.86	
TOTAL COSTS				\$ 65,873.73	\$ 658.74	
NET PROJECTED RETURNS				\$ 5,006.27	\$ 50.06	

Table 7: Corn Production Investment Summary.

Description	Purchase Price	Percentage Use	Purchase Price	Useful Life (Yrs)	Salvage Value	Annual Capital Recovery	Annual Insurance	Annual Taxes	Annual Repairs	Annual Fuel & Lube
Buildings, Improvements, and Equipment										
Land	\$ 2,100,000.00	18%	\$ 378,000.00	150.00	\$ 378,000.00	\$ -	\$ -	TBD	\$ -	\$ -
Shop (40X100) & Tools	\$ 40,000.00	18%	\$ 7,200.00	40.00	\$ 720.00	\$ 162.00	\$ 26.37	\$ 39.60	\$ 79.20	\$ -
Implements	\$ 25,000.00	18%	\$ 4,500.00	15.00	\$ 450.00	\$ 270.00	\$ 16.48	\$ -	\$ 49.50	\$ -
2 Graineries	\$ 84,000.00	100%	\$ 84,000.00	40.00	\$ 8,400.00	\$ 1,890.00	\$ 307.69	\$ 462.00	\$ 924.00	\$ -
Sub Total			\$ 473,700.00	NA	\$ 387,570.00	\$ 2,322.00	\$ 350.55	\$ 501.60	\$ 1,052.70	\$ -
Machinery and Vehicles										
85 HP Tractor (used)	\$ 26,000.00	18%	\$ 4,680.00	10.00	\$ 468.00	\$ 421.20	\$ 17.14	\$ -	\$ 180.18	\$ 205.92
95 HP Tractor (used)	\$ 31,000.00	18%	\$ 5,580.00	10.00	\$ 558.00	\$ 502.20	\$ 20.44	\$ -	\$ 214.83	\$ 245.52
145 HP Tractor (used)	\$ 59,000.00	18%	\$ 10,620.00	10.00	\$ 1,062.00	\$ 955.80	\$ 38.90	\$ -	\$ 408.87	\$ 467.28
Combine (used)	\$ 100,000.00	100%	\$ 100,000.00	12.00	\$ 10,000.00	\$ 7,500.00	\$ 366.30	\$ -	\$ 3,850.00	\$ 4,400.00
2 ton flatbed (used)	\$ 15,000.00	18%	\$ 2,700.00	7.00	\$ 270.00	\$ 347.14	\$ 9.89	\$ -	\$ 103.95	\$ 118.80
Dumptruck (used)	\$ 20,000.00	18%	\$ 3,600.00	7.00	\$ 360.00	\$ 462.86	\$ 13.19	\$ -	\$ 138.60	\$ 158.40
4-Wheeler	\$ 10,000.00	18%	\$ 1,800.00	5.00	\$ 180.00	\$ 324.00	\$ 6.59	\$ -	\$ 69.30	\$ 79.20
3/4 Ton Pickup	\$ 40,000.00	18%	\$ 7,200.00	6.00	\$ 720.00	\$ 1,080.00	\$ 26.37	\$ -	\$ 277.20	\$ 316.80
Sub Total			\$ 136,180.00	NA	\$ 13,618.00	\$ 11,593.20	\$ 498.83	\$ -	\$ 5,242.93	\$ 5,991.92
Total			\$ 609,880.00	NA	\$ 401,188.00	\$13,915.20	\$ 849.38	\$ 501.60	\$ 6,295.63	\$ 5,991.92

Table 8: Millard County Wheat Production Costs and Returns, 70 acres, 2012.

	Total Units	Unit	Price/Cost Per Unit	Total Cost/Value	Total Cost/Value Per Acre	Your Farm
GROSS INCOME						
Wheat	80.00	Bushels	\$ 6.90	\$ 38,640.00	\$ 552.00	_____
TOTAL GROSS INCOME				\$ 38,640.00	\$ 552.00	
OPERATING COSTS						
Herbicide	1.00	Annual	\$ 815.20	\$ 815.20	\$ 11.65	_____
Fertilizer	1.00	Annual	\$ 4,445.00	\$ 4,445.00	\$ 63.50	_____
Seed	1.00	Annual	\$ 6,063.81	\$ 6,063.81	\$ 86.63	_____
Custom Chop	70.00	Acre	\$ 67.80	\$ 4,746.00	\$ 67.80	_____
Irrigation	1.00	Annual	\$ 1,800.00	\$ 1,800.00	\$ 25.71	_____
Labor	70.00	Acre	\$ 25.00	\$ 1,750.00	\$ 25.00	_____
Operator Labor	70.00	Acre	\$ 75.00	\$ 5,250.00	\$ 75.00	_____
Fuel & Lube	1.00	Annual	\$ 2,002.88	\$ 2,002.88	\$ 28.61	_____
Maintenance	1.00	Annual	\$ 2,124.32	\$ 2,124.32	\$ 30.35	_____
Miscellaneous	70.00	Acre	\$ 5.00	\$ 350.00	\$ 5.00	_____
TOTAL OPERATING COSTS				\$ 29,347.21	\$ 419.25	
INCOME ABOVE OPERATING COSTS				\$ 9,292.79	\$ 132.75	
OWNERSHIP COSTS						
CASH OVERHEAD COSTS						
Liability/Crop Insurance				\$ 600.00	\$ 8.57	_____
Accounting & Legal				\$ 240.00	\$ 3.43	_____
Office & Travel				\$ 240.00	\$ 3.43	_____
Annual Investment Insurance				\$ 290.55	\$ 4.15	_____
Annual Investment Taxes				\$ 26.40	\$ 0.38	_____
TOTAL CASH OVERHEAD COSTS				\$ 1,396.95	\$ 19.96	
NONCASH OVERHEAD COSTS (Capital Recovery)						
Buildings, Improvements, & Equipment				\$ 1,224.00	\$ 17.49	_____
Machinery & Vehicles				\$ 5,480.23	\$ 78.29	_____
TOTAL NONCASH OVERHEAD COSTS				\$ 6,704.23	\$ 95.77	
TOTAL OWNERSHIP COSTS				\$ 8,101.18	\$ 115.73	
TOTAL COSTS				\$ 37,448.39	\$ 534.98	
NET PROJECTED RETURNS				\$ 1,191.61	\$ 17.02	

Table 9: Wheat Production Investment Summary.

Description	Purchase Price	Percentage Use	Purchase Price	Useful Life (Yrs)	Salvage Value	Annual Capital Recovery	Annual Insurance	Annual Taxes	Annual Repairs	Annual Fuel & Lube
Buildings, Improvements, and Equipment										
Land	\$ 2,100,000.00	12%	\$ 252,000.00	150.00	\$ 252,000.00	\$ -	\$ -	TBD	\$ -	\$ -
Shop (40X100) & Tools	\$ 40,000.00	12%	\$ 4,800.00	40.00	\$ 480.00	\$ 108.00	\$ 17.58	\$ 26.40	\$ 52.80	\$ -
Implements	\$ 25,000.00	12%	\$ 3,000.00	15.00	\$ 300.00	\$ 180.00	\$ 10.99	\$ -	\$ 33.00	\$ -
Irrigation System (Wheel Line)	\$ 26,000.00	100%	\$ 26,000.00	25.00	\$ 2,600.00	\$ 936.00	\$ 95.24	\$ -	\$ 286.00	\$ -
Sub Total			\$ 285,800.00	NA	\$ 255,380.00	\$ 1,224.00	\$ 123.81	\$ 26.40	\$ 371.80	\$ -
Machinery and Vehicles										
85 HP Tractor (used)	\$ 26,000.00	12%	\$ 3,120.00	10.00	\$ 312.00	\$ 280.80	\$ 11.43	\$ -	\$ 120.12	\$ 137.28
95 HP Tractor (used)	\$ 31,000.00	12%	\$ 3,720.00	10.00	\$ 372.00	\$ 334.80	\$ 13.63	\$ -	\$ 143.22	\$ 163.68
145 HP Tractor (used)	\$ 59,000.00	12%	\$ 7,080.00	10.00	\$ 708.00	\$ 637.20	\$ 25.93	\$ -	\$ 272.58	\$ 311.52
Cultipacker (used)	\$ 18,000.00	100%	\$ 18,000.00	7.00	\$ 1,800.00	\$ 2,314.29	\$ 65.93	\$ -	\$ 693.00	\$ 792.00
Sw ather (used)	\$ 20,000.00	17%	\$ 3,400.00	7.00	\$ 340.00	\$ 437.14	\$ 12.45	\$ -	\$ 130.90	\$ 149.60
2 ton flatbed (used)	\$ 15,000.00	12%	\$ 1,800.00	7.00	\$ 180.00	\$ 231.43	\$ 6.59	\$ -	\$ 69.30	\$ 79.20
Dumptruck (used)	\$ 20,000.00	12%	\$ 2,400.00	7.00	\$ 240.00	\$ 308.57	\$ 8.79	\$ -	\$ 92.40	\$ 105.60
4-Wheeler	\$ 10,000.00	12%	\$ 1,200.00	5.00	\$ 120.00	\$ 216.00	\$ 4.40	\$ -	\$ 46.20	\$ 52.80
3/4 Ton Pickup	\$ 40,000.00	12%	\$ 4,800.00	6.00	\$ 480.00	\$ 720.00	\$ 17.58	\$ -	\$ 184.80	\$ 211.20
Sub Total			\$ 45,520.00	NA	\$ 4,552.00	\$ 5,480.23	\$ 166.74	\$ -	\$ 1,752.52	\$ 2,002.88
Total			\$ 331,320.00	NA	\$ 259,932.00	\$ 6,704.23	\$ 290.55	\$ 26.40	\$ 2,124.32	\$ 2,002.88