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2007/2008 BUDGETS FOR FALL/WINTER FORAGE CROPS AND WHEAT IN ALABAMA

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ALABAMA A&M AND AUBURN UNIVERSITIES, AND TUSKEGEE UNIVERSITY, COUNTY GOVERNING BODIES AND USDA COOPERATING

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TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
MACHINERY AND EQUIPMENT COSTS	3
FESCUE ESTABLISHMENT	4
FESCUE FOR GRAZING	6
STOCKPILED FESCUE FOR GRAZING.....	8
FESCUE HAY	10
OVERSEEDING PERMANENT PASTURE WITH WINTER ANNUALS	12
WINTER ANNUALS FOR GRAZING	14
WHEAT FOR GRAIN.....	16

2007/2008 BUDGETS FOR FALL/WINTER FORAGE CROPS AND WHEAT IN ALABAMA

Walt Prevatt, Max Runge, Don Ball, and Mike Davis¹

Forage crop enterprise budgets are designed to assist in estimating the potential costs and returns associated with the most common fall/winter forages grown in Alabama. Included in this publication are budget estimates for: Fescue - Establishment; Fescue - Grazing; Fescue - Hay; Stockpiled Fescue For Grazing; Overseeding of Permanent Pasture (summer) with Winter Annuals; Winter Annuals - Grazing; and Wheat for Grain.

Enterprise budgets were designed to be used as guides for constructing your own customized budgets. The numbers presented in these budgets will not necessarily fit your situation.

Prices and costs are based on the best estimates available from information sources available at the time the budgets were prepared. Because of the wide variety of alternative inputs, locations and production systems, it is important for you to construct your own budgets and to understand how to use them to make decisions. Blank lines are provided on each budget for producers to estimate their own costs and returns.

Machinery cost estimates have been provided on each budget. Machinery complements are estimated based on the most typical set and size of equipment used on a particular crop in the state. Investment costs reflect a five-year average purchase price. It is also assumed that only one set of equipment is available to the farm operation.

Price/yield sensitivity tables (for hay and wheat) are based on estimated costs from the budgets and are provided for your reference only. This table can be used to give an idea of what could potentially happen to returns if prices and yields vary from what is expected.

TYPES OF BUDGETED COSTS

Two major types of costs are incurred in forage production: variable or direct costs, and fixed costs. Variable costs (excluding management charges) are listed under Item 1 and fixed costs are listed under Item 2 in the budgets (see example budget on page 4). Item 3 on the budget represents the total costs of all specified expenses (variable and fixed costs).

Variable costs are generally easier to estimate. These are the out-of-pocket costs that can be allocated to a specific enterprise such as seed, chemicals, fertilizer, etc. Annual cropping decisions are based on these costs. If you can cover these costs in the short-run (i.e. one year), then you should consider producing that crop.

¹ Walt Prevatt and Max Runge are Extension Economists, Don Ball is Extension Agronomist, and Mike Davis is Area Extension Agronomist, Alabama Cooperative Extension System, Auburn University.

Fixed costs include such items as depreciation, interest, and general farm overhead. These costs are much more difficult to allocate to a specific enterprise. However, such costs must be covered by the total mix of enterprises on the farm. In other words, both variable and fixed costs must be covered to achieve a profit and remain in business.

MACHINERY COSTS

A machinery complement is developed for each enterprise budget, with depreciation, interest, and insurance calculated on a per-hour and per-acre basis. Table 1 (located on page 3) lists the basic assumptions used in calculating estimated per-acre costs for the various machinery operations in producing these crops.

The first items listed in Table 1 are “self-propelled” machines providing their own power. The costs of these machines (tractors) are calculated on a per-hour basis. The costs of the remaining self-propelled machines (combines, pickers, etc.) are calculated on both a per-hour and per-acre basis. For budgeting purposes we are interested in the per-acre costs.

The second list of items, “drawn implements”, must be powered by one of the five tractors. The costs associated with the drawn implements were developed using the MACHCOST computer program. These costs were used to estimate the costs of various field operations in the budgets.

EXAMPLE: Estimated cost of heavy disking. Assume a 13-ft. heavy disk pulled by a 115 horsepower tractor.

Type of Costs	Self-propelled, Tractor (4)	Drawn Implement, Heavy-Disk (1)	Total Operation Cost
	----- Dollars per acre -----		
Variable costs	\$ 3.10 (\$ 18.67/hr * 0.166 hr/ac)	\$ 0.31 (\$ 1.86/hr * 0.166 hr/ac)	\$ 3.41
Fixed costs	\$ 2.47 (\$ 14.88/hr * 0.166 hr/ac)	\$ 2.35 (\$ 14.16/hr * 0.166hr/ac)	\$ 4.82
Total costs	\$ 5.57	\$ 2.66	\$ 8.23

Table 1. MACHINERY AND EQUIPMENT - COSTS OF OWNERSHIP AND OPERATION, 2007

INTEREST RATE (%) =>	9.25	GAS PRICE (\$/GAL.) =>	2.25	INSUR. RATE(\$/1000) =>	6.00
DIESEL PRICE (\$/GAL.) =>	2.25	L. P. PRICE (\$/GAL.) =>	#N/A	TAX RATE (\$/1000) =>	0.00

MACHINE	FUEL TYPE			ESTI- MATED COST	TVC /HOUR	TFC /HOUR	TC /HOUR	HRS /AC	TVC /AC /AC /AC (EXCLUDING TRACTOR OR POWER SOURCE)			TVC /AC /AC /AC (INCLUDING TRACTOR OR POWER SOURCE)			
	1=DIES	TRAC	WIDTH						TVC /AC	TFC /AC	TC /AC	TVC /AC	TFC /AC	TC /AC	
	2=GAS 3=LP	-TOR USED	OR HP												
SELF-PROPELLED ITEMS															
TRACTOR(1)		2	-	55	22360.00	10.80	5.00	15.80	-	-	-	-	-	-	
TRACTOR(2)		1	-	75	38069.76	11.83	8.52	20.35	-	-	-	-	-	-	
TRACTOR(3)		1	-	95	45870.61	14.83	10.26	25.09	-	-	-	-	-	-	
TRACTOR(4)		1	-	115	66520.00	18.67	14.88	33.56	-	-	-	-	-	-	
TRACTOR(5)		1	-	135	84317.36	22.33	18.87	41.20	-	-	-	-	-	-	
MEDIUM COMBINE		1	-	13	133419.02	25.05	147.87	172.92	0.302	-	-	-	7.57	44.69	52.26
W/ROW CROP HEADER		1	-	13	141792.36	26.00	157.15	183.15	0.302	-	-	-	7.86	47.49	55.35
LARGE COMBINE		1	-	16	156289.70	30.13	173.22	203.34	0.246	-	-	-	7.40	42.53	49.93
W/ROW CROP HEADER		1	-	16	177600.00	32.54	196.84	229.38	0.246	-	-	-	7.99	48.33	56.32
COTTON PICKER		1	-	6.5	137057.09	53.54	77.54	131.08	0.518	-	-	-	27.74	40.17	67.91
Cotton Picker 4-Row		1	-	13	237400.00	83.64	134.31	217.95	0.259	-	-	-	21.66	34.79	56.46
COTTON STRIPPER - 4Row		1	-	13	137079.90	53.54	77.55	131.10	0.173	-	-	-	9.25	13.39	22.64
HIBOY		2	-	28	43219.08	43.06	55.26	98.32	0.061	-	-	-	2.64	3.39	6.04

DRAWN IMPLEMENTS

4-BOTTOM FLIP PLOW		3		10	23296.67	17.47	16.34	33.81	0.252	4.39	4.11	8.50	8.12	6.69	14.82
4-ROW CULTIVATOR		3		12	4803.88	1.38	6.74	8.12	0.269	0.37	1.81	2.18	4.35	4.57	8.92
4-ROW PLANTER W/FERT		3		12	16024.17	8.06	29.97	38.03	0.205	1.65	6.15	7.80	4.70	8.26	12.95
5-BOTTOM PLOW		4		13	12779.37	9.58	8.96	18.55	0.198	1.90	1.78	3.68	5.60	4.73	10.33
6R CULTI. W/ HERBICIDE		4		16					0.201				4.59	5.39	9.98
6R CULTI. W/HERB.&INS.		4		16					0.201				4.94	6.46	11.40
6R CULTI. W/INSECTICIDE		4		16					0.201				4.57	5.56	10.13
6R PLANTER W/ HERBICIDE		4		16					0.154				5.30	8.90	14.20
6-ROW CULTIVATOR		4		16	6607.56	2.27	7.42	9.68	0.201	0.46	1.49	1.95	4.22	4.49	8.71
6-ROW PLANTER W/FERT		4		16	23800.00	13.35	37.10	50.45	0.154	2.05	5.71	7.76	4.93	8.00	12.93
BALE WAGON		2		24	9058.41	3.53	8.51	12.04	0.172	0.61	1.46	2.07	2.64	2.93	5.57
BALER ROUND, 1200-1500 lb.		3		8	19316.85	4.92	30.58	35.49	0.285	1.40	8.72	10.12	5.63	11.64	17.27
BALER, PTO SQUARE		3		8	14214.08	3.62	22.50	26.12	0.385	1.39	8.66	10.05	7.10	12.61	19.70
CHISEL PLOW(1)		4		14	9732.69	1.82	13.65	15.47	0.173	0.31	2.37	2.68	3.55	4.95	8.50
CHISEL PLOW(2)		5		18	15020.00	2.80	21.07	23.87	0.120	0.34	2.52	2.86	3.01	4.79	7.80
CULTIPACKER		3		13	1761.31	0.23	2.92	3.15	0.201	0.05	0.59	0.63	3.03	2.66	5.69
CULTIVATOR 2R		1		6	2203.61	1.43	3.09	4.52	0.441	0.63	1.36	1.99	5.39	3.57	8.96
CULTIVATOR 2R W/FERT		2		6	2483.31	1.61	3.48	5.10	0.604	0.98	2.11	3.08	8.12	7.25	15.38
DIGGER INVERTER		4		6	7066.15	5.47	9.86	15.33	0.917	5.02	9.04	14.06	22.13	22.68	44.82
DO-ALL/FIELD CULVATOR		3		16	6509.29	1.22	9.13	10.35	0.135	0.16	1.23	1.39	2.16	2.61	4.78
FERTILIZER SPREADER		1		20	4227.78	2.43	11.91	14.34	0.123	0.30	1.47	1.77	1.63	2.08	3.71
FUMIGATION UNIT		1		5	1728.53	1.18	5.43	6.62	0.430	0.51	2.33	2.84	5.15	4.48	9.63
GR. DRILL W/ CULTIPACKER		4		13					0.129				3.54	5.85	9.39
GRAIN DRILL		4		16	15842.84	8.41	25.94	34.34	0.129	1.08	3.34	4.43	3.49	5.26	8.75
GRAIN DRILL W/FERT.		5		13	19240.00	10.21	31.50	41.70	0.159	1.62	5.00	6.62	5.16	7.99	13.15
GRANULAR APPLICATOR		1		12	2055.67	1.20	3.60	4.81	0.127	0.15	0.46	0.61	1.53	1.10	2.62
HEAVY DISK(1)		4		13	10091.04	1.86	14.16	16.02	0.166	0.31	2.35	2.66	3.41	4.82	8.23
HEAVY DISK(2)		5		16	15380.00	2.84	21.57	24.41	0.135	0.38	2.91	3.29	3.39	5.45	8.84
HERB. APPLICATOR(1)		1		12	4735.00	2.77	8.30	11.08	0.153	0.42	1.27	1.69	2.07	2.03	4.11
HERB. APPLICATOR(2)		2		16	5023.69	3.23	7.83	11.06	0.115	0.37	0.90	1.27	1.73	1.87	3.60
LIGHT DISKING W/ HERBICIDE		3		16					0.135				2.53	3.51	6.04
LISTER		2		6	1558.27	0.41	4.37	4.78	0.586	0.24	2.56	2.80	7.18	7.56	14.73
MOWER-CONDITIONER		2		7	10492.45	4.26	14.78	19.04	0.356	1.52	5.26	6.78	5.73	8.29	14.02
MULCH LAYER		2		5	4738.07	7.70	13.29	20.99	0.524	4.03	6.96	10.99	10.23	11.43	21.65
NO-TILL GRAIN DRILL		5		15	34819.13	18.47	57.00	75.47	0.138	2.54	7.84	10.38	5.61	10.43	16.04
NO-TILL PLANTER		4		12	19534.93	11.67	27.40	39.08	0.229	2.68	6.28	8.96	6.95	9.69	16.65
NO-TILL PLANTER W/ HERB.		4		12					0.229				7.38	10.96	18.34
PEANUT COMBINE		4		5	32438.06	9.83	45.50	55.34	1.100	10.82	50.05	60.87	31.36	66.43	97.78
PEANUT COMBINE 4-Row		4		10	68204.55	20.68	95.67	116.35	0.550	11.37	52.62	63.99	21.64	60.81	82.45
PEANUT PLANTER		4		12	14113.54	7.10	26.40	33.49	0.205	1.46	5.42	6.87	5.29	8.47	13.76
PEANUT PLANTER W/NEMAT		4		12					0.205				5.44	8.93	14.37
PLANTER 2R		2		6	1259.21	4.22	2.36	2.57	0.887	0.19	2.09	2.28	10.68	9.65	20.33
POTATO DIGGER (SWEET)		3		6	12513.36	0.99	19.66	20.66	0.786	0.78	15.45	16.23	12.43	23.52	35.94
POTATO HARVESTER		4		5	58084.28	14.52	33.18	47.70	0.786	11.41	26.07	37.48	26.08	37.76	63.84
POTATO PLANTER		4		12	23276.06	14.84	17.73	32.57	0.270	4.01	4.79	8.80	9.05	8.81	17.86
POTATO PLANTER (SWEET)		2		8	7633.93	4.49	16.00	20.49	0.393	1.77	6.28	8.05	6.41	9.63	16.04
PTO A.BLST SPRY(500)		3		18	25184.11	20.02	39.58	59.60	0.201	4.03	7.96	11.99	7.01	10.03	17.04

ALABAMA, 2007-2008

FESCUE ESTABLISHMENT

ESTIMATED ANNUAL COSTS PER ACRE

FOLLOWING RECOMMENDED MANAGEMENT PRACTICES

ITEM	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
1. VARIABLE COSTS					
SEED	LBS.	20.00	1.24	24.80	
FERTILIZER					
NITROGEN	LBS.	80.00	0.50	40.00	
PHOSPHATE	LBS.	50.00	0.37	18.50	
POTASH	LBS.	50.00	0.22	11.00	
LIME	TONS	1.00	25.00	25.00	
LABOR (WAGES & FRINGE)	HR	2.30	8.25	18.99	
LAND RENT	ACRE	1.00	20.00	20.00	
TRACTORS & EQUIPMENT	ACRE	1.00	17.18	17.18	
INTEREST ON OP. CAPITAL	DOL.	87.73	0.0900	7.90	
TOTAL VARIABLE COST				183.37	
2. FIXED COSTS					
TRACTOR & EQUIPMENT	ACRE	1.00	20.18	20.18	
GENERAL OVERHEAD	DOL.	183.37	0.07	12.84	
TOTAL FIXED COSTS				33.02	
3. TOTAL COSTS OF ALL SPECIFIED EXPENSES				216.38	

FERTILIZER RATES USED (80-50-50) BASED ON MEDIUM LEVEL OF SOIL FERTILITY. SOIL TESTING IS RECOMMENDED ON INDIVIDUAL FIELDS; FERTILIZER AND LIME COSTS REFLECT CUSTOM SPREADING. SEED PRICES REFLECT CERTIFIED, ENDOPHYTE (FUNGUS-FREE) VARIETIES. ADJUST SEED PRICE ACCORDING TO THE TYPE OF SEED SELECTED.

THESE ESTIMATES SHOULD BE USED AS GUIDES FOR PLANNING PURPOSES ONLY.

FESCUE ESTABLISHMENT ALABAMA, 2007-2008

PER ACRE MACHINERY AND LABOR REQUIREMENTS FOR TYPICAL OPERATIONS

OPERATION *	MONTH	TIMES OVER	LABOR HOURS	MACHINE HOURS	VARIABLE COSTS	FIXED COSTS
----- per trip -----						
CHISEL PLOW (4)	SEP	1.00	0.19	0.17	3.55	4.95
HEAVY DISKING (4)	SEP	1.00	0.19	0.17	3.41	4.82
WHIRL-SEEDER (1)	SEP	1.00	0.11	0.10	1.26	1.40
CULTIPACKER (3)	SEP	1.00	0.22	0.20	3.03	2.66
ROTARY MOWER (4)	JUL	1.00	0.32	0.29	5.93	6.35
PER ACRE TOTALS FOR SELECTED OPERATIONS			1.02	0.93	17.18	20.18
UNALLOCATED LABOR (HRS./AC.)			1.28			

* THE NUMBER AND DATES OF YOUR OPERATIONS MAY VARY WITH REGION, VARIETAL AND WEATHER CONDITIONS.
 THE NUMBER IN PARENTHESES BESIDE THE IMPLEMENT INDICATES THE SIZE TRACTOR USED: (1) 55 H.P.; (2) 75 H.P.; (3) 95 H.P.; (4) 115 H.P.; AND (5) 135 H.P.

REFERENCE CONTACTS: WALT PREVATT - EXTENSION ECONOMIST;
 DON BALL - EXTENSION AGRONOMIST;
 MIKE DAVIS - AREA EXTENSION AGRONOMIST;

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ALABAMA, 2007-2008

FESCUE FOR GRAZING

ESTIMATED ANNUAL COSTS PER ACRE
FOLLOWING RECOMMENDED MANAGEMENT PRACTICES

ITEM	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
1. VARIABLE COSTS					
FERTILIZER					
NITROGEN	LBS.	120.00	0.50	60.00	_____
PHOSPHATE	LBS.	50.00	0.37	18.50	_____
POTASH	LBS.	50.00	0.22	11.00	_____
LIME (PRORATED)	TONS	0.33	25.00	8.25	_____
LABOR (WAGES & FRINGE)	HOUR	0.72	8.25	5.92	_____
LAND RENT	ACRE	1.00	20.00	20.00	_____
TRACTORS & EQUIPMENT	ACRE	1.00	5.93	5.93	_____
INTEREST ON OP. CAP.	DOL.	64.80	0.0900	5.83	_____
TOTAL VARIABLE COST				135.43	
2. FIXED COSTS					
TRACTOR & EQUIPMENT	ACRE	1.00	6.35	6.35	_____
PRORATED ESTAB. COST	DOL.	216.38	0.10	21.64	_____
GENERAL OVERHEAD	DOL.	135.43	0.07	9.48	_____
TOTAL FIXED COSTS				37.47	
3. TOTAL COSTS OF ALL SPECIFIED EXPENSES				172.90	

FERTILIZER RATES USED (120-50-50) BASED ON MEDIUM LEVEL OF SOIL FERTILITY (NITROGEN APPLIED IN SPLIT APPLICATIONS, 60# FALL AND 60# SPRING); SOIL TESTING IS RECOMMENDED ON INDIVIDUAL FIELDS; FERTILIZER AND LIME COSTS REFLECT CUSTOM SPREADING; FOR ESTABLISHMENT COSTS, SEE FESCUE ESTABLISHMENT BUDGET.

THESE ESTIMATES SHOULD BE USED AS GUIDES FOR PLANNING PURPOSES ONLY.

PER ACRE MACHINERY AND LABOR REQUIREMENTS FOR TYPICAL OPERATIONS

OPERATION *	MONTH	TIMES OVER	LABOR HOURS	MACHINE HOURS	VARIABLE COSTS	FIXED COSTS
----- per trip -----						
ROTARY MOWER (4)	AUG	1.00	0.32	0.29	5.93	6.35
PER ACRE TOTALS FOR SELECTED OPERATIONS			0.32	0.29	5.93	6.35
UNALLOCATED LABOR (HRS./AC.)			0.40			

* THE NUMBER AND DATES OF YOUR OPERATIONS MAY VARY WITH REGION, VARIETY AND WEATHER CONDITIONS.
 THE NUMBER IN PARENTHESES BESIDE THE IMPLEMENT INDICATES THE SIZE TRACTOR USED: (1) 55 H.P.; (2) 75 H.P.; (3) 95 H.P.; (4) 115 H.P.; AND (5) 135 H.P.

REFERENCE CONTACTS: WALT PREVATT - EXTENSION ECONOMIST;
 DON BALL - EXTENSION AGRONOMIST;
 MIKE DAVIS - AREA EXTENSION AGRONOMIST;

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ALABAMA, 2007-2008

STOCKPILED FESCUE (STOCKPILED GRAZING IN FALL & SPRING GRAZING)

ESTIMATED ANNUAL COSTS PER ACRE
 FOLLOWING RECOMMENDED MANAGEMENT PRACTICES

ITEM	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
1. VARIABLE COSTS					
FERTILIZER					
NITROGEN	LBS.	140.00	0.50	70.00	_____
PHOSPHATE	LBS.	50.00	0.37	18.50	_____
POTASH	LBS.	50.00	0.22	11.00	_____
LIME (PRORATED)	TONS	0.33	25.00	8.25	_____
LABOR (WAGES & FRINGE)	HOUR	0.72	8.25	5.92	_____
LAND RENT	ACRE	1.00	20.00	20.00	_____
TRACTORS & EQUIPMENT	ACRE	1.00	5.93	5.93	_____
INTEREST ON OP. CAP.	DOL.	69.80	0.0900	6.28	_____
TOTAL VARIABLE COST				145.88	_____
2. FIXED COSTS					
TRACTOR & EQUIPMENT	ACRE	1.00	6.35	6.35	_____
PRORATED ESTAB. COST	DOL.	216.38	0.10	21.64	_____
GENERAL OVERHEAD	DOL.	145.88	0.070	10.21	_____
TOTAL FIXED COSTS				38.20	
3. TOTAL COSTS OF ALL SPECIFIED EXPENSES				184.08	

FERTILIZER RATES USED (140-50-50) BASED ON MEDIUM LEVEL OF SOIL FERTILITY (NITROGEN APPLIED IN SPLIT APPLICATIONS, 80# SEPTEMBER AND 60# SPRING); SOIL TESTING IS RECOMMENDED ON INDIVIDUAL FIELDS; FERTILIZER AND LIME COSTS REFLECT CUSTOM SPREADING; FOR ESTABLISHMENT COSTS, SEE FESCUE ESTABLISHMENT BUDGET.

THESE ESTIMATES SHOULD BE USED AS GUIDES FOR PLANNING PURPOSES ONLY.

ALABAMA, 2007-2008

FESCUE FOR HAY

ESTIMATED ANNUAL COSTS AND RETURNS PER ACRE
FOLLOWING RECOMMENDED MANAGEMENT PRACTICES

ITEM	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
1. GROSS RECEIPTS					
HAY	TONS	4.00	70.00	280.00	_____
2. VARIABLE COSTS					
FERTILIZER					
NITROGEN	LBS.	120.00	0.50	60.00	_____
PHOSPHATE	LBS.	50.00	0.37	18.50	_____
POTASH	LBS.	140.00	0.22	30.80	_____
LIME (PRORATED)	TONS	0.33	25.00	8.25	_____
LABOR (WAGES & FRINGE)	HOUR	9.06	8.25	74.73	_____
LAND RENT	ACRE	1.00	20.00	20.00	_____
TRACTOR & EQUIPMENT	ACRE	1.00	37.84	37.84	_____
INTEREST ON OP. CAP.	DOL.	125.06	0.0900	11.26	_____
TOTAL VARIABLE COST				261.38	_____
3. INCOME ABOVE VARIABLE COSTS				18.62	_____
4. FIXED COSTS					
TRACTOR & EQUIPMENT	ACRE	1.00	58.90	58.90	_____
PRORATED ESTAB. COST	DOL.	216.38	0.10	21.64	_____
GENERAL OVERHEAD	DOL.	261.38	0.070	18.30	_____
TOTAL FIXED COSTS				98.83	_____
5. TOTAL COSTS OF ALL SPECIFIED EXPENSES				360.21	_____
6. NET RETURNS ABOVE ALL SPECIFIED EXPENSES				-80.21	_____

FERTILIZER RATES USED (120-50-140) BASED ON MEDIUM LEVEL OF SOIL FERTILITY. SOIL TESTING IS RECOMMENDED ON INDIVIDUAL FIELDS; FERTILIZER AND LIME COSTS REFLECT CUSTOM SPREADING; FOR ESTABLISHMENT COSTS, SEE FESCUE ESTABLISHMENT BUDGET. THIS BUDGET ASSUMES TWO CUTTINGS OF FESCUE HAY.

THESE ESTIMATES SHOULD BE USED AS GUIDES FOR PLANNING PURPOSES ONLY.

PER ACRE MACHINERY AND LABOR REQUIREMENTS FOR TYPICAL OPERATIONS

OPERATION *	MONTH	TIMES OVER	LABOR HOURS	MACHINE HOURS	VARIABLE COSTS	FIXED COSTS
----- per trip -----						
MOWER-COND. (2)	MAY	1.00	0.40	0.36	5.73	8.29
WINDROWER (1)	MAY	1.00	0.19	0.17	2.12	2.11
RND BALER (3)	MAY	1.00	0.42	0.38	5.63	11.64
BALE WAGON (2)	MAY	1.00	0.19	0.17	2.64	2.93
TRUCK	MAY	1.00	0.83	0.75	2.80	4.48
MOWER-COND. (2)	AUG	1.00	0.40	0.36	5.73	8.29
WINDROWER (1)	AUG	1.00	0.19	0.17	2.12	2.11
RND BALER (3)	AUG	1.00	0.42	0.38	5.63	11.64
BALE WAGON (2)	AUG	1.00	0.19	0.17	2.64	2.93
TRUCK	AUG	1.00	0.83	0.75	2.80	4.48
PER ACRE TOTALS FOR SELECTED OPERATIONS			4.03	3.66	37.84	58.90
UNALLOCATED LABOR (HRS./AC.)			5.03			

* THE NUMBER AND DATES OF YOUR OPERATIONS MAY VARY WITH REGION, VARIETY AND WEATHER CONDITIONS.
 THE NUMBER IN PARENTHESES BESIDE THE IMPLEMENT INDICATES THE SIZE TRACTOR USED: (1) 55 H.P.; (2) 75 H.P.; (3) 95 H.P.; (4) 115 H.P.; AND (5) 135 H.P.

NET RETURNS ABOVE SPECIFIED EXPENSES
 AT VARYING YIELDS AND SELLING PRICES (1)

YIELD TON/AC.	PRICE PER TON (DOLLARS)				
	50.00	60.00	70.00	80.00	90.00
	----- (dollars/acre) -----				
2.00	-260.21	-240.21	-220.21	-200.21	-180.21
3.00	-210.21	-180.21	-150.21	-120.21	-90.21
4.00	-160.21	-120.21	-80.21	-40.21	-0.21
5.00	-110.21	-60.21	-10.21	39.79	89.79
6.00	-60.21	-0.21	59.79	119.79	179.79

(1) Production costs are held constant.

REFERENCE CONTACTS: WALT PREVATT - EXTENSION ECONOMIST;
 DON BALL - EXTENSION AGRONOMIST;
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ALABAMA, 2007-2008

OVERSEEDING PERMANENT (SUMMER) PASTURE WITH WINTER ANNUALS

ESTIMATED ANNUAL COSTS PER ACRE

FOLLOWING RECOMMENDED MANAGEMENT PRACTICES

ITEM	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
1. VARIABLE COSTS					
SEED					
RYEGRASS	LBS.	15.00	0.42	6.30	_____
CLOVER	LBS.	5.00	2.25	11.25	_____
FERTILIZER					
NITROGEN	LBS.	60.00	0.50	30.00	_____
PHOSPHATE	LBS.	60.00	0.37	22.20	_____
POTASH	LBS.	60.00	0.22	13.20	_____
LIME (PRORATED)	TONS	0.33	25.00	8.25	_____
LABOR (WAGES & FRINGE)	HOUR	0.67	8.25	5.51	_____
LAND RENT	ACRE	1.00	20.00	20.00	_____
TRACTORS & EQUIPMENT	ACRE	1.00	4.67	4.67	_____
INTEREST ON OP. CAP.	DOL.	60.69	0.0900	5.46	_____
TOTAL VARIABLE COST				126.85	_____
2. FIXED COSTS					
TRACTOR & EQUIPMENT	ACRE	1.00	6.93	6.93	_____
GENERAL OVERHEAD	DOL.	126.85	0.07	8.88	_____
TOTAL FIXED COSTS				15.81	
3. TOTAL COST OF ALL SPECIFIED EXPENSES				142.65	_____

FERTILIZER RATES USED (60-60-60) BASED ON MEDIUM LEVEL OF SOIL FERTILITY. SOIL TESTING IS RECOMMENDED ON INDIVIDUAL FIELDS; FERTILIZER AND LIME COSTS REFLECT CUSTOM SPREADING; SEEDING RATE AND PRICE (USING CERTIFIED SEED) MAY VARY WITH OTHER VARIETIES.

THESE ESTIMATES SHOULD BE USED AS GUIDES FOR PLANNING PURPOSES ONLY.

OVERSEEDING PERMANENT (SUMMER) PASTURE WITH WINTER ANNUALS
 ALABAMA, 2007-2008

PER ACRE MACHINERY AND LABOR REQUIREMENTS FOR TYPICAL OPERATIONS

OPERATION *	MONTH	TIMES OVER	LABOR HOURS	MACHINE HOURS	VARIABLE COSTS	FIXED COSTS
----- per trip -----						
HEAVY DISKING (4)	SEPT	1.00	0.19	0.17	3.41	4.82
WHIRL-SEEDER (1)	SEPT	1.00	0.11	0.10	1.26	2.11
PER ACRE TOTALS FOR SELECTED OPERATIONS			0.30	0.27	4.67	6.93
UNALLOCATED LABOR (HRS./AC.)			0.37			

* THE NUMBER AND DATES OF YOUR OPERATIONS MAY VARY WITH REGION, VARIETY AND WEATHER CONDITIONS.
 THE NUMBER IN PARENTHESES BESIDE THE IMPLEMENT INDICATES THE SIZE TRACTOR USED: (1) 55 H.P.; (2) 75 H.P.; (3) 95 H.P.; (4) 115 H.P.; AND (5) 135 H.P.

REFERENCE CONTACTS: WALT PREVATT - EXTENSION ECONOMIST;
 DON BALL - EXTENSION AGRONOMIST;
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ALABAMA, 2007-2008

WINTER ANNUALS FOR GRAZING

ESTIMATED ANNUAL COSTS PER ACRE
FOLLOWING RECOMMENDED MANAGEMENT PRACTICES

ITEM	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
1. VARIABLE COSTS					
SEED					
RYE	BU.	2.00	15.50	31.00	_____
RYEGRASS	LBS.	15.00	0.42	6.30	_____
CLOVER	LBS.	5.00	2.25	11.25	_____
FERTILIZER					
NITROGEN	LBS.	60.00	0.50	30.00	_____
PHOSPHATE	LBS.	60.00	0.37	22.20	_____
POTASH	LBS.	60.00	0.22	13.20	_____
LIME (PRORATED)	TONS	0.33	25.00	8.25	_____
LABOR (WAGES & FRINGE)	HOURL	0.99	8.25	8.17	_____
LAND RENT	ACRE	1.00	20.00	20.00	_____
TRACTORS & EQUIPMENT	ACRE	1.00	7.70	7.70	_____
INTEREST ON OP. CAP.	DOL.	79.03	0.0900	7.11	_____
TOTAL VARIABLE COST				165.18	_____
2. FIXED COSTS					
TRACTOR & EQUIPMENT	ACRE	1.00	8.88	8.88	_____
GENERAL OVERHEAD	DOL.	165.18	0.07	11.56	_____
TOTAL FIXED COSTS				20.44	
3. TOTAL COST OF ALL SPECIFIED EXPENSES				185.62	

FERTILIZER RATES USED (60-60-60) BASED ON MEDIUM LEVEL OF SOIL FERTILITY. SOIL TESTING IS RECOMMENDED ON INDIVIDUAL FIELDS; FERTILIZER AND LIME COSTS REFLECT CUSTOM SPREADING; SEEDING RATE AND PRICE (USING CERTIFIED SEED) MAY VARY WITH OTHER VARIETIES.

THESE ESTIMATES SHOULD BE USED AS GUIDES FOR PLANNING PURPOSES ONLY.

WINTER ANNUALS FOR GRAZING ALABAMA, 2007-2008

PER ACRE MACHINERY AND LABOR REQUIREMENTS FOR TYPICAL OPERATIONS

OPERATION *	MONTH	TIMES OVER	LABOR HOURS	MACHINE HOURS	VARIABLE COSTS	FIXED COSTS
----- per trip -----						
HEAVY DISKING (4)	SEPT	1.00	0.19	0.17	3.41	4.82
WHIRL-SEEDER (1)	SEPT	1.00	0.11	0.10	1.26	1.40
GRAIN DRILL W/ CULTIPACKER (4)	SEPT	1.00	0.14	0.13	3.03	2.66
PER ACRE TOTALS FOR SELECTED OPERATIONS			0.44	0.40	7.70	8.88
UNALLOCATED LABOR (HRS./AC.)			0.55			

* THE NUMBER AND DATES OF YOUR OPERATIONS MAY VARY WITH REGION, VARIETY AND WEATHER CONDITIONS.
 THE NUMBER IN PARENTHESES BESIDE THE IMPLEMENT INDICATES THE SIZE TRACTOR USED: (1) 55 H.P.; (2) 75 H.P.; (3) 95 H.P.; (4) 115 H.P.; AND (5) 135 H.P.

REFERENCE CONTACTS: WALT PREVATT - EXTENSION ECONOMIST;
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ALABAMA, 2007-2008

WHEAT FOR GRAIN

ESTIMATED ANNUAL COSTS PER ACRE:

FOLLOWING RECOMMENDED MANAGEMENT PRACTICES

ITEM	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
1. GROSS RECEIPTS					
WHEAT*	BU.	60.00	5.25	315.00	_____
2. VARIABLE COSTS					
SEED (CERTIFIED)	BU.	2.00	16.80	33.60	_____
FERTILIZER					
NITROGEN	LBS.	100.00	0.55	55.00	_____
PHOSPHATE	LBS.	60.00	0.37	22.20	_____
POTASH	LBS.	60.00	0.22	13.20	_____
CROP INS. (Wheat)	ACRE	1.00	0.00	0.00	_____
LIME (PRORATED)	TONS	0.33	25.00	8.25	_____
HERBICIDES	ACRE	1.00	8.00	8.00	_____
INSECTICIDES	ACRE	1.00	8.00	8.00	_____
FUNGICIDES	ACRE	1.00	15.00	15.00	_____
NEMATICIDES	ACRE	1.00	0.00	0.00	_____
IRRIGATION	AC-IN	0.00	6.00	0.00	_____
AERIAL APPLICATION	APPL	0.00	2.75	0.00	_____
DRYING	BU.	60.00	0.00	0.00	_____
HAULING	BU.	60.00	0.20	12.00	_____
LABOR (WAGES & FRINGE)	HOUR	1.56	8.25	12.86	_____
LAND RENT	ACRE	1.00	20.00	20.00	_____
TRACTOR/MACHINERY	ACRE	1.00	16.97	16.97	_____
INTEREST ON OP. CAP.	DOL.	90.11	0.0900	8.11	_____
TOTAL VARIABLE COSTS				233.19	_____
3. INCOME ABOVE VARIABLE COSTS				81.81	_____
4. FIXED COSTS					
TRACTOR/MACHINERY	ACRE	1.00	56.25	56.25	_____
IRRIGATION	ACRE	0.00	75.00	0.00	_____
GENERAL OVERHEAD	DOL.	233.19	0.07	16.32	_____
TOTAL FIXED COSTS				72.57	_____
5. TOTAL COSTS				305.77	_____
6. NET RETURNS ABOVE EXPENSES				9.23	_____
WHEAT PER PLANTED ACRE:					
BREAKEVEN YIELD (BU.) TO COVER:			BREAKEVEN PRICE (\$/BU.) TO COVER:		
VARIABLE COSTS	44.42	VARIABLE COSTS	3.89		
ALL SPECIFIED COSTS	58.24	ALL SPECIFIED COSTS	5.10		

*TEN-YEAR ALABAMA AVERAGE WHEAT YIELDS ADJUSTED PLUS 35 PERCENT WERE USED IN THE BUDGET.

*THE JULY 2008 WHEAT FUTURES PRICE WAS USED IN THE BUDGET (ADJUSTED FOR BASIS).

CURRENT MARKET PRICES WERE USED FOR PRODUCTION INPUTS.

FERTILIZER RATES USED (100-60-60) BASED ON MED. LEVEL OF SOIL FERTILITY

SOIL TESTING IS RECOMMENDED ON INDIVIDUAL FIELDS;

FERTILIZER AND LIME COSTS REFLECT CUSTOM SPREADING.

THESE ESTIMATES SHOULD BE USED AS GUIDES FOR PLANNING PURPOSES ONLY.