

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 are labeled Cotton, Corn, Soybean, Rice_LG, Rice_MG, Wheat, Sorghum, and Peanut. In these worksheets, the user should **only** enter the **total acreage, expected yield and price, and share of revenue**. Table 1 shows the entries available for each crop. Default input costs in the program represent alternative irrigation methods. Irrigation type and irrigation power type should be observed when making acreage entries. Two categories are available to represent production, 1) owned land and 2) rented land.

Table 1. Example of Data Entries for Whole Farm Budgets

	Owned Land					Rented Land (Share or Cash)				
	Furrow Irrigation		Pivot Irrigation		Non-irrigated	Furrow Irrigation		Pivot Irrigation		Non-irrigated
Irrigation Type	Diesel	Electric	Diesel	Electric	N/A	Diesel	Electric	Diesel	Electric	N/A
Irrigation Power										
Acres	200	0	0	0	0	600	0	0	0	0
Yield	60	60	60	60	30	60	60	60	60	30
Farm Price	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Grower Share Revenue, %	100%	100%	100%	100%	100%	75%	75%	75%	75%	75%

For cotton, shown in Table 2, a rebate per bale of production may be entered in the line below Grower Share Revenue, %. If no rebate value is entered for cotton, the value is set equal to post-harvest expenses.

Table 2. Example of Data Entries for 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 Type										
Irrigation Power										
Acres	0	0	0	0	0	0	0	0	0	0
Yield	1200	1200	1200	1200	800	1200	1200	1200	1200	800
Farm Price	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Grower Share, Lint Revenue, %	100%	100%	100%	100%	100%	75%	75%	75%	75%	75%
Cottonseed Value ¹ , \$/bale	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00

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 3. Alternative percentages less than 100% entered for Grower Expenses Percent in Table 3 will decrease the grower production cost of a production item.

Table 3. Grower Share of Expenses

	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	600	0	0	0	0					
Yield	60	60	60	60	30					
Farm Price	10.00	10.00	10.00	10.00	10.00					
Grower Share Revenue, %	75%	75%	75%	75%	75%					
Seed	90.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Fertilizers & Nutrients	42.20	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Chemicals	68.98	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	3.45	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Diesel Fuel, Field Activities	15.59	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Irrigation Energy	35.15	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Fees	0.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Crop Insurance	0.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Repairs & Maintenance	20.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Labor, Field Activities	10.30	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Interest	7.12	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	15.00	0.00	0.00	0.00	0.00	100%	100%	100%	100%	100%
Check-offs, Board Fees	3.00	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 4 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. Users may enter alternative values attributed to farm management and unpaid labor in the white cell for Management, Unpaid Labor.

Table 4. 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	0	480,000	720,000	0	0	0	0	1,200,000
Grower Revenue ¹	0	0	390,000	585,000	0	0	0	0	975,000
Input Costs	0	0	215,502	321,538	0	0	0	0	537,040
Production Expenses	0	0	240,029	360,332	0	0	0	0	600,361
Operating Expenses	0	0	260,130	464,434	0	0	0	0	724,564
Crop, Returns to Operating Expenses	0	0	129,870	120,566	0	0	0	0	250,436
Farm, Returns to Operating Expenses	250,436								
Capital Recovery & Ownership Costs	139,296	139,296 Estimate:			Includes Personal				
Real Estate Taxes	2,981	2,981 Estimate		400 Owned Acres	Millage Rate		46.00		
Net Farm Income from Operations	108,160								
PLC, ARC Payments	0								
LDP	0								
Management, Unpaid Labor	72,570								
Net Returns	35,590								

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

Table 5 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. Operating Interest Rate and Portion of Year Financed

<u>Operating Interest</u>	
Interest Rate	4.75
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 6 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 6 do not affect Net Returns in Table 4 and are only for information to estimate expenses allocated for hired labor expenses.

Table 6. Detail for Farm Labor and Equipment Repairs

<u>Repairs, Labor Detail</u>		
Total Repairs	43,394	Estimated value of all farm repairs and maintenance
% by Farm Labor	50%	Estimated for value performed by farm labor
%, Parts & Supplies	50%	Estimated for repairs & maintenance performed by farm labor
Repairs, Full Service	21,697	
Labor, Repairs	10,848	
Labor, Field Activities	19,927	
Labor, Total	30,776	

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 [Crop Enterprise Budgets for Arkansas](#)

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 C9 through C28. Perform Paste Special and select Values into rows 11 through 30 of the corresponding expense worksheet in the Whole Farm Budgets file.

Cash land rent paid is entered into the white cells of line 26 for each crop as indicated in Table 7. Grower share of revenue should be set to 100% for cash rent situations.

Table 7. Entry for Cash Land Rent

Cash Land Rent		0.00	0.00	0.00	0.00	0.00
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