

**Table 9A. Income and Cash Operating Summary; Durum Wheat, 1998**

COUNTY: Pinal                      FARM: Pinal County 98                      WATER SOURCE: Central Arizona                      TILLAGE: Conventional  
 CROP: Wheat, Durum                      ACRES: 1.0                      IRRIGATION SYSTEM: Flood Furrow                      SOIL: Sandy-Loam  
 AREA: Maricopa                      YIELD: 4,900.0 Lb / Acre                      PREVIOUS CROP: Cotton, Upland                      DATE: 2/18/99

| Item   | Unit  | Quantity | Price/<br>Unit | Budgeted<br>/Acre | Total<br>/Acre | Your Farm<br>Budget |       |
|--|-------|----------|----------------|-------------------|----------------|---------------------|-------|
| INCOME   | Grain | Pound    | 4,900.00       | \$0.08            | \$367.50       | \$367.50            | _____ |
| CASH LAND PREPARATION AND GROWING EXPENSES (including sales tax) |       |          |                |                   |                |                     |       |
| Paid Labor (including benefits)                                  |       |          |                |                   | 26.65          | _____               |       |
| Tractor/Self Propelled   |       |          |                | 9.18              |                | _____               |       |
| Irrigation   |       |          |                | 17.47             |                | _____               |       |
| Chemicals and Custom Applications                                |       |          |                |                   | 74.43          | _____               |       |
| Fertilizer   |       |          |                | 74.43             |                | _____               |       |
| Farm Machinery and Vehicles                                      |       |          |                |                   | 14.04          | _____               |       |
| Diesel Fuel  |       |          |                | 4.88              |                | _____               |       |
| Repairs and Maintenance  |       |          |                | 9.16              |                | _____               |       |
| Irrigation Water (excluding labor)                               |       |          |                |                   | 96.00          | _____               |       |
| Water Assessment (See Note Below) **                             |       |          |                |                   |                | _____               |       |
| Other Purchased Inputs & Seed/Transplants                        |       |          |                |                   | 36.73          | _____               |       |
|  |       |          |                | 36.73             |                | _____               |       |
| TOTAL CASH LAND PREPARATION AND GROWING EXPENSES                 |       |          |                |                   | 247.84         | _____               |       |
| CASH HARVEST AND POST HARVEST EXPENSES                           |       |          |                |                   |                |                     |       |
| Paid Labor (including benefits)                                  |       |          |                |                   | 0.20           | _____               |       |
| Tractor/Self Propelled   |       |          |                | 0.20              |                | _____               |       |
| Farm Machinery and Vehicles                                      |       |          |                |                   | 0.28           | _____               |       |
| Diesel Fuel  |       |          |                | 0.09              |                | _____               |       |
| Repairs and Maintenance  |       |          |                | 0.19              |                | _____               |       |
| Custom Harvest/Post Harvest                                      |       |          |                |                   | 66.90          | _____               |       |
| TOTAL HARVEST AND POST HARVEST EXPENSE                           |       |          |                |                   | 67.38          | _____               |       |
| OPERATING OVERHEAD PICKUP USE                                    |       |          |                |                   | 7.71           | _____               |       |
| OPERATING INTEREST AT 10.0%                                      |       |          |                |                   | 11.13          | _____               |       |
| TOTAL CASH OPERATING EXPENSES                                    |       |          |                |                   | \$334.06       | =====               |       |
| RETURNS OVER CASH OPERATING EXPENSES                             |       |          |                |                   | \$33.44        | _____               |       |

Notes: The above figures do not include ownership costs, see table B for detailed cost allocation.  
 \*\* A water assessment charge of \$19.80 per Acre is included as an ownership cost in Table B.

**Table 9B. Allocations of Ownership Costs; Durum Wheat, 1998**

COUNTY: Pinal FARM: Pinal County 98 WATER SOURCE: Central Arizona TILLAGE: Conventional  
 CROP: Wheat, Durum ACRES: 1.0 IRRIGATION SYSTEM: Flood Furrow SOIL: Sandy-Loam  
 AREA: Maricopa YIELD: 4,900.0 Lb / Acre PREVIOUS CROP: Cotton, Upland DATE: 2/18/99

| Item   | -- CASH COST BASIS (\$/ACRE) -- |             | -- TOTAL COST BASIS (\$/ACRE) -- |             |
|--|---------------------------------|-------------|----------------------------------|-------------|
|  | Income and Costs                | Net Returns | Income and Costs                 | Net Returns |
| TOTAL INCOME at \$0.08 / Lb                                | \$367.50                        |             | \$367.50                         |             |
| TOTAL OPERATING EXPENSES                                   | \$334.06                        |             | \$334.06                         |             |
| RETURN OVER CASH OPERATING EXPENSES                        |                                 | \$33.44     |                                  | \$33.44     |
| CASH OVERHEAD EXPENSES                                     |                                 |             |                                  |             |
| Taxes, Housing and Insurance, Farm Machinery               | 1.50                            |             | 1.50                             |             |
| General and Office Overhead (5.0% of Total Operating Exp.) | 16.70                           |             | 16.70                            |             |
| General Farm Maintenance (3.0% of Total Operating Exp.)    | 10.02                           |             | 10.02                            |             |
| Total Cash Overhead Expenses                               | 28.22                           |             | 28.22                            |             |
| Total Cash Operating and Overhead Cost                     | 362.28                          |             | 362.28                           |             |
| RETURNS OVER CASH OPER. AND OVER. EXPENSES                 |                                 | \$5.22      |                                  | \$5.22      |
| CAPITAL ALLOCATIONS (100% Equity)                          |                                 |             |                                  |             |
| Capital Replacement, Machinery and Vehicles                |                                 |             | 8.71                             |             |
| Interest on Equity, Machinery and Vehicles                 |                                 |             | 4.49                             |             |
| Total Capital Allocations                                  |                                 |             | 13.20                            |             |
| RETURNS TO LAND, CAPITAL, MANAGEMENT AND RISK ----->       |                                 | \$5.22      |                                  |             |
| RETURNS TO LAND, MANAGEMENT AND RISK ----->                |                                 |             |                                  | (\$7.98)    |
| Land Cost / Ownership (100% Equity)                        |                                 |             |                                  |             |
| Property Taxes (\$447.00 X 16.0% X 0.169)                  | 12.15                           |             | 12.15                            |             |
| Opportunity Interest on Land (100% X 6.0 X \$447.00)       |                                 |             | 26.82                            |             |
| Water Assessment   | 19.80                           |             | 19.80                            |             |
| Total Land Costs   | 31.95                           |             | 58.77                            |             |
| RETURNS TO CAPITAL, MANAGEMENT AND RISK ----->             |                                 | (\$26.73)   |                                  |             |
| RETURNS TO MANAGEMENT AND RISK ----->                      |                                 |             |                                  | (\$66.75)   |
| Management Services (8% of Total Operation Expenses)       |                                 |             | 26.72                            |             |
| TOTAL OWNERSHIP COST                                       | 60.17                           |             | 126.91                           |             |
| TOTAL COST   | \$394.23                        |             | \$460.97                         |             |
| RETURNS TO CAPITAL, MANAGEMENT AND RISK ----->             |                                 | (\$26.73)   |                                  |             |
| RETURNS TO RISK (PROFITS) ----->                           |                                 |             |                                  | (\$93.47)   |
| BREAK-EVEN PRICE TO COVER OPERATING COST ( PER Lb )        |                                 | \$0.07      |                                  | \$0.07      |
| BREAK-EVEN PRICE TO COVER OWNERSHIP COST                   |                                 | \$0.01      |                                  | \$0.03      |
| BREAK-EVEN PRICE TO COVER TOTAL COST                       |                                 | \$0.08      |                                  | \$0.09      |

**Table 9C. Variable Operating Costs; Durum Wheat, 1998**

COUNTY: Pinal FARM: Pinal County 98 WATER SOURCE: Central Arizona TILLAGE: Conventional  
 CROP: Wheat, Durum ACRES: 1.0 IRRIGATION SYSTEM: Flood Furrow SOIL: Sandy-Loam  
 AREA: Maricopa YIELD: 4,900.0 Lb / Acre PREVIOUS CROP: Cotton, Upland DATE: 2/18/99

| No.  | First Month | Operation                  | ---- Hours * ---- |       | ---- Operating Costs (\$/ACRE *) Per Operation ---- |       |            |           |       | Tot. Cash Expenses | Class |       |
|--|-------------|----------------------------|-------------------|-------|---|-------|------------|-----------|-------|--------------------|-------|-------|
|  |             |                            | Machine           | Labor | Fuel/Rps.   | Labor | Cust/Serv. | Materials | Total |                    |       | Times |
| 1  | Nov         | Apply Fert/Ground          | 0.075             | 0.083 | 0.49  | 0.68  |            | 33.87     | 35.04 | 1.0                | 35.04 | G     |
| 2  | Nov         | Disk                       | 0.225             | 0.250 | 3.92  | 2.05  |            |           | 5.97  | 1.0                | 5.97  | L     |
| 3  | Nov         | List                       | 0.237             | 0.263 | 3.10  | 2.15  |            |           | 5.26  | 1.0                | 5.26  | L     |
| 4  | Dec         | Plant                      | 0.225             | 0.250 | 2.44  | 2.05  |            | 36.73     | 41.22 | 1.0                | 41.22 | L     |
| 5  | Dec         | Buck Rows                  | 0.023             | 0.025 | 0.14  | 0.20  |            |           | 0.35  | 1.0                | 0.35  | G     |
| 6  | Dec         | Irrigate                   |                   | 0.750 |   | 5.12  |            | 24.00     | 29.12 | 1.0                | 29.12 | G     |
| 7  | Feb         | Irrigate/Run Fertilizer    |                   | 0.455 |   | 3.10  |            | 38.28     | 41.39 | 2.0                | 82.77 | G     |
| 8  | Mar         | Irrigate                   |                   | 0.450 |   | 3.07  |            | 18.00     | 21.07 | 2.0                | 42.14 | G     |
| 9  | May         | Prepare Ends               | 0.023             | 0.025 | 0.28  | 0.20  |            |           | 0.48  | 1.0                | 0.48  | H     |
| 10   | May         | Combine Harvest            |                   |       |   |       |            | 54.65     | 54.65 | 1.0                | 54.65 | H     |
| 11   | May         | Haul, Custom 49 CW         |                   |       |   |       |            | 12.25     | 12.25 | 1.0                | 12.25 | H     |
| 12   | Jun         | Disk Residue 49 CW         | 0.225             | 0.250 | 3.92  | 2.05  |            |           | 5.97  | 1.0                | 5.97  | L     |
|  |             | Pickup Use30 Mi/Acre       | 1.000             |       | 7.71  |       |            |           |       |                    | 7.71  |       |
|  |             | Operating Interest at 10.0 |                   |       |   |       |            |           |       |                    | 11.13 |       |
| TOTAL CASH OPERATING EXPENSES (includes all times over): |             |                            |                   |       |   |       |            |           |       | 334.06             | T     |       |

\*NOTES: Machine and labor hours and operating cost are for one time over the designated acreage. The "Tot. Cash Expense" column and the "TOTAL CASH OPERATING EXPENSES" row include all operations, all times over. Classes are defined below.  
 A water assessment charge of \$19.80 per Acre is included as an ownership cost in Table B.

| OPERATING COST SUMMARY BY CLASS |          | SENSITIVITY OF THE NET REVENUES OVER TOTAL CASH EXPENSES (\$/ACRE) |          |          |          |          |          |                  |      |
|---------------------------------|----------|--|----------|----------|----------|----------|----------|------------------|------|
|                                 |          | Prices   | - 25%    | - 10%    | Budgeted | + 10%    | + 25%    | Break-even Price |      |
| Land Preparation (L)            | 58.42    | Yields   | \$0.06   | \$0.07   | \$0.08   | \$0.08   | \$0.09   | Break-even Price |      |
| Growing (G)                     | 189.42   |  |          |          |          |          |          |                  |      |
| Harvest (H)                     | 67.38    | - 25%  | 3,675.0  | -111.25  | -69.90   | -42.34   | -14.78   | 26.56            | 0.09 |
| Post Harvest (P)                | 0.00     | - 10%  | 4,410.0  | -80.01   | -30.40   | 2.68     | 35.75    | 85.36            | 0.07 |
| Marketing (M)                   | 0.00     | Budgeted   | 4,900.0  | -59.19   | -4.06    | 32.69    | 69.44    | 124.56           | 0.07 |
| Operating Overhead (O)          | 18.84    | + 10%  | 5,390.0  | -38.36   | 22.27    | 62.70    | 103.12   | 163.76           | 0.06 |
|                                 | =====    | + 25%  | 6,125.0  | -7.13    | 61.78    | 107.72   | 153.65   | 222.56           | 0.06 |
| Total (T)                       | \$334.06 | Break-even Yield   | 6,292.70 | 4,975.58 | 4,366.31 | 3,889.98 | 3,342.94 |                  |      |

**Table 9D. Resource and Cash Flow Requirements; Durum Wheat, 1998**

COUNTY: Pinal FARM: Pinal County 98 WATER SOURCE: Central Arizona TILLAGE: Conventional  
 CROP: Wheat, Durum ACRES: 1.0 IRRIGATION SYSTEM: Flood Furrow SOIL: Sandy-Loam  
 AREA: Maricopa YIELD: 4,900.0 Lb / Acre PREVIOUS CROP: Cotton, Upland DATE: 2/18/99

| Month *                    | Number Irrigations | Water Applied (inches) | Total Labor (Hrs) | Operating Costs (\$/ACRE *) |                       |              |              |                 |              |               |
|----------------------------|--------------------|------------------------|-------------------|-----------------------------|-----------------------|--------------|--------------|-----------------|--------------|---------------|
|                            |                    |                        |                   | Purchased Water             | Fuel, Oil and Repairs | Labor        | Chemicals    | Other Purchases | Services     | Total         |
| NOV P                      |                    |                        | 0.30              |                             | 3.76                  | 2.44         | 16.93        |                 |              | 23.13         |
| DEC P                      | 0.4                | 3.2                    | 0.74              | 9.60                        | 5.06                  | 5.61         | 16.93        | 18.36           |              | 55.57         |
| JAN C                      | 0.6                | 4.8                    | 0.59              | 14.40                       | 1.29                  | 4.20         |              | 18.36           |              | 38.26         |
| FEB C                      | 1.0                | 6.0                    | 0.46              | 18.00                       |                       | 3.10         | 20.28        |                 |              | 41.39         |
| MAR C                      | 1.0                | 6.0                    | 0.46              | 18.00                       |                       | 3.10         | 20.28        |                 |              | 41.39         |
| APR C                      | 1.0                | 6.0                    | 0.45              | 18.00                       |                       | 3.07         |              |                 |              | 21.07         |
| MAY C                      | 1.0                | 6.0                    | 0.47              | 18.00                       | 0.28                  | 3.28         |              |                 |              | 21.55         |
| JUN C                      |                    |                        | 0.25              |                             | 3.92                  | 2.05         |              |                 | 66.90        | 55.72         |
| Pickup Use30 Mi/Acre       |                    |                        |                   |                             | 7.71                  |              |              |                 |              | 7.71          |
| Operating Interest at 10.0 |                    |                        |                   |                             |                       |              |              |                 | 11.13        | 11.13         |
| Water Assessment           |                    |                        |                   | **                          |                       |              |              |                 |              |               |
| <b>Total</b>               | <b>5.0</b>         | <b>32.0</b>            | <b>3.71</b>       | <b>96.00</b>                | <b>22.02</b>          | <b>26.85</b> | <b>74.43</b> | <b>36.73</b>    | <b>78.03</b> | <b>334.06</b> |
| <b>%</b>                   |                    |                        |                   | <b>28.74</b>                | <b>6.59</b>           | <b>8.04</b>  | <b>22.28</b> | <b>11.00</b>    | <b>23.36</b> | <b>100.00</b> |

|  |  |
|--|--|
| <b>TOTAL RESOURCE REQUIREMENTS ( per Acre)</b> | <b>TOTAL ENERGY REQUIREMENTS ( per Acre)</b> |
| Total N 161.4                                  | Diesel Fuel 6.5 Gal                          |
| Total P 95.4                                   | Unleaded Gas 3.0 Gal                         |
| Total K 0.0                                    | All Direct Energy 1.3 M BTU                  |
| Total Labor 3.7                                |  |
| Total Water 32.0                               |  |

|   |                              |                                |
|---|------------------------------|--------------------------------|
| <b>EQUIPMENT REQUIREMENTS ( per Acre)</b> |                              |                                |
| Fertilizer Broadcaster, 0.08 Hr           | Grain Drill, 14', 0.22 Hr    | Lister, 5 Bottom, 0.24 Hr      |
| Offset Disk, 13.5', 0.02 Hr               | Offset Disk, 16.5', 0.45 Hr  | Pickup Truck, 1/2 Ton, 1.00 Hr |
| Rowbuck, 10', 0.02 Hr                     | Tractor, 70 PTO HP, 0.32 Hr  | Tractor, 100 PTO HP, 0.02 Hr   |
| Tractor, 125 PTO HP, 0.24 Hr              | Tractor, 150 PTO HP, 0.45 Hr |                                |

|  |                                 |                                |
|--|---------------------------------|--------------------------------|
| <b>MATERIALS REQUIREMENT ( per Acre)</b> |                                 |                                |
| 11-53-00, Dry 180.00 Lb                  | 32-00-00, URAN 32, Lqd 40.00 Ga | Durum Wheat Sd, Cert 165.00 Lb |
| Water, District 32.00 Al                 |                                 |                                |

|                                      |                 |
|--------------------------------------|-----------------|
| <b>LABOR REQUIREMENT ( per Acre)</b> |                 |
| Irrigators 2.56 Hr                   | Tractor 1.15 Hr |

\*NOTE: P = Previous Year C = Current Year N = Next Year  
 \*\* A water assessment charge of \$19.80 per Acre is included as an ownership cost in Table B.

**Table 9E. Schedule of Operations; Durum Wheat, 1998**

COUNTY: Pinal FARM: Pinal County 98 WATER SOURCE: Central Arizona TILLAGE: Conventional  
 CROP: Wheat, Durum ACRES: 1.0 IRRIGATION SYSTEM: Flood Furrow SOIL: Sandy-Loam  
 AREA: Maricopa YIELD: 4,900.0 Lb / Acre PREVIOUS CROP: Cotton, Upland DATE: 2/18/99

| First No. Month | Times | Operation               | Equipment/ Custom Oper HP Self-Prop./ Implement | Job Rate Acres/Hr | ----- Material Use and Cost ----- Name | ----- Appl. Rate \$ / Unit | ----- Service Cost \$ / Unit | Labor Type |
|-----------------|-------|-------------------------|---|-------------------|--|----------------------------|------------------------------|------------|
| Nov             | 1.0   | Apply Fert/Ground       | 70 Fertilizer Broadcaster,                      | 12.00             | 11-53-00, Dry                          | 180.00 Lb 355.00           | Tn                           | Tractor    |
| Nov             | 1.0   | Disk                    | 150 Offset Disk, 16.5'                          | 4.00              |  |                            |                              | Tractor    |
| Nov             | 1.0   | List                    | 125 Lister, 5 Bottom                            | 3.80              |  |                            |                              | Tractor    |
| Dec             | 1.0   | Plant                   | 70 Grain Drill, 14'                             | 4.00              | Durum Wheat Sd, Cert                   | 165.00 Lb 21.00            | CW                           | Tractor    |
| Dec             | 1.0   | Buck Rows               | 70 Rowbuck, 10'                                 | 40.00             |  |                            |                              | Tractor    |
| Dec             | 1.0   | Irrigate                |   | 1.33              | Water, District                        | 8.00 AI 36.00              | AF                           | Irrigators |
| Feb             | 2.0   | Irrigate/Run Fertilizer |   | 2.20              | Water, District                        | 6.00 AI 36.00              | AF                           | Irrigators |
|                 |       |                         |   |                   | 32-00-00, URAN 32,                     | 20.00 Ga 173.00            | Tn                           |            |
| Mar             | 2.0   | Irrigate                |   | 2.22              | Water, District                        | 6.00 AI 36.00              | AF                           | Irrigators |
| May             | 1.0   | Prepare Ends            | 100 Offset Disk, 13.5'                          | 40.00             |  |                            |                              | Tractor    |
| May             | 1.0   | Combine Harvest         | CST Combine Wheat                               |                   |  |                            | 37.50                        | Ac         |
| May             | 1.0   | Haul, Custom            | CST Haul Grain                                  |                   |  |                            | 0.25                         | C          |
| Jun             | 1.0   | Disk Residue            | 150 Offset Disk, 16.5'                          | 4.00              |  |                            |                              | Tractor    |
|                 |       | Pickup use 30 Mi/Ac     | Pickup Truck, 1/2 Ton                           | 1.00              |  |                            |                              |            |

\*NOTES: Machine times, labor times, and material rates are for one time over the designated acreage.

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