2008 Projected Commodity Costs And Returns

2008 Projected Rice Cash Flow Model

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PROJECTED 2008 RICE FARM CASH FLOW MODEL

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The Projected 2008 Rice Farm Cash Flow Model was developed to assist producers in planning for the 2008 crop year. The model is an Excel spreadsheet which allows rice producers to enter projected acreage, yield, market price and production cost data for 2008 to estimate net returns above variable production costs and to easily evaluate the impact of changing percent of base planted on net returns. The primary purpose of the model is to evaluate the impact on net returns above variable production costs for alternative rice rental arrangements and percent of base acreage planted. The model also includes entry cells for whole farm fixed expenses to estimate projected returns from rice production over all costs.

Data Input

The Projected 2008 Rice Farm Cash Flow Model calculates projected net returns above variable production costs for a rice farm or specific tract of land of a specified acreage. For each farm or tract, data to be entered into the model includes estimates for the 2008 crop season including rice acreage, base acres, percent of base planted, projected first crop and ratoon crop yields, program yields, projected prices and production costs. Gross returns, variable costs and net returns are calculated for the farm or tract based upon the data entered. Spreadsheet cells in which data must be entered are listed and defined below.

Acreage, Production and Price Data:

The first section of the model contains cells to enter data concerning projected 2008 rice acreage, production and market prices. The specific data entry cells in the spreadsheet (shaded in blue) are listed below.

Spreadsheet Cell	Description
C4	Farm Name
C5	Farm Number
E8	Rice Yield Unit (1 = cwt and 2 = bbls)
E9	Total Rice Base Acres
E10	Percent of Rice Base Planted in 2008
E11	Percent of 2008 Planted Rice Acreage Ratoon Cropped
E12	Projected 2008 Rice First Crop Yield (cwt or bbl)
E13	Projected 2008 Rice Ratoon Crop Yield (cwt or bbl)
E16	Rice Direct Payment Program Yield (cwt or bbl)
E17	Rice Counter Cyclical Payment Program Yield (cwt or bbl)

Spreadsheet Cell	Description
E19	Rice Cash Rent ($ per acre)
E20	Total Acres Cash Rented

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E22	Rice Crop Share for Land and Water
E23	Percent of Irrigation Pumping Costs Paid by Grower
E25	Projected 2008 Diesel Price per Gallon
E26	Projected 2008 Urea Price per Ton
E28	2008 Rice Direct Payment ($ per cwt.)
E29	Projected 2008 Rough Rice Market Price ($ per cwt.)
E30	Projected 2008 World Rice Price ($ per cwt.)

Rice Variable Production Cost Data:

The second section of the model contains cells to enter data concerning projected variable rice production costs for the 2008 season. Costs are entered on a dollar per planted acre basis and should include the proportionate additional cost for any ratoon crop acreage. The specific data entry cells (shaded in blue) are listed below.

Spreadsheet Cell	Description
E58	Custom Aerial Application Costs ($ per acre)
F58	Percent of Aerial Application Cost paid by grower
F59	Percent of Drying Cost paid by grower
C61	Pounds of Urea applied per acre (lbs per acre)
F61	Percent of Fertilizer Cost paid by grower
E62	Phosphate and Potash Costs ($ per acre)
F62	Percent of Phosphate and Potash Cost paid by grower
E63	Fungicide Cost ($ per acre)
F63	Percent of Fungicide Cost paid by grower
E64	Herbicide Cost ($ per acre)
F64	Percent of Herbicide Cost paid by grower
E65	Insecticide Cost ($ per acre)
F65	Percent of Insecticide Cost paid by grower
E66	Irrigation Gate Cost ($ per acre)
E67	Seed Cost ($ per acre)
E68	Fertilizer Application Costs ($ per acre)
F68	Percent of Fertilizer Application Costs paid by grower
E69	Planting Costs ($ per acre)
E70	Hauling Costs ($ per acre)
E71	Labor Costs ($ per acre)
C72	Gallons of Diesel used for Tillage and Harvest (gallons per acre)
C73	Gallons of Diesel used for Irrigation (gallons per acre)
E74	Repair and Maintenance Costs ($ per acre)
E75	Other Variable Costs ($ per acre)
F75	Percent of Other Costs paid by Grower
C76	Interest Rate on Operating Capital (%)
C77	Term of Operating Loan (months)

Net Return Calculation:

Based on the acreage, production, price and cost data entered, the model calculates net returns above variable costs (for the percent of base planted) on a per farm, per acre, per cwt., and per bbl. basis. Net return estimates are also included at the upper portion of the spreadsheet (cells G4:J6) to allow for quick evaluation of the impact of changing percent of base planted on net returns above variable costs. A copy of the entire model along with a set of sample data entered is included below.

Projected 2008 Rice Farm Cash Flow Model

1/4/2008

(Projected Net Returns Above Variable Production Costs)

[Enter values shaded in blue]

Farm Name: ABC Rice Farm
Farm Number: Tract 101

Total Rice Net Returns Above Variable Costs	Per Farm	Per Acre	Per Cwt	Per Bbl
	$12,882.76	$151.56	$2.61	$4.23

	[ENTER]			
Enter Yield Unit [1 = Cwt 2 = Bbl]	1			
Total Rice Base Acres	100		85	Paid Rice Base Acres in 2008
Percent of Rice Base Planted in 2008	85%		85	Rice Acres Planted in 2008
Percent of 2008 Planted Rice Acreage Ratoon Cropped	50%		42.5	Ratoon Crop Acres in 2008
Projected 2008 Rice First Crop Yield	58.00	Cwt	58.0	Total Yield per Acre Cwt
Projected 2008 Rice Ratoon Crop Yield	0.00	Cwt	4,930	Total Rice Production Cwt
Rice Direct Payment Program Yield	42.00	Cwt	42.0	Cwt 25.9 Bbl
Rice Counter Cyclical Payment Program Yield	42.00	Cwt	42.0	Cwt 25.9 Bbl
Rice Cash Rent ($ per acre)	$0.00			
Total Acres Cash Rented	0			
Rice Crop Share for Land and Water	30%			
Percent of Irrigation Pumping Costs Paid by Grower	0%			
Projected 2008 Diesel Price per Gallon	$2.90		$0.24	Urea Price per lb of Material
Projected 2008 Urea Price per Ton	$480.00		$0.52	Urea Price per lb of Nitrogen
2008 Direct Payment per Cwt.	$2.35	per Cwt	$3.81	per Barrel
Projected 2008 Rough Rice Market Price per Cwt.	$12.80	per Cwt	$20.74	per Barrel
Projected 2008 World Market Price	$7.00	per Cwt	$11.34	per Barrel

Rice Production

Yield Per Acre	58.0 Cwt / A	35.8 Bbl / A
Total Production	4,930 Cwt	3,043 Bbl

Direct Payment per Cwt	$2.35	per Cwt	$3.81 per Bbl
Counter Cyclical Payment per Cwt	$0.00	per Cwt	$0.00 per Bbl
LDP Payment per Cwt	$0.00	per Cwt	$0.00 per Bbl
U.S. Rough Rice Market Price	$12.80	per Cwt	$20.74 per Bbl
World Rough Rice Market Price	$7.00	per Cwt	$11.34 per Bbl

Gross Income From Rice Production	Per Harvested Rice Acre	Total Farm	Per Actual Production Unit: Per Cwt	Per Bbl
Market Income	$742.40	$63,104.00	$12.80	$20.74
Direct Program Payment	$98.70	$8,389.50	$1.70	$2.76
Counter Cyclical Program Payment	$0.00	$0.00	$0.00	$0.00
LDP Payment	$0.00	$0.00	$0.00	$0.00
Total Rice Farm Gross Income	$841.10	$71,493.50	$14.50	$23.49
Rent - Land and Water				
Share Rent (on Planted/Harvested Rice Acres)	$252.33	$21,448.05		
Cash Rent (on Total Rice Crop Land Acres)	$0.00	$0.00		
Gross Returns to Grower	$588.77	$50,045.45	$10.15	$16.44

Rice Variable Production Costs			[ENTER] Total Costs Per Acre	[ENTER] Percent Paid By Grower	Total Farm
[Enter production costs per acre including proportionate share of ratoon crop]					
Custom Aerial Application			$25.65	100%	$2,180.25
Drying Charge			$58.46	70%	$3,478.61
Fertilizer					
Pounds of Urea per Acre	300	lbs/Acre	$72.00	100%	$6,120.00
Cost of Phosphate and Potash			$39.20	100%	$3,332.00
Fungicide			$19.70	100%	$1,674.50
Herbicides			$40.93	100%	$3,479.05
Insecticides			$12.40	100%	$1,054.00
Irrigation Gates			$3.65		$310.25
Seed			$31.20		$2,652.00
Fertilizer Application Cost			$19.00	100%	$1,615.00
Planting Cost			$6.72		$571.20
Hauling Cost			$12.18		$1,035.30
Labor Costs			$16.17		$1,374.45
Tillage/Harvest Fuel Cost	16	gal/Acre	$46.40		$3,944.00
Irrigation Fuel Cost	55	gal/Acre	$159.50	0%	$0.00
Repair and Maintainance			$19.48		$1,655.80
Other Variable Costs			$0.00	100%	$0.00
Interest on Operating Capital	8.5%	rate	$31.60		$2,686.29
	11	months			
Total Rice Variable Costs			$437.21		$37,162.69

	Per Acre	Total Farm	Per Cwt	Per Bbl
Net Returns Above Variable Costs	$151.56	$12,882.76	$2.61	$4.23
Fixed Costs				
[Enter whole farm fixed expenses]				
Fixed cost 1	$0.00	$0	0.00	$0.00
Fixed cost 2	$0.00	$0	0.00	$0.00
Fixed cost 3	$0.00	$0	0.00	$0.00
Total Fixed Costs	$0.00	$0	$0.00	$0.00
Net Returns Above Variable and Fixed Costs	$151.56	$12,882.76	$2.61	$4.23

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