

Cooperative Extension Service

User’s Guide for Interactive Whole Farm Budgets in Excel

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Crop Production

The Whole Farm Budgets program is available for combined production of cotton, corn, soybeans, long-grain rice, medium-grain rice, sorghum, wheat and peanuts as a single farm unit. Worksheets in the interactive Excel file for users to select acreage, expected yield and price, and share of revenue are labeled Cotton, Corn, Soybean, Rice_LG, Rice_MG, Wheat, Sorghum, and Peanut. Table 1 shows the entries available for each crop. Default input costs in the program represent alternative irrigation methods. Two data categories are available to represent production, 1) owned land and 2) rented land. Cash land rent paid is entered in the white cells of line 26 for each crop as indicated in Table 2. Grower share of revenue should be set to 100% for cash rent situations. For cotton in Table 3, a rebate per bale of production may be entered in the highlighted line below Grower Share Revenue, %. If no rebate value is entered for cotton, the value is set equal to post-harvest expenses.

Table 1. Example of Data Entries for Whole Farm Budgets

Soybean	Owned Land					Rented Land (Share or Cash)				
	Furrow Irrigation		Pivot Irrigation		Non-irrigated	Furrow Irrigation		Pivot Irrigation		Non-irrigated
	Diesel	Electric	Diesel	Electric	N/A	Diesel	Electric	Diesel	Electric	N/A
Irrigation Type										
Irrigation Power										
Acres	400	0	0	0	0	900	0	0	0	0
Yield	60	60	60	60	30	60	60	60	60	30
Farm Price	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Grower Share Revenue, %	100%	100%	100%	100%	100%	75%	75%	75%	75%	75%

Table 2. Entry for Cash Land Rent

Cash Land Rent		0.00	0.00	0.00	0.00	0.00
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Table 3. Example of Data Entries for Cotton

Cotton	Owned Land					Rented Land (Share or Cash)				
	Furrow Irrigation		Pivot Irrigation		Non-irrigated	Furrow Irrigation		Pivot Irrigation		Non-irrigated
	Diesel	Electric	Diesel	Electric	N/A	Diesel	Electric	Diesel	Electric	N/A
Irrigation Power										
Acres	500	0	0	0	0	200	0	0	0	0
Yield	1200	1200	1200	1200	800	1200	1200	1200	1200	800
Farm Price	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68
Grower Share, Lint Revenue, %	100%	100%	100%	100%	100%	75%	75%	75%	75%	75%
Cottonseed Value ¹ , \$/bale										

¹If no value entered in X_Cotton, values are set equal to post-harvest expenses and board fees.

Default percentages for grower share of expenses are 100% as indicated in Table 4. Alternative percentages less than 100% entered for Grower Expenses Percent in Table 4 will decrease the grower production cost of a production item.

Table 4. Grower Share of Expenses

Soybean	Rented Land (Share or Cash)					Grower Expense Percent, Share Rented Land				
	Furrow Irrigation		Pivot Irrigation		Non-irrigated	Furrow Irrigation		Pivot Irrigation		Non-irrigated
	Diesel	Electric	Diesel	Electric	N/A	Diesel	Electric	Diesel	Electric	N/A
Irrigation Type										
Irrigation Power										
Acres	900	0	0	0	0					
Yield	60	60	60	60	30					
Farm Price	9.50	9.50	9.50	9.50	9.50					
Grower Share Revenue, %	75%	75%	75%	75%	75%					
Seed	60.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Fertilizers & Nutrients	32.05	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Chemicals	109.48	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Custom Applications	14.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Other Inputs	3.88	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Diesel Fuel, Field Activities	13.08	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Irrigation Energy	31.18	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Fees	7.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Crop Insurance	7.21	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Repairs & Maintenance	16.08	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Labor, Field Activities	10.57	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Interest	6.40	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Custom Harvest	0.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Post-harvest Expenses	16.20	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Check-offs, Board Fees	2.85	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Cash Land Rent	0.00	0.00	0.00	0.00	0.00					

Farm Costs and Returns Summary

Financial results presented in Table 5 for combined crop production are calculated in the Farm worksheet. The program calculates estimates for Capital Recovery and Ownership Costs of

equipment. Users may substitute the calculated default value with an alternative value entered into the white cell for this expense. Similarly, users may enter alternative real estate taxes paid for owned land in the corresponding white cell. Users enter values for Price Loss Coverage (PLC), Agricultural Risk Coverage (ARC), and loan deficiency payments (LDP) in the corresponding white cells. The interactive program for PLC, ARC, and LDP in Excel is available at <http://www.uaex.edu/crop-budgets> to estimate these expected payments. Users may enter alternative values attributed to farm management and unpaid labor in the white cell for Management, Unpaid Labor.

Table 6 presents default values for the interest rate of operating loans and the average portion of the calendar year allowed for repaying borrowed operating capital. The default value of 0.50 for Portion of the Year Financed represents 6 months. For 9 months, the white cell would be revised to 0.75.

Table 5. Farm Costs and Returns Summary

Farm Costs and Returns Summary									
Crop	Cotton	Corn	Soybean	Rice, LG	Rice, MG	Wheat	Sorghum	Peanut	Total
Total Revenue	0	514,500	798,000	598,500	0	0	0	0	1,911,000
Grower Revenue ¹	0	385,875	598,500	448,875	0	0	0	0	1,433,250
Input Costs	0	269,475	369,147	329,877	0	0	0	0	968,498
Production Expenses	0	306,296	426,337	367,777	0	0	0	0	1,100,411
Operating Expenses	0	378,879	461,960	451,542	0	0	0	0	1,292,381
Crop, Returns to Operating Expenses	0	6,996	136,540	-2,667	0	0	0	0	140,869
Farm, Returns to Operating Expenses	140,869								
Capital Recovery & Ownership Costs	247,028	247,028 Estimate: Includes Personal Property Taxes and Equipment Insurance							
Real Estate Taxes	0	0 Estimate		0 Owned Acres		Millage Rate		46.00	
Other Expenses	0								
Net Farm Income from Operations	-106,159								
PLC, ARC Payments	96,089								
LDP	0								
Management, Unpaid Labor	63,850 http://data.bls.gov/oe SOC code 119013: Average for AR, LA, MS, & MO								
Net Returns	-73,920								

¹Cash rent is deducted from Total Revenue to calculate Grower Revenue.



Table 6. Operating Interest Rate and Portion of Year Financed

<u>Operating Interest</u>	
Interest Rate	4.20
Portion of Year Financed	0.50

The Whole Farm Budgets program estimates repairs and maintenance for equipment by applying engineering formulas, and values should be regarded as expenses for full service repairs. Farm labor expenses are estimated by applying hourly wage rates to estimated time periods of field work for production activities. In practice, hired farm labor is typically utilized for some repairs and maintenance of equipment. Table 7 indicates a situation in which 50% of total equipment repairs are performed by hired farm labor. Of the repairs performed by farm labor, 50% of the total value consists of parts and supplies and 50% of the total value is for hired farm labor. These percentages in the white cells may be revised to represent unique situations. Percentage selections in Table 7 do not affect Net Returns in Table 5 and are only for information to estimate expenses allocated for hired labor expenses.

Table 7. Detail for Farm Labor and Equipment Repairs

<u>Repairs, Labor Detail</u>		
Total Repairs	53,659	Estimated value of all farm repairs and maintenance
% by Farm Labor	65%	Estimated percentage of total repairs value performed by farm labor
%, Parts & Supplies	35%	Estimated percentage for repairs & maintenance performed by farm labor
Full Service & Parts	18,781	
Labor, Repairs	22,671	
Labor, Field Activities	32,460	
Labor, Total	55,131	
Labor & Repairs	86,119	86,119 Estimated Farm Total

Revising Crop Production Expenses

Expenses on a per acre basis are contained in worksheets labeled X_Cotton, X_Corn, X_Soybean, X_Rice_LG, X_Rice_MG, X_Wheat, X_Sorghum, and X_Peanut. Expenses are derived from the crop enterprise budgets available at <http://www.uaex.edu/crop-budgets>. Users may apply alternative expenses in the Whole Farm Budgets by revising production methods in any individual crop enterprise budget. After revising a crop enterprise budget, go to the worksheet labeled Links. Copy cells C3 through C27. Perform Paste Special and select Values into rows 6 through 26 of the corresponding expense worksheet in the Whole Farm Budgets file.



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