Supporting Information

Exam II

Econ 330

Fall 2007
Corn Silage following Corn

<table>
<thead>
<tr>
<th>15 tons per acre</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed</strong></td>
</tr>
<tr>
<td>Preharvest Machinery 1/</td>
</tr>
<tr>
<td>Seed, Chemical, etc.</td>
</tr>
<tr>
<td>Seed @ $1.00 per 1000 k.</td>
</tr>
<tr>
<td>Nitrogen @ $0.50 per lb. (pound)</td>
</tr>
<tr>
<td>Phosphate @ $0.28 per lb. (pound)</td>
</tr>
<tr>
<td>Potash @ $0.15 per lb. (pound)</td>
</tr>
<tr>
<td>Lime (yearly cost)</td>
</tr>
<tr>
<td>Herbicide</td>
</tr>
<tr>
<td>Insecticide</td>
</tr>
<tr>
<td>Crop Insurance</td>
</tr>
<tr>
<td>Miscellaneous</td>
</tr>
<tr>
<td>Interest on preharvest variable costs (8 months @ 6%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Harvest Machinery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silage Harvester</td>
</tr>
<tr>
<td>Haul</td>
</tr>
<tr>
<td>Blower</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.0 hours @ $9.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash rent equivalent</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total fixed, variable</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per acre</td>
</tr>
<tr>
<td>Per ton</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Total cost per acre</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$440.50</td>
</tr>
</tbody>
</table>

1/Chisel plow, tandem disk, apply N, field cultivate, plant, cultivate, and spray. See the Estimated Machinery Costs table.
<table>
<thead>
<tr>
<th>Variable Costs</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeder Cost @ $0.95 per lb</td>
<td></td>
</tr>
<tr>
<td>Interest @ 6.5%</td>
<td></td>
</tr>
<tr>
<td>Corn @ $2.40 per bushel</td>
<td></td>
</tr>
<tr>
<td>Supplement &amp; minerals @ $0.16 per lb</td>
<td></td>
</tr>
<tr>
<td>Supplement &amp; minerals @ $0.08 per lb</td>
<td></td>
</tr>
<tr>
<td>Alfalfa - brome hay @ $52.00 per ton</td>
<td></td>
</tr>
<tr>
<td>Corn Silage @ $22.00 per ton</td>
<td></td>
</tr>
<tr>
<td>Total Feed Costs</td>
<td></td>
</tr>
<tr>
<td>Veterinary and health</td>
<td></td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td></td>
</tr>
<tr>
<td>Marketing and miscellaneous</td>
<td></td>
</tr>
<tr>
<td>Interest on feed &amp; other costs @ 6.5%</td>
<td></td>
</tr>
<tr>
<td>Labor @ $9.00 per hour</td>
<td></td>
</tr>
<tr>
<td>TOTAL VARIABLE COSTS</td>
<td></td>
</tr>
<tr>
<td>FIXED COSTS</td>
<td></td>
</tr>
<tr>
<td>Machinery, equipment, housing</td>
<td></td>
</tr>
<tr>
<td>TOTAL ALL COSTS</td>
<td></td>
</tr>
<tr>
<td>INCOME OVER ALL COSTS</td>
<td></td>
</tr>
</tbody>
</table>

Break-even selling price for variable costs

Break-even selling price for all costs
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Farms</td>
<td>1</td>
</tr>
<tr>
<td>Feeding Livestock</td>
<td></td>
</tr>
<tr>
<td>Corn</td>
<td>$140,056</td>
</tr>
<tr>
<td>Beans</td>
<td>$100,700</td>
</tr>
<tr>
<td>Other Feedstuffs</td>
<td>$8,400</td>
</tr>
<tr>
<td>Prepaid Expense &amp; Supplies</td>
<td>$204,491</td>
</tr>
<tr>
<td>Farm Short Term Assets</td>
<td>$453,647</td>
</tr>
<tr>
<td>Breeding Livestock</td>
<td></td>
</tr>
<tr>
<td>Mach &amp; Equip Value</td>
<td>$361,174</td>
</tr>
<tr>
<td>Farm Intermediate Assets</td>
<td>$361,174</td>
</tr>
<tr>
<td>Bare Land Value</td>
<td>$1,124,489</td>
</tr>
<tr>
<td>Improvement Econ Value</td>
<td>$74,768</td>
</tr>
<tr>
<td>Total Farm Assets</td>
<td>$2,014,078</td>
</tr>
<tr>
<td>Operator Notes</td>
<td>$314,375</td>
</tr>
<tr>
<td>Accrued Accts Payable</td>
<td></td>
</tr>
<tr>
<td>Int &amp; Long Term Due in 12 Mo</td>
<td>$2</td>
</tr>
<tr>
<td>CCC Loans</td>
<td></td>
</tr>
<tr>
<td>Short Term Liabilities</td>
<td>$314,377</td>
</tr>
<tr>
<td>Intermediate Notes</td>
<td>$28,999</td>
</tr>
<tr>
<td>Long Term Land &amp; Improv Notes</td>
<td>$98,410</td>
</tr>
<tr>
<td>Total Farm Liabilities</td>
<td>$441,786</td>
</tr>
<tr>
<td>Net Farm Worth</td>
<td>$1,572,292</td>
</tr>
</tbody>
</table>