


<p>Farm Business Management Reports</p>		<p>EB 1076</p>
	<p>1990 Crop Enterprise Budgets Summer Fallow-Winter Wheat Rotation Garfield County, Washington</p>	
	<p>Herbert Hinman David Bragg</p>	
<p>COOPERATIVE EXTENSION WASHINGTON STATE  UNIVERSITY</p>		

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Garfield County, Washington.

Note

Enterprise costs and returns vary from one farm to the next and over time for any particular farm. Variability stems from differences in the following:

- . Capital, labor, and management resources.
- . Type and size of machinery complement.
- . Cultural practices.
- . Size of farm enterprise.
- . Crop yields.
- . Input prices.
- . Commodity prices.

Costs can also be calculated differently depending on the intended use of the cost estimate. The information in this publication serves as a general guide for a modern, well-managed grain farm in Garfield County. To avoid drawing unwarranted conclusions about any particular farm or group of farms, the reader must closely examine the assumptions used. If they are not appropriate for the situation at hand, adjustments in the costs and/or returns should be made.

**1990 CROP ENTERPRISE BUDGETS
SUMMER FALLOW - WINTER WHEAT ROTATION
GARFIELD COUNTY, WASHINGTON**

Herbert Hinman and David Bragg*

INTRODUCTION

This publication presents projected costs and returns for winter wheat after summer fallow, the common crop rotation in the 13- to 15-inch rainfall areas. Producers, agricultural lenders, and others should find this information helpful in identifying enterprise strengths and weaknesses, planning production adjustments, determining financial requirements, making marketing decisions, and in resolving other business management problems.

The enterprise data do not represent a particular farm. Instead, they represent costs and returns under the specific assumptions adopted for the study. We recommend that individual growers use the blanks provided on the right-hand side of these budgets to estimate their own costs and returns. Also, consult local Cooperative Extension agents and fieldpersons for questions and/or recommendations on field operations and operating inputs.

SOURCES OF INFORMATION

A committee of experienced Garfield County wheat growers was assembled at the request of the county agent. They identified the machinery complement, field operations, and inputs commonly used on well-managed operations. Local farm suppliers were contacted to obtain current price information on materials and services commonly used. Machinery costs were based on replacement prices and on rates of annual use considered typical for a 1,400-acre farm.

BUDGET ASSUMPTIONS

The following assumptions were made in developing the data:

1. The representative farm includes 1,400 acres with 700 acres in winter wheat and 700 acres in summer fallow, annually.
2. Wheat yield is assumed to be 50 bushels per acre. It should be realized, however, that yields are variable in Garfield County and that variable yields can have a substantial impact on break-even costs or prices.

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3. The assumed price for wheat is \$4.00 per bushel.
4. Machinery is valued at costs incurred if the item was to be replaced. Machine items on farms of the representative size in Garfield County are typically replaced used. While valuing machinery at replacement cost may overstate current production costs, it provides an indication of the enterprise's ability to generate the earnings needed to replace depreciable assets. Increases in prices mean that depreciation claimed on assets purchased prior to price advances understates the amount of capital required for asset replacement. When an enterprise is evaluated to determine its long-run viability, it is important to consider its ability to replace depreciable assets on a replaceable cost basis.
5. Twenty-five percent of the pickup and truck use is allocated to farm livestock enterprises.
6. The prevailing interest rate is 12%.
7. The farm is owned, managed, and operated by the same person.

The budget should be viewed as "typical" or "representative," rather than a mathematical average of a large number of producers. Where such factors as farm size, machinery complement and use, cultural practices, and yield differ from those assumed in this publication, quite different enterprise costs and returns may result. Also, this budget includes only production costs and does not include storage, handling, transportation, and interest costs faced by the farmer in marketing his wheat.

DISCUSSION OF BUDGET INFORMATION

The budget information for the summer fallow and winter wheat enterprises is reported in eight separate tables.

Tables 1 and 3: Schedule of Operations and Costs per Acre

Tables 1 and 3 outline the schedule of field operations by calendar month, the type of machinery used, and the hours used per acre for summer fallow after winter wheat and winter wheat after summer fallow, respectively. The costs are divided into two categories. The first is machinery and land fixed costs. The second category, variable costs, is associated with operating machinery, labor, and purchasing services and materials. Total cost is the sum of fixed and variable costs.

Machinery fixed costs include depreciation, interest on the investment, property taxes, and insurance. These costs do not vary with the crops produced, given the ownership of a specific machinery complement, and are incurred whether or not a crop is grown.

Machinery fixed costs for a specific field operation are determined by multiplying the machine hours per acre times the per-hour fixed cost (Table 7). The per-hour fixed costs are determined by dividing the total fixed cost by the annual hours of machinery use for the representative firm.

Land fixed costs include taxes and net rent which is based on rental agreements typical for the area minus expenditures typically covered by the landlord. The typical lease agreement is a one-third landlord and two-thirds tenant crop share, with the landlord paying land taxes, one-third the fertilizer cost, and one-third the crop insurance. The tenant covers all other production expenses.

Thus, net rent for winter wheat is calculated as follows:

\$66.67	(1/3 gross receipts	from production)
- \$ 8.40	(land tax; summer	fallow and winter
	wheat)	
- <u>\$ 6.40</u>	(1/3 fertilizer, and	crop insurance costs)
\$51.87	Net Rent per Acre	

While the owner-operator obviously will not actually experience a land rental cost, the cost represents the minimum returns the owner-operator must have to justify growing this crop on the land himself. This net rent return represents the income the owner-operator forgoes by producing this crop himself rather than renting to a tenant who produces the crop. As a result of owning land, the farmer receives both current returns from his farming operation and any long-term appreciation in land value. However, the farmer would continue to receive land value appreciation even if he rented the land out. Consequently, the appropriate land charge for growing the crop himself is only the net rent lost. As used in this publication, land cost is termed an opportunity cost to indicate that it is not an out-of-pocket expense, but rather a return that is foregone as a result of choosing to use the land to grow this crop. To determine the profitability of crop production relative to other activities, the owner-operator may want to consider these foregone returns, or opportunity costs, along with the usual production expenses. Of course, for the individual producer, any land costs that are actual cash costs, such as interest payments on loans outstanding or land rent payments, must be identified and treated as cash costs and not as opportunity costs.

In Table 3, the previous year's summer fallow costs, plus interest, are included as part of the fixed cost of raising winter wheat. These are costs that must ultimately be covered by wheat returns if the enterprise is to remain profitable.

Variable costs vary directly with the crop grown and the number of acres produced. Variable costs include fuel, oil, repairs, fertilizer, chemicals, custom work, over-head, and interest on operating capital. Machine operating labor, including that provided by the owner-operator, is also included as a variable cost.

Tables 2 and 4: Summary of Production Cost Per Acre

Tables 2 and 4 itemize the costs appearing in the "Schedule of Operations and Costs per Acre" for summer fallow and winter wheat, respectively. Most of the items are self-explanatory or have been previously explained. One entry, "Interest on Machinery," warrants additional explanation.

Machinery interest cost is calculated on the average annual investment in the machinery. The formula used to calculate the average machinery investment is:

$$\frac{\text{Purchase cost} + \text{Salvage value}}{2}$$

The 12% interest charge made against this average investment represents an opportunity cost (returns foregone by investing in the given machine implement rather than in alternative investments) or interest paid on money borrowed to finance machine purchases, or both. Machinery interest cost for one acre of summer fallow or winter wheat is determined by multiplying the respective machine hours per acre times the per hour interest costs (Table 7).

Table 5: Break-Even Selling Price Per Unit

Table 5 presents break-even selling prices for different levels of costs for summer fallow-winter wheat.

The first break-even price is that necessary to cover total variable costs--those costs that occur only if the crop is produced. If the price received does not equal or exceed the variable cost break-even price, the crop becomes uneconomical to produce, even in the short run, for the added costs of production are greater than the added returns.

The second break-even price is that necessary to cover total cash costs, assuming no interest on outstanding loans and no

out-of-pocket land rent. If other cash costs do exist on an individual's farm, such as interest payments, or land rent, these costs must be identified and included in the cash cost break-even price calculation. This price may be viewed as that price necessary to economically produce in the short run.

The third break-even price is that of total cash cost plus depreciation on machinery. This must be realized to stay in business over the long run. However, if farmers do not include the opportunity costs they forego from their investment in land and machinery to find their total cost break-even price, the fourth break-even price in Table 5, they are overlooking the profitability of farming relative to alternative uses of their own resources.

Only if the break-even price required to cover total cost is received will the owner-operator be able to cover all his out-of-pocket expenses, plus realize a fair return to his labor, equity capital invested in land and machinery, and operating capital. Failure to realize the break-even price means that the owner-operator will not earn a return on his labor and capital contributions equivalent to what he could earn in an alternative use. Realization of a price above the break-even level means that in addition to covering all cash and opportunity costs, the operator will get a return to the management and risk he assumed in producing the enterprise.

Table 6: Summary of Receipts, Costs, and Profitability Per Acre

Table 6 summarizes per-acre returns, costs, and profit-ability. The first profit measure is returns over variable costs, which was calculated by subtracting total variable costs from total receipts. An important use for returns over variable costs is selecting the most profitable crop mix. By selecting the crop with the greatest return over variable costs, farm profits are maximized (or losses minimized). The second profit measure, returns to land and management, was calculated by subtracting the machinery fixed expenses, summer fallow costs, and real estate taxes from returns over variable cost. This is the return the owner-operator realizes to his investment in land and management after he has accounted for all costs including \$10.00 per hour for any labor he contributed to the production of the crop.

Table 7: Machinery Complement Table

This table identifies the machine complement used to derive the budget. Typically, most pieces of machinery on Garfield County farms of the representative size are purchased used. Pickups are generally replaced new. Farmers in this area farming approximately 1,400 acres will typically have two tractors which, when replaced,

are replaced with 8- to 10-year old used tractors. It is also typical to have one main truck, with an older truck that is used primarily only during harvest. Table 7 presents the types of machines used on the representative farm, their current replacement price, if replaced new or used, annual hours of use, and estimated per-hour fixed and variable costs.

Table 8: Prices for Selected Inputs

The prices used for fuel, chemicals, and other inputs are listed in Table 8.

TABLE 1: SCHEDULE OF OPERATIONS AND ESTIMATED COSTS PER ACRE FOR SUMMER FALLOW AFTER WINTER WHEAT; 13- TO 15-INCH RAINFALL
 AREA OF GARFIELD COUNTY, WASHINGTON *

OPERATION	TOOLING	MTH YEAR	MACH HOURS	LABOR HOURS	TOTAL FIXED COST	VARIABLE COST					TOTAL VARIABLE COST	TOTAL COST
						FUEL, LUBE, & REPAIRS	MACH LABOR	SERVICE MATER.	INTER.			
						\$	\$	\$	\$	\$	\$	\$
CHISEL PLOW	250HP-WT, 21' CHISEL PLOW	OCT 1989	.20	.22	2.86	3.66	2.20	.00	.00	.59	6.44	9.30
DISC	250 HP-WT, 21' OFFSET DISC	MAR 1990	.17	.18	3.00	3.23	1.83	.00	.00	.25	5.31	8.32
CULTI-HARROW	250HP-WT, 36' CULT-HARROW	MAY 1990	.07	.08	2.15	1.16	.79	.00	.00	.06	2.01	4.16
RODWEED-HARROW	150HP-CT, 36' RODWEED-HARROW	JUN 1990	.07	.08	1.42	1.47	.79	.00	.00	.05	2.30	3.72
RODWEED-HARROW	150HP-CT, 36' RODWEED-HARROW	JUL 1990	.07	.08	1.42	1.47	.79	.00	.00	.02	2.28	3.70
FERTILIZE	150HP-CT, 45'RENTED APPLICATOR	JUL 1990	.07	.07	.58	.86	.73	1.00	15.20	.18	17.97	18.55
PICK-UP	3/4 TON	ANN 1990	.15	.17	1.31	1.33	1.65	.00	.00	.18	3.16	4.46
MACHINE TRANSP	2 TON TRUCK	ANN 1990	.02	.02	.27	.27	.22	.00	.00	.03	.52	.78
OVERHEAD	UTILITIES, LEGAL, ACCT, ETC.	ANN 1990	.00	.00	.00	.00	.00	2.00	.00	.00	2.00	2.00
TAXES	LAND	ANN 1990	.00	.00	4.20	.00	.00	.00	.00	.00	.00	4.20
TOTAL PER ACRE			.82	.90	17.21	13.44	8.99	3.00	15.20	1.35	41.98	59.20

* ASSUMES 1,400 ACRES WITH 700 ACRES IN WINTER WHEAT AND 700 ACRES IN SUMMER FALLOW, ANNUALLY.

TABLE 2: ITEMIZED COST PER ACRE FOR SUMMER FALLOW AFTER WINTER WINTER WHEAT; 13- TO 15-INCH RAINFALL AREA OF GARFIELD COUNTY, WASHINGTON *

		PRICE OR		VALUE OR	YOUR
	UNIT	COST/UNIT	QUANTITY	COST	FARM

VARIABLE COSTS		\$		\$	
FERT APPLICATOR	ACRE	1.00	1.00	1.00	_____
NITROGEN	LB.	.20	60.00	12.00	_____
SULFUR	LB.	.40	8.00	3.20	_____
TRACTOR REPAIR	ACRE	3.93	1.00	3.93	_____
TRACTOR FUEL/LUBE	ACRE	4.77	1.00	4.77	_____
MACHINERY REPAIRS	ACRE	4.07	1.00	4.07	_____
MACHINE FUEL/LUBE	ACRE	.66	1.00	.66	_____
LABOR (TRAC/MACH)	ACRE	8.99	1.00	8.99	_____
OVERHEAD COST	ACRE	2.00	1.00	2.00	_____
INTEREST ON OP. CAP.	DOL.	.12	11.26	1.35	_____

TOTAL VARIABLE COST				41.98	_____
FIXED COSTS		\$		\$	
TRACTOR DEPRECIATION	ACRE	2.51	1.00	2.51	_____
TRACTOR INTEREST **	ACRE	2.75	1.00	2.75	_____
TRACTOR INSURANCE	ACRE	.14	1.00	.14	_____
TRACTOR TAXES	ACRE	.41	1.00	.41	_____
TRACTOR HOUSING	ACRE	.23	1.00	.23	_____
MACHINE DEPRECIATION	ACRE	3.41	1.00	3.41	_____
MACHINE INTEREST **	ACRE	2.78	1.00	2.78	_____
MACHINE INSURANCE	ACRE	.14	1.00	.14	_____
MACHINE TAXES	ACRE	.42	1.00	.42	_____
MACHINE HOUSING	ACRE	.23	1.00	.23	_____
LAND TAXES	ACRE	4.20	1.00	4.20	_____

TOTAL FIXED COST				17.21	_____
TOTAL COST				59.20	_____

* ASSUMES 1,400 ACRES WITH 700 ACRES IN WINTER WHEAT AND 700 ACRES IN SUMMER FALLOW, ANNUALLY.

** 12% OPPORTUNITY COST ON THE AVERAGE VALUE OF MACHINERY INVESTMENT OVER THE USEFUL LIFE.

TABLE 3: SCHEDULE OF OPERATIONS AND ESTIMATED COSTS PER ACRE FOR WINTER WHEAT AFTER SUMMER FALLOW; 13- TO 15-INCH RAINFALL AREA OF GARFIELD COUNTY, WASHINGTON *

OPERATION	TOOLING	MTH YEAR	MACH HOURS	LABOR HOURS	TOTAL FIXED COST	VARIABLE COST					TOTAL VARIABLE COST	TOTAL COST
						FUEL, LUBE, & REPAIRS	MACH LABOR	SERVICE	MATER.	INTER.		
						\$	\$	\$	\$	\$	\$	\$
RODWEED-HARROW	250HP-WT, 36' RODWEED-HARROW	SEP 1989	.07	.08	1.41	1.41	.79	.00	.00	.24	2.43	3.84
PLANT	150HP-CT, 30' DISC DRILL	SEP 1989	.10	.11	2.34	2.28	1.10	.00	9.45	1.41	14.24	16.58
HAUL SEED	2 TON TRUCK	SEP 1989	.02	.02	.27	.27	.22	.00	.00	.05	.54	.81
APPLY PEST.(25%)	RUSSIAN WHT. APHID (AERIAL)**	NOV 1989	.00	.00	.00	.00	.00	1.25	1.00	.20	2.45	2.45
INSURANCE	FEDERAL CROP INSURANCE	NOV 1989	.00	.00	.00	.00	.00	3.00	.00	.27	3.27	3.27
APPLY HERBICIDE	250HP-WT, 65' APPLIC. (RENTAL)	MAR 1990	.05	.06	.43	.60	.55	1.00	12.00	.71	14.86	15.29
HAUL WATER	2 TON TRUCK	MAR 1990	.02	.02	.27	.27	.22	.00	.00	.02	.51	.78
SPOT SPRAY (1%)	PICKUP & PORTABLE SPRAYER***	JUN 1990	.01	.01	.15	.11	.10	.00	.04	.01	.26	.41
INSURANCE	FIRE & HAIL INSURANCE	JUN 1990	.00	.00	.00	.00	.00	1.00	.00	.02	1.02	1.02
COMBINE	20' HILLSIDE COMBINE	JUL 1990	.20	.22	8.16	3.57	2.20	.00	.00	.06	5.83	13.99
HAUL	2 TON TRUCK, 5 YRS. OLD	JUL 1990	.10	.11	1.33	1.33	1.10	.00	.00	.02	2.45	3.79
HAUL	2 TON TRUCK, 9 YEARS OLD	JUL 1990	.10	.11	1.16	1.24	1.10	.00	.00	.02	2.36	3.52
MISC.	3/4 TON PICKUP	ANN 1990	.15	.17	1.31	1.33	1.65	.00	.00	.18	3.16	4.46
MACH TRANSPORT	2 TON TRUCK	ANN 1990	.02	.02	.27	.27	.22	.00	.00	.03	.52	.78
OVERHEAD	UTILITIES, LEGAL, ACCT., ETC.	ANN 1990	.00	.00	.00	.00	.00	2.70	.00	.00	2.70	2.70
TAXES	LAND	ANN 1990	.00	.00	4.20	.00	.00	.00	.00	.00	.00	4.20
INVESTMENT	SUMMER FAL. COST PLUS INTEREST	ANN 1990	.00	.00	66.30	.00	.00	.00	.00	.00	.00	66.30
LAND COST	NET RENT	ANN 1990	.00	.00	51.87	.00	.00	.00	.00	.00	.00	51.87
TOTAL PER ACRE			.84	.92	139.45	12.67	9.25	8.95	22.49	3.25	56.60	196.06

* ASSUMES 1,400 ACRES WITH 700 ACRES IN WINTER AND 700 IN SUMMER FALLOW, ANNUALLY.

** ASSUMES 25% OF THE CROP IS SPRAYED FOR RUSSIAN WHEAT APHID.

*** ASSUMES 1% OF THE CROP AREA IS SPOT SPRAYED.

TABLE 4: ITEMIZED COST PER ACRE FOR WINTER WHEAT AFTER SUMMER
FALLOW; 13- TO 15-INCH RAINFALL AREA OF GARFIELD
COUNTY, WASHINGTON *

		PRICE OR		VALUE OR	YOUR
		UNIT COST/UNIT	QUANTITY	COST	FARM

VARIABLE COSTS		\$		\$	
WHEAT SEED	LB.	.13	70.00	9.45	_____
CUSTOM AERIAL	ACRE	5.00	.25	1.25	_____
PESTICIDE	ACRE	4.00	.25	1.00	_____
FED. CROP INS.	ACRE	3.00	1.00	3.00	_____
HERB APPLICATOR	ACRE	1.00	1.00	1.00	_____
HERBICIDE	ACRE	12.00	1.00	12.00	_____
HERB.-SPOT SPY.	ACRE	4.00	.01	.04	_____
FIRE & HAIL INS	ACRE	1.00	1.00	1.00	_____
TRACTOR REPAIR	ACRE	1.39	1.00	1.39	_____
TRACTOR FUEL/LUBE	ACRE	1.58	1.00	1.58	_____
MACHINERY REPAIRS	ACRE	8.20	1.00	8.20	_____
MACHINE FUEL/LUBE	ACRE	1.51	1.00	1.51	_____
LABOR (TRAC/MACH)	ACRE	9.25	1.00	9.25	_____
OVERHEAD COST	ACRE	2.70	1.00	2.70	_____
INTEREST ON OP. CAP.	DOL.	.12	27.07	3.25	_____

TOTAL VARIABLE COST				56.60	_____
FIXED COSTS		\$		\$	
TRACTOR DEPRECIATION	ACRE	.85	1.00	.85	_____
TRACTOR INTEREST**	ACRE	.93	1.00	.93	_____
TRACTOR INSURANCE	ACRE	.05	1.00	.05	_____
TRACTOR TAXES	ACRE	.14	1.00	.14	_____
TRACTOR HOUSING	ACRE	.08	1.00	.08	_____
MACHINE DEPRECIATION	ACRE	7.52	1.00	7.52	_____
MACHINE INTEREST**	ACRE	5.86	1.00	5.86	_____
MACHINE INSURANCE	ACRE	.29	1.00	.29	_____
MACHINE TAXES	ACRE	.88	1.00	.88	_____
MACHINE HOUSING	ACRE	.49	1.00	.49	_____
LAND TAXES	ACRE	4.20	1.00	4.20	_____
SUM. FAL. COST***	ACRE	59.20	1.12	66.30	_____
NET RENT****	ACRE	51.87	1.00	51.87	_____

TOTAL FIXED COST				139.45	_____
TOTAL COST				196.06	_____

* ASSUMES 1,400 ACRES WITH 700 ACRES IN WINTER WHEAT AND 700 ACRES IN SUMMER FALLOW, ANNUALLY.

** 12% OPPORTUNITY COST ON THE AVERAGE VALUE OF MACHINERY INVESTMENT OVER THE USEFUL LIFE.

*** SUMMER FALLOW COST OF PREVIOUS YEAR PLUS 12% INTEREST.

**** \$66.67 GROSS RENT LESS REAL ESTATE TAXES AND ONE-THIRD FERTILIZER AND CROP INSURANCE COSTS.

TABLE 5: BREAK-EVEN SELLING PRICE PER UNIT FOR SUMMER FALLOW-WINTER WHEAT; 13- to 15-INCH RAINFALL AREA OF GARFIELD COUNTY, WASHINGTON.

	COST PER ACRE	YOUR FARM	BREAK-EVEN PRICE (\$/BU.)	YOUR FARM
	\$	\$	(50 BU./AC.)	
1. TOTAL VARIABLE COST	98.58	_____	1.97	_____
PLUS: TRACTOR & MACHINERY INSURANCE	.62	_____		
TRACTOR & MACHINERY TAXES	1.83	_____		
LAND TAXES	8.40	_____		
2. TOTAL CASH COSTS	109.43	_____	2.19	_____
PLUS: TRACTOR & MACHINERY DEPRECIATION	14.29	_____		
3. TOTAL CASH COST & DEPRECIATION	123.72	_____	2.47	_____
PLUS: TRACTOR & MACHINERY INTEREST	12.33	_____		
TRACTOR & MACHINERY HOUSING	1.04	_____		
INTEREST ON SUMMER FALLOW COST	7.10	_____		
LAND (NET RENT)	51.87	_____		
4. TOTAL COST	196.06	_____	3.92	_____

TABLE 6: SUMMARY OF RECEIPTS, COSTS, AND PROFITABILITY PER ACRE OF SUMMER FALLOW-WINTER WHEAT; 13- TO 15-INCH RAINFALL AREA OF GARFIELD COUNTY, WASHINGTON (TWO-YEAR PERIOD).

	UNIT	PRICE OR COST/UNIT	QUANTITY	VALUE OR COST	YOUR FARM

GROSS RECEIPTS					
WHEAT	BU.	\$4.00	50.00	\$200.00	_____

1. TOTAL RECEIPTS				\$200.00	_____
LESS: TOTAL VARIABLE COST				\$ 98.58	_____
2. RETURNS OVER VARIABLE COST				\$101.42	_____
LESS: TRACTOR & MACHINERY FIXED COST				\$ 30.11	_____
INTEREST ON SUMMER FALLOW COST				\$ 7.10	_____
LAND TAXES				\$ 8.40	_____
3. NET RETURNS TO LAND AND MANAGEMENT				\$ 55.81	_____

TABLE 7: MACHINERY COMPLEMENT AND HOURLY MACHINERY COSTS

MACHINERY	PURCHASE PRICE	YEARS TO TRADE	ANNUAL DEPRECIATION	INTEREST*	INSURANCE	TAXES	HOUSING	TOTAL FIXED COST	REPAIR	FUEL AND LUBE	TOTAL VARIABLE COST	TOTAL COST	
	\$							-----COST PER HOUR-----					
250HP-WT, 8 YR.	25,000.00	10	500	3.53	3.89	.19	.58	.32	8.51	5.00	7.08	12.08	20.59
150HP-CT, 10 YR.	30,000.00	15	500	3.62	3.94	.20	.59	.33	8.68	6.80	6.07	12.87	21.55
21' CHISEL, 5 YR.	4,000.00	10	140	2.35	2.02	.10	.30	.17	4.94	5.00	.00	5.00	9.94
21' DISC, 5 YR.	7,000.00	10	140	4.11	3.53	.18	.53	.29	8.65	6.07	.00	6.07	14.72
36' CULT-HAR., 5 YR.	9,000.00	10	75	9.88	8.47	.42	1.27	.71	20.75	3.00	.00	3.00	23.75
36' ROD-HAR., 5 YR.	9,000.00	10	150	4.94	4.24	.21	.64	.35	10.38	6.40	.00	6.40	16.78
30'DISC DRILL, 5 YR.	6,000.00	10	75	6.58	5.65	.28	.85	.47	13.83	8.67	.00	8.67	22.50
20' COMBINE, 8 YR.	30,000.00	8	140	20.33	15.96	.80	2.39	1.33	40.81	17.86	.00	17.86	58.66
2 TON TRUCK, 5 YR.	10,000.00	10	130	6.33	5.43	.27	.81	.45	13.30	10.00	3.31	13.31	26.61
2 TON TRUCK, 9 YR.	4,000.00	6	75	6.33	4.12	.21	.62	.34	11.62	9.07	3.31	12.37	23.99
3/4 TON PICKUP	18,000.00	6	450	4.75	3.09	.15	.46	.26	8.71	4.89	3.97	8.86	17.57
PT. SPRAYER, 5 YR.	700.00	10	20	3.50	2.10	.11	.32	.17	6.19	1.25	1.32	2.57	8.77

* 12% OPPORTUNITY COST FOR EARNINGS FOREGONE FROM EQUITY CAPITAL INVESTED IN EQUIPMENT AND/OR INTEREST PAID ON MONEY TO FINANCE EQUIPMENT.

TABLE 8: PRICES OF SELECTED INPUTS, GARFIELD COUNTY, WASHINGTON.

ITEM	UNIT	PRICE/UNIT
		\$
<u>FUEL</u>		
GASOLINE	GAL.	1.15
DIESEL	GAL.	.88
<u>FERTILIZER</u>		
NITROGEN	LB.	.20
SULFUR	LB.	.40
<u>CHEMICALS</u>		
HERBICIDES-GENERAL APPLCIATION	ACRE	12.00
HERBICIDES-SPOT SPRAYING	APPLIED ACRE	4.00
PESTICIDES-RUSSIAN WHEAT APHID SPRAY	APPLIED ACRE	4.00
<u>WHEAT SEEDS</u>	LB.	.135
<u>RENTAL RATES</u>		
FERTILIZER APPLICATOR	ACRE	1.00
HERBICIDE APPLICATOR	ACRE	1.00
CUSTOM AERIAL	ACRE	5.00
<u>CROP INSURANCE</u>		
FEDERAL MULTI-PERIL CROP INSURANCE	ACRE	3.00
FIRE AND HAIL CROP INSURANCE	ACRE	1.00
<u>LABOR</u>	HOUR	10.00

Use pesticides with care. Apply them only to plants, animals, or sites listed on the label. When mixing and applying pesticides, follow all label precautions to protect yourself and others around you. It is violation of law to disregard label directions. If pesticides are spilled on skin or clothing, remove clothing and wash skin thoroughly. Store pesticides in their original containers and keep them out of the reach of children, pets, and livestock.

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