



WHEAT PRODUCTION BUDGET Conservation Till- 2009
Grain and Straw Harvested

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ITEM	EXPLANATION			YOUR PROD. NUMBERS	PRICE PER UNIT	YIELD (bu/A)			YOUR BUDGET
						52	67	82	91
RECEIPTS									
Wheat (Grain Only) ¹					\$4.00 /bu	208.00	268.00	328.00	364.00
LDP ²		\$2.75	County Loan Price		\$0.00	0.00	0.00	0.00	0.00
Direct Payment ²	42.50	52.00	64.00	64.00	\$0.52	18.79	22.98	28.29	28.29
C.C. Payment ²	46.75	60.80	74.80	74.80	\$0.00	0.00	0.00	0.00	0.00
Total Wheat Receipts						226.79	290.98	356.29	392.29
VARIABLE COSTS									
Seed		1,400,000	seeds	1,400,000	0.0225 /1000	31.50	31.50	31.50	31.50
Fertilizer ³									
N (lbs.)	43.5	69.8	96.0	111.8	0.714 /lb	31.07	49.82	68.57	79.82
P ₂ O ₅ (lbs)	32.8	42.2	51.7	57.3	0.769 /lb	25.20	32.47	39.74	44.10
K ₂ O(lbs)	39.2	44.8	50.3	53.7	0.717 /lb	28.12	32.10	36.08	38.46
Lime(ton)		0.25			23.5 /ton	5.88	5.88	5.88	5.88
Chemicals ⁴						13.00	13.00	13.00	13.00
Herbicide						0.00	0.00	0.00	0.00
Insecticide						0.00	0.00	0.00	0.00
Fungicide						0.00	0.00	0.00	0.00
Trucking - Fuel Only					\$0.15 /bu	7.80	10.05	12.30	13.65
Fuel, Oil, Grease ⁵						10.37	10.37	10.37	10.37
Repairs ⁶						9.15	9.15	9.15	9.15
Crop Insurance						10.50	10.50	11.00	11.50
Miscellaneous ⁷						6.00	6.00	6.00	6.00
Int. on Oper. Cap. ⁸		8	mo.		9.0%	10.25	12.05	13.88	14.99
Hired Labor ⁹						0.00	0.00	0.00	0.00
TOTAL VARIABLE COSTS		-Per Acre				188.83	222.88	257.46	278.41
		-Per Bushel				3.63	3.33	3.14	3.06
FIXED COSTS									
Labor Charge ⁹		2	hours		13.50 /hr	27.00	27.00	27.00	27.00
Mach. And Equip. Charge ¹⁰						55.16	55.16	55.16	55.16
Land Charge ¹¹						100.00	130.00	165.00	200.00
Management Charge		5%	of gross revenue			10.40	13.40	16.40	18.20
TOTAL FIXED COSTS						192.56	225.56	263.56	300.36
TOTAL COSTS (Grain Only)		-Per Acre				381.40	448.44	521.02	578.78
		-Per Bushel				7.91	7.09	6.65	7.06
RETURN ABOVE VARIABLE COSTS						37.95	68.10	98.83	113.87
RETURN ABOVE TOTAL COSTS						-154.61	-157.46	-164.73	-186.49
RETURN TO LABOR AND MANAGEMENT ¹²						-117.21	-117.06	-121.33	-141.29
RETURN TO LAND						-54.61	-27.46	0.27	13.51
RECEIPTS (Straw Only)	1	1.1	1.2	1.2	60 /ton	60.00	66.00	72.00	72.00
VARIABLE COSTS (Straw Only)									
Fertilizer ³									
P ₂ O ₅ (lbs)	4.7	6.0	7.4	8.2	0.769 /lb	3.60	4.64	5.68	6.30
K ₂ O(lbs)	47.3	61.0	74.6	82.8	0.717 /lb	33.91	43.70	53.48	59.35
Fuel, Oil, Grease ⁵						3.41	3.41	3.41	3.41
Repairs ⁶						3.16	3.16	3.16	3.16
Miscellaneous						2.00	2.00	2.00	2.00
Hired Labor ⁹						0.00	0.00	0.00	0.00
TOTAL VARIABLE COSTS- Per Acre						46.08	56.90	67.72	74.22
FIXED COSTS (Straw Only)									
Labor Charge ⁹		0.5	hours		13.50 /hour	6.75	6.75	6.75	6.75
Mach. & Equip. Charge ¹⁰						9.95	9.95	9.95	9.95
Management Charge		5%	of gross revenue			3.00	3.30	3.60	3.60
TOTAL FIXED COSTS						19.70	20.00	20.30	20.30
TOTAL COSTS (Straw Only)- Per Acre						65.78	76.90	88.02	94.52
RETURN ABOVE VARIABLE COSTS (Straw Only)						13.92	9.10	4.28	-2.22
RETURN ABOVE TOTAL COSTS (Straw Only)						-5.78	-10.90	-16.02	-22.52
RETURN TO LABOR AND MANAGEMENT (Straw Only)¹²						3.97	-0.85	-5.67	-12.17

Values highlighted in gold may be changed to assist in computing "Your Budget" Column using macros embedded within the spreadsheet.

Values highlighted in light blue are cells embedded with macros and will be calculated for the user based on data entered.

These cells may be input manually, but macros will be overwritten!

Values highlighted in gray are stand alone cells that require direct input from the user.

¹ Price is based on up-to-date September Futures minus 0.70 basis

² LDP is calculated as loan rate minus market price. LDP is 0 if market price is greater than loan rate.

Direct Payments (DP) are calculated by multiplying DP Yields by 85% by the DP Price of \$0.52/bu.

(Direct payments are paid only on 85% of base acres.) Direct payment yields are calculated as 85%,

80%, and 80% of the Program Yields 50/bushels per acre (bpa), 65/bpa, and 80/bpa, respectively.

Counter Cyclical Payments (CCP) are calculated and included when market price + DP is less than the Target Price of \$3.92/bu. Calculation of the CCP is based on Counter Cyclical (CC) Yield multiplied by 85% multiplied by the CCP Rate ((Target Price - (Mkt Price + DP)). CC Yield assumed to be 93.5% of Program Yield (50,65 and 80 bpa, respectively.)

³ Assumes only maintenance application of fertilizer needed, soil test values of 20 PPM P/A and 125 PPM K/A, and 20 CEC. Fertilizer prices vary over time and by area.

Fertilizer amounts and costs listed are amounts in addition to fertilizer amounts listed for wheat.

Assumes UAN(28-0-0): 400 /ton MAP(11-52-0): 800 /ton Potash(0-0-60): 860 /ton

⁴ Based on use of Spring application of 0.75 oz of Harmony and 1/2 pint of 2,4-D (4 lb/gal)

⁵ See tables below for specific calculations. Lubrication costs are assumed to be 10% of fuel costs.

⁶ See tables below for specific calculations.

⁷ Includes supplies, utilities, soil tests, small tools, etc...

⁸ Interest on all variable costs, except trucking, for 8 months at 8.5% interest rate.

⁹ Part or all of labor may be a variable cost if paid labor varies with acres farmed.

It's a fixed cost if labor costs do not change with acres farmed.

¹⁰ Reflects 1500 acres, conservation tillage. Wheat grown 1 out of 5 years. See tables below for specific calculations.

¹¹ Average based on 2007-2008. Land charges vary throughout the state, check your local rates.

<http://aede.osu.edu/resources/docs/pdf/UDSIO6SG-9315-IQAW-X7QLG33KLHMNAZZ6.pdf>

¹² Return to labor and management is the revenue less total expenses except operator labor and management.

It is a measure of the returns to the operator's labor and management.

Returns do not account for increased returns to corn and soybeans as a result of wheat in the rotation.

Machinery Inventory - Wheat Only								
	Number times used	Machinery Cost	Acres per Year	Cost per Acre	Acres/ Hr	Fuel* (gal/A)	Hours/ Year	Repairs (\$/A)
15 ft. Chisel Plow	1	\$17,000	950	\$2.43	8.5	0.60	111.76	0.61
23 ft. Field Cultivator	1	\$23,000	950	\$3.29	16.6	0.32	57.26	0.45
50 ft. Boom Sprayer	1	\$19,000	1,500	\$1.72	25.6	0.10	58.57	0.36
20 ft. Grain Drill	1	\$40,000	950	\$5.33	8.5	0.81	112.03	0.78
Combine 275 HP	1	\$206,000	1,500	\$19.29	----	----	128.38	2.94
25' Grain Head	1	\$23,000	950	\$3.40	7.4	1.49	128.38	0.40
Fertilizer Spreader	2	\$11,550	1,500	\$1.05	25.6	0.24	117.19	0.48
Semi Tractor Trailer**	1	\$31,500	1,500	\$2.81	----	***		1.75
200 HP Tractor	5	\$138,000	1,500	\$12.33	----	----	398.24	1.22
75 HP Tractor	1	\$29,000	1,800	\$2.08	----	----	157.18	0.11
Pickup Truck (1/2)**	1	\$16,000	1,500	\$1.43	----	0.21		0.05
						Fuel	\$9.43	
Machinery and Equipment Charge per Acre				\$55.16	F&L	\$10.37	Repairs	\$9.15
						Price of Diesel Fuel =	\$2.50	

Machinery cost estimates, fuel estimates and cost calculations based on information from the "Farm Machinery Cost Estimates March 2008". See the reference online at:

<http://www.extension.umn.edu/distribution/businessmanagement/DF6696.pdf>

Machinery and Equipment charge =

Cost per Acre = Machinery Cost (New Cost) Assumes 10 Year Useful Life using Straight Line Depreciation,

6.0% Interest on Average Value, 0.5% Insurance Cost on Average Value and 1.0% Housing Cost on Average Value.

Salvage Values are based on ASAE formulas.

Machines are all assumed to be new and in the first year of use (except for Semi Tractor-Trailer and Pickup-Truck).

Fixed costs rate includes depreciation, interest, housing, and insurance.

*Fuel calculations are based on the implement plus tractor.

**Semi Tractor Trailer and Pickup Truck are assumed to be used equipment.

***Fuel for Semi is included in Budget as Trucking - Fuel Only

Machinery Inventory - Straw Only								
	Number times used	Machinery Cost	Acres per Year	Cost per Acre	Acres/ Hr	Fuel* (gal/A)	Hours/ Year	Repairs (\$/A)
Hay Baler PTO Twine 12 ft	1	\$19,000	300	\$8.72	4.4	0.40	68.81	2.31
Hay Wagon - 2	1	\$7,875	300	\$0.68	16.6	0.34	18.08	0.37
Hay Rake (Hyd) 9 ft.	1	\$6,000	300	\$0.55	25.6	0.50	11.71	0.48
						Fuel	\$3.10	
Machinery and Equipment Charge per Acre				\$9.95	F&L	\$3.41	Repairs	\$3.16