#### EBB2 FB 09

2009 Costs and Returns Estimate

Southwestern Idaho: Treasure Valley Feed Barley Neil Rimbey, Jerry Neufeld, and Paul Patterson



# **Background and Assumptions**

The University of Idaho's costs and returns estimates are based on economic costs not accounting costs All resources are valued at a market rate or "opportunity cost". Input prices are taken from the U of I's annual survey of agricultural supply companies. The selling price is a historical average, not a current year's price. The cost estimate shown here is typical for growing feed barley in southwestern Idaho. Production practices most dosely resemble those in Canyon, Payette and Owyhee Counties. Although production practices may be similar for individual farms, each farm has a unique set of resources with different levels of productivity, different production problems, and therefore different costs. Farm size, crop rotation, age and type of equipment, and the quality and intensity of management are all crucial factors that influence costs.

## The Model Farm

This costs and returns estimate models a 1,200 acre farm with 300 acres in feed barley. In addition to feed barley, the farm grows 300 acres of potatoes or sugarbeets, 300 acres of corn, 150 acres of dry beansin In In150

of

University of Idaho College of Agricultural and Life Sciences

Final 3/8/2010

Item	Quantity Per Acre	Unit	Price or Cost	Value or Cost/Acre	
Gross Returns					
Feed Barley	65	cwt	\$6.10	\$396.50	
Operating Inputs					
Seed:				\$27.60	
Barley Seed	120	lb	\$0.23	\$27.60	
				\$0.00	
Fertilizer:				\$85.90	
Dry Nitrogen	135	lb	\$0.50	\$67.50	
Dry P2O5	40	lb	\$0.46	\$18.40 \$0.00	
				\$0.00	
				\$0.00	
				\$0.00	
Pesticides:				\$14.30	
Harmony Extra XP	0.5	oz	\$15.80	\$7.90	
Bronate Advanced (2.5 lb)	1	pt	\$6.40	\$6.40 \$0.00	
				\$0.00	
				\$0.00	
Custom & Consultants:				\$70.10	
Custom Fertilize Custom Combine	2 1	ac ac	\$7.75 \$36.00	\$15.50 \$36.00	
Custom Haul	62	cwt	\$0.30	\$30.00 \$18.60	
				\$0.00	
				\$0.00	
Irrigation:				\$46.00	
Water Assessment	1	ac	\$43.25	\$43.25	
Irrigation Repairs - CD*	1	ac	\$2.75	\$2.75 \$0.00	
Machinery:				\$33.03	
Fuel - Gas	1.25	gal	\$2.30	\$2.88	
Fuel - Diesel	8.5	gal	\$2.00	\$17.00	
Lube Machinery Repairs	1	ac	\$3.00 \$10.15	\$3.00 \$10.15	
	1	ac	\$10.15	\$10.15	
Labor: Labor (machine)	1.9	hr	\$15.60	\$59.47 \$29.64	
Labor (irrigation - cd)	2.45	hr	\$11.05	\$27.07	
Labor (other)	0.3	hr	\$9.20	\$2.76	
Storage:				\$0.00	
				\$0.00 \$0.00	
Other:				\$8.00	
Crop Insurance	1	ac	\$8.00	\$8.00	
				\$0.00	
Operating Interest @ 6.75%				\$9.70	
Total Operating Costs Operating Costs per Unit	\$354.10 \$5.45				
Net Returns Above Operating Exp	\$42.40				

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ltem	Quantity Per Acre	Unit	Price or Cost	Value or Cost/Acre		

#### Table 2. Monthly Summary of Cash Expenses per Acre

#### EBB2-FB-09

	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Total
Preharvest:													
Fertilize	30.15				71.25								101.40
Rip/subsoil	11.04												11.04
Harrow					10.95								10.95
Plane					5.14								5.14
Crop Insurance						8.00							8.00
Assessments						43.25							43.25
Repairs						2.75							2.75
Seed Hauling						3.63							3.63
Plant						39.60							39.60
Corrugate						5.78							5.78
Irrigate						3.87	7.74	11.60	3.87				27.07
Ground Spray							17.23						17.23
General Pickup Use	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	14.02
Total Preharvest Costs	42.36	1.17	1.17	1.17	88.51	108.05	26.13	12.77	5.04	1.17	1.17	1.17	289.87
Harvest:													
Combine										36.00			36.00
Crop Hauling										18.60			18.60
Total Harvest Costs										54.60			54.60
Interest on Operating Capita	0.24	0.24	0.25	0.26	0.76	1.36	1.51	1.58	1.61	1.92	-0.01	-0.01	9.72
Operating Costs per Acre	42.60	1.41	1.42	1.43	89.26	109.41	27.64	14.35	6.65	57.69	1.16	1.16	354.19
Cash Ownership													
General Overhead	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	15.00
Land Rent	-	-	-	-	175.00	2	-	-		-	-	-	175.00
Management Fee	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08	25.00
Property Insurance						1.22							1.22
Cash Ownership Costs	3.33	3.33	3.33	3.33	178.33	4.55	3.33	3.33	3.33	3.33	3.33	3.33	216.22
Total Cash Costs per Acre	45.93	4.75	4.75	4.76	267.59	113.96	30.98	17.69	9.98	61.03	4.50	4.49	570.41

Table 3. **#.38** 

		45.50	52.00	58.50	65.00	71.50	78.00	84.50
	4.27	-160	-132	-104	-77	-49	-21	7
t)	4.88	-132	-100	-69	-37	-5	26	58
Price (dollars/cwt)	5.49	-104	-69	-33	3	38	74	110
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### Net Returns Per Acre Above Operating Costs For Barley Yield (cwt/acre)