



moved out of that ditch. We will actually get a benefit from the majority of this dirt because we will deposit it in the fill areas on the two adjoining fields prior to leveling those fields. Currently on our budget the combination of the leveling and the tail water ditch call for 146,000 cubic yards of dirt to be moved. More than likely the total will be closer to 120,000 to 125,000 cubic yards. I have added another line item for drainage pipes on this budget because the pipes required for the tail water over flow will likely be larger than the 24" that we will have available. In addition, I put in \$40,000 for the clearing of the wetland area and I hope that we can get it done for a lot less than that amount. In other words, I want this budget to be way on the high side and hopefully we can come in well under budget. The net cost after the EQUIP reimbursement is currently estimated at \$170,170. I do not have an exact cost for the re-forestation of the wetland areas, but I expect that it will be approximately \$150 per wetland acre, so it should be less than \$1,000 for that part of the project. More than likely we need to look at planting wheat on these two fields and getting the work done during the summer of 2013. I think we do have a deadline of getting it completed in the next USDA fiscal year, so I doubt that we could delay it much longer than that and still retain the \$140,000 of EQUIP funding. I should also be able to get a little lower price on the land leveling if we do that work during the summer months.

### **East Side – 2 Fields**

Leveling	114.6 acres, 116,000 cu. yds. x \$1.40	\$ 162,400
Tailwater Ditch	30,000 cu. yds. X \$1.40	42,000
Pump, L-Pipe & Pipeline		40,000
Drainage Pipes		10,000
Clearing		40,000
Survey		1,000
LMG Development Fee		<u>14,770</u>
TOTAL COST		\$ 310,170
EQUIP	-	<u>\$ 140,000</u>
NET COST		\$ 170,170

The west side surveyed at 40.9 acres excluding the CRP. That survey is attached to this report for your review. I have prepared one budget for the west side excluding the CRP, which comes in at a total cost of \$85,300 to level and irrigate the 40.9 acres. I plan to drill one new electric well and use the existing electric well across the road from the shop on this project. Joe and I have estimated the cost to add CRP later at approximately 15,000 cubic yards for a total cost of around \$21,000. Because that was not surveyed, that is just an estimate. The elevation is dropping the closer we get to the Bayou, so that is all fill area. The total cost if we add the CRP later would be \$106,300.

There is also a budget for the west side including the 5.8 acres of CRP in that area. Because the first survey is probably a little bit larger than what we can actually level, I am just assuming that if we include the CRP we would have approximately 46 acres to level. The cost of that project would be \$94,100 plus the \$11,800 cost to pay off the CRP contract, which would put that total at \$105,900. It turns out that both of the analysis show that either

buying out the CRP now or trying to roll the CRP into those fields later are within \$400 of being the same cost. I still think that the thing to remember is that the CRP land is only worth about \$1,000/acre whereas this leveled cropland is going to be worth \$5,000+ per acre.

**West Side  
Excluding CRP**

Leveling	40.9 acres, 40,000 cu. yds. x \$1.40	\$ 56,000
Well & Pipeline		20,000
Drainage Pipes		4,000
Drainage		1,000
Survey		300
LMG Development Fee		<u>4,000</u>
TOTAL COST		\$ 85,000
Cost to add CRP later – 15,000 cu. yds. X \$1.40		<u>21,000</u>
NET COST		\$106,300

**West Side  
Including CRP (5.8 acres)**

Leveling	46 acres, 46,000 cu. yds. x \$1.40	\$ 64,400
Well & Pipeline		20,000
Drainage Pipes		4,000
Drainage		1,000
Survey		300
LMG Development Fee		<u>4,400</u>
TOTAL COST		\$ 94,100
Cost to buy out CRP now		<u>11,800</u>
NET COST		\$105,900

Please let me know as soon possible as to what you are thinking and if you plan to change direction. I plan to meet the trackhoe operator on the farm no later than next Tuesday to get him started on the drainage ditches. I have ordered a piece of 36” pipe and a piece of 48” pipe today because the price was very favorable and a broker was trying to fill a load. The 36” pipe will cost about \$90 a foot for a 40’ piece and the 48” pipe cost about \$100 a foot for a 40’ piece. Those prices are about half of what I can get quoted with a special order for those pipe sizes. I also need to go ahead and order the truckload of 24” pipe and get that in process. We are continuing to work on the Corps permit.

*Land Management Group, L.L.C. strives to offer the highest level of farm management service in the industry. If there is anything you do not understand or would like to discuss further, contact me.*

**Steve Brunson, AFM**

**Accredited Farm Manager**

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