

TABLE 1. Basic cost information for the Blackwater Draw area, Roosevelt County, 2002.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.75
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.32
Phosphate (P205)	\$/pound	\$0.30
Seed:		
Wheat	\$/pound	\$0.16
Corn	\$/bag	\$89.75
Alfalfa	\$/pound	\$2.90
Peanuts	\$/pound	\$0.85
Energy:		
Natural gas (Gas NM)	\$/MCF	\$3.28
Diesel fuel	\$/gallon	\$1.05
Gasoline	\$/gallon	\$1.00
Electricity (SWPS)	cents/KwHr	6.64
LP Gas	\$/gallon	\$0.86
Employee Liability Insurance	\$/1,000 wages	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	8.00%
Land Interest Rate	percent	7.50%
Equipment Interest Rate	percent	8.00%
Real Interest Rate	percent	4.00%
Land Taxes	\$89.00 /acre (full value)	\$0.68
Personal Property Tax Rate - NR	\$/1,000 (Assessed Value)	\$22.90
- R		\$18.15
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment & General	\$/labor hour	\$0.50
Management Rate	percent	7.00%

BUDGET AREA..... BLACKWATER DRAW AREA, ROOSEVELT COUNTY, 2002.
 FARM SIZE..... 960 ACRES
 IRRIGATION TYPE..... SPRINKLER
 NUMBER OF CROPS... 4

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	25.00 *	9	225
ALFALFA	125.00	30	3,750
WHEAT	212.50	18	3,825
ARP	0.00		
FLEX IN CORN	37.50	30	1,125
CORN	106.25	30	3,188
ARP	0.00		
FLEX IN CORN	18.75	30	563
PEANUTS	250.00	22	5,500
CORNERS, HOMESTEAD	210.00		
TOTAL	960.00		18,175
ACRE FEET PER ACRE OF WATER RIGHTS			1.58

* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for Blackwater Draw area, Roosevelt County, 2002.

ITEM			
Electricity (Domestic & Shop)		\$350.00 per month	\$4,200
Telephone		\$150.00 per month	\$1,800
Accounting & Legal			\$2,340
Misc. Supplies & Hand Tools			\$3,205
Pickup and Auto			
miles	25,750	@ \$0.345 per mile	\$8,884
Insurance			
- general liability (non-employee)			\$2,090
- fire/theft			\$1,675
Property Taxes			
- non-planted land			\$8
- other than land & machinery			\$830
Building repairs and maintenance			\$1,275
Dues, fees, publications			\$380
Farmstead Equipment			\$245
Total			\$26,931
Total Per Planted Acre			\$35.91

TABLE 2. Pumping costs and data for irrigation wells, Blackwater Draw area, Roosevelt County, 2002.

INPUT DATA

DELIVERY PSI:		DEPTH CHARACTERISTICS:	
SPRINKLER.....	40	STATIC.....	120
		DRAW DOWN.....	15
		TOTAL HEAD.....	135
		CASING.....	230

GALLONS PER MINUTE (GPM).....	850
WORK HORSEPOWER.....	49

EFFICIENCY FACTOR:

ELECTRICITY.....	0.430
NATURAL GAS.....	0.126
LP GAS.....	0.126
DIESEL.....	0.130

FUEL COST PER HOUR:

ELECTRICITY.....	\$6.64	CENTS/Kwhr
NATURAL GAS.....	\$3.28	\$/MCF
LP GAS.....	\$0.86	\$/GAL
DIESEL.....	\$1.05	\$/GAL

PUMPING COSTS

ELECTRIC WELL:

COST PER HOUR.....	\$5.66
COST PER ACRE INCH.....	\$3.01

NATURAL GAS:

COST PER HOUR.....	\$3.58
COST PER ACRE INCH.....	\$1.90

LP GAS WELL:

COST PER HOUR.....	\$9.26
COST PER ACRE INCH.....	\$4.93

DIESEL WELL:

COST PER HOUR.....	\$7.12
COST PER ACRE INCH.....	\$3.79

TABLE 3. Equipment summary for a 960 acre, sprinkler-irrigated farm with above average management, Blackwater Draw area, 2002.

EQUIPMENT	ANNUAL HOURS OF USE		VARIABLE COSTS					FIXED COSTS		
			TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 140 HP, M4WD	487	1	\$20,700	\$4,013	\$4,794	\$8.25	\$9.85	\$3,493	\$200	\$7.59
TRACTOR 185 HP, M4WD	766	1	\$47,275	\$8,345	\$7,436	\$10.90	\$9.71	\$5,995	\$343	\$8.28
PLANTER 8-ROW	50	1	\$5,500		\$495		\$10.01	\$1,100	\$42	\$23.07
ROLL-PACKER 12 FT	43	1	\$1,000		\$11		\$0.26	\$143	\$8	\$3.54
CULTIVATOR 8-ROW	131	1	\$3,200		\$235		\$1.79	\$427	\$24	\$3.44
DISC 21 FT	129	1	\$6,000		\$433		\$3.36	\$800	\$46	\$6.57
CHISEL 21 FT	83	1	\$1,650		\$82		\$0.99	\$220	\$13	\$2.82
FLOAT 12 FT	5	1	\$500		\$0		\$0.02	\$53	\$3	\$11.87
DRILL 21 FT	24	1	\$4,500		\$135		\$5.67	\$900	\$34	\$39.34
LISTER 8-ROW	111	1	\$3,200		\$203		\$1.82	\$427	\$24	\$4.05
PLOW (MOLDBOARD) 5-14 IN	127	1	\$5,100		\$362		\$2.86	\$680	\$39	\$5.67
RAKE	50	1	\$3,400		\$139		\$2.79	\$340	\$26	\$7.32
FERT SPREADER DLR FRN										
SPRAYER (MTD)	0	0	\$0		\$0		\$0.00	\$0	\$0	\$0.00
DIG AND INVERT 4-ROW	60	1	\$7,500		\$162		\$2.70	\$2,500	\$57	\$42.62
ROD WEEDER 8-ROW	13	1	\$625		\$7		\$0.54	\$83	\$5	\$6.78
SWATHER 14 FT SP	100	1	\$5,100	\$393	\$493	\$3.93	\$4.93	\$1,450	\$111	\$15.61
BALER 1-TON	44	1	\$54,240		\$76		\$1.74	\$5,812	\$333	\$140.44
FRONT END LOADER (MTD)	156	1	\$2,550		\$0		\$0.00	\$255	\$19	\$1.76
PEANUT THRASHER	200	1	\$15,000		\$0		\$0.00	\$2,000	\$115	\$10.57
PEANUT TRAILER	93	4	\$6,000		\$17		\$0.18	\$800	\$46	\$9.14
CENTER PIVOT SPRINKLER	9,677	7	\$105,000	\$321	\$8,758	\$0.03	\$0.91	\$14,000	\$802	\$1.53
ELECTRIC WELL	9,677	6	\$94,500	\$54,725	\$876	\$5.66	\$0.09	\$9,450	\$721	\$1.05
			\$392,540	\$67,797	\$24,714			\$50,928	\$3,010	

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2002.
Planting Dates: August 15 - August 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<u>PURCHASED INPUTS</u>									
SEED	\$2.90	20 LBS		\$58.00					\$58.00
NITROGEN (N)	\$0.32	40 LBS		\$12.80					\$12.80
PHOSPHATE (P2O5)	\$0.30	60 LBS		\$18.00					\$18.00
PUMP WATER*		9 AC. IN.							
SUBTOTAL				\$88.80					\$88.80
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.09 HR		\$0.68	\$0.98	\$1.18	\$1.34	\$4.17	
PLOW	185 HP	0.29 HR		\$2.19	\$3.16	\$3.64	\$4.04	\$13.04	
FLOAT	140 HP	0.19 HR		\$1.43	\$1.57	\$1.87	\$3.70	\$8.57	
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.41	\$0.49	\$0.38	\$1.66	
DISC	185 HP	0.09 HR		\$0.68	\$0.98	\$1.18	\$1.34	\$4.17	
PRE-IRRIGATE		0.10 HR		\$0.68	\$9.09	\$1.59	\$4.12	\$15.47	
DRILL	140 HP	0.10 HR		\$0.76	\$0.82	\$1.55	\$4.69	\$7.82	
IRRIGATE (2X)		0.20 HR		\$1.35	\$18.17	\$3.18	\$8.24	\$30.95	
SUBTOTAL		1.11 HR		\$8.14	\$35.18	\$14.69	\$27.85	\$85.86	
<u>OVERHEAD EXPENSES</u>									
DOWNTIME		0.19 HR		\$1.43					\$1.43
EMPLOYEE BENEFITS				\$1.47					\$1.47
INSURANCE			\$0.16					\$0.16	
SUPERVISION AND MANAGEMENT				\$6.92					\$6.92
SUBTOTAL		0.19 HR	0.16	\$9.82					\$9.98
TOTAL OPERATING EXPENSES		1.30 HR	\$88.96	\$17.96	\$35.18	\$14.69	\$27.85	\$184.65	

TABLE 5. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2002.
Harvest Dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
HAY	\$120.00	6.00	TONS (STACKED)					\$720.00
GRAZING	\$50.00	1.00	ACRE					\$50.00
TOTAL								\$770.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PHOSPHATE (P2O5)	\$0.30	150	LBS	\$45.00				\$45.00
PLASTIC TWINE	\$19.15	1,020	FT	\$4.88				\$4.88
INSECTICIDE (CUSTOM)	\$19.54	1	X/ACRE	\$19.54				\$19.54
HERBICIDE (CUSTOM)	\$16.56	1	X/ACRE	\$16.56				\$16.56
ESTABLISHMENT: Principal		5	YEARS		\$36.93			\$36.93
Interest					\$7.91			\$7.91
PUMP WATER*		30	AC. IN.					
SUBTOTAL				\$85.98	\$44.84			\$130.82
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE		1.00	HR	\$6.75	\$90.86	\$15.90	\$41.22	\$154.73
FERT SPREADER	140 HP	0.05	HR	\$0.38	\$0.41	\$0.49	\$0.38	\$1.66
SUBTOTAL		1.05	HR	7.13	91.27	16.39	41.60	156.39
HARVEST OPERATIONS								
SWATHER (5X)	S.P.	0.80	HR	\$6.04	\$3.14	\$3.94	\$12.49	\$25.61
RAKE (5X)	140 HP	0.40	HR	\$3.02	\$3.30	\$5.06	\$5.96	\$17.34
BALER (5X)	185 HP	0.35	HR	\$2.64	\$3.81	\$4.01	\$52.05	\$62.52
FRONT END LOADER (5X)	140 HP	1.25	HR	\$9.44	\$10.31	\$12.31	\$11.68	\$43.74
SUBTOTAL		2.80	HR	\$0.00	\$21.14	\$20.57	\$25.32	\$82.18
OVERHEAD EXPENSES								
DOWNTIME		0.70	HR	\$5.29				\$5.29
EMPLOYEE BENEFITS				\$5.09				\$5.09
INSURANCE				\$0.14				\$0.14
LAND TAXES						\$0.68		\$0.68
SUPERVISION AND MANAGEMENT				\$56.33				\$56.33
OTHER EXPENSES				\$35.91				\$35.91
SUBTOTAL		0.70	HR	\$36.05	\$66.70			\$0.68
TOTAL OPERATING EXPENSES		4.55	HR	\$122.03	\$94.97	\$111.84	\$41.72	\$169.30
NET OPERATING PROFIT								\$230.14
INTEREST ON OPERATING CAPITAL	(	\$73.73	@	8.00%				\$5.90
INTEREST ON EQUIPMENT INVESTMENT								\$54.01
RETURN TO LAND AND RISK								\$170.23

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$770.00	
VARIABLE OPERATING EXPENSES	\$275.59		
RETURN OVER VARIABLE EXPENSES	\$494.41	(GROSS MARGIN)	
FIXED EXPENSES	\$169.30		
NET FARM INCOME	\$325.11	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$94.97		
NET OPERATING PROFIT	\$230.14	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$59.91		
RETURN TO LAND AND RISK	\$170.23		

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2002.
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
WHEAT	\$3.40	60.00	BUSHEL						\$204.00	
ASCS DEFICIENCY	\$0.474	60.00	BUSHEL						\$28.44	
ASCS DIVERSION	\$0.00								\$0.00	
GRAZING	\$0.00	1.00	ACRE						\$0.00	
TOTAL									\$232.44	
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL	
SEED	\$0.16	120	LBS	\$19.20						\$19.20
NITROGEN (N)	\$0.32	120	LBS	\$38.40						\$38.40
PHOSPHATE (P2O5)	\$0.30	40	LBS	\$12.00						\$12.00
INSECTICIDE (CUSTOM)	\$19.54	1	X/ACRE	\$19.54						\$19.54
PUMP WATER*		18	AC. IN.							
CROP INSURANCE	\$0.24			\$0.24						\$0.24
SUBTOTAL				\$89.37						\$89.37
PREHARVEST OPERATIONS										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
BROADCAST (CUSTOM) IRRIGATE (17X)		0.85	HR	\$4.00	\$5.74	\$54.52	\$9.54	\$24.73	\$94.53	
SUBTOTAL		0.85	HR	\$4.00	\$5.74	\$54.52	\$9.54	\$24.73	\$98.53	
HARVEST OPERATIONS										
COMBINE (CUSTOM)				\$5.97						\$5.97
HAUL (CUSTOM)				\$9.60						\$9.60
SUBTOTAL				\$15.57						\$15.57
OVERHEAD EXPENSES										
DOWNTIME		0.00	HR		\$0.00					\$0.00
EMPLOY YEE BENEFITS					\$1.03					\$1.03
INSURANCE				\$0.11						\$0.11
LAND TAXES								\$0.68	\$0.68	
SUPERVISION AND MANAGEMENT					\$17.12					\$17.12
OTHER EXPENSES				\$35.91						\$35.91
SUBTOTAL				0.00	HR	\$36.02	\$18.15		\$0.68	\$54.86
TOTAL OPERATING EXPENSES		0.85	HR	\$144.97	\$23.89	\$54.52	\$9.54	\$25.41	\$258.33	
NET OPERATING PROFIT									(\$25.89)	
INTEREST ON OPERATING CAPITAL	(	\$62.00	@	8.00%					\$4.96
INTEREST ON EQUIPMENT INVESTMENT									\$4.38	
RETURN TO LAND AND RISK									(\$35.23)	

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$232.44	
VARIABLE OPERATING EXPENSES	\$209.02		
RETURN OVER VARIABLE EXPENSES		\$23.42	(GROSS MARGIN)
FIXED EXPENSES	\$25.41		
NET FARM INCOME		(\$1.99)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$23.89		
NET OPERATING PROFIT		(\$25.89)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.34		
RETURN TO LAND AND RISK		(\$35.23)	

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2002.

Planting Dates: April 25 - May 30

Harvest Dates: November 1 - November 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN FOR GRAIN	\$3.84	100.00 CWT						\$384.00
ASCS DEFICIENCY	\$0.50	100.00 CWT						\$50.00
ASCS DIVERSION	\$0.00	0.00 CWT						\$0.00
GRAZING	\$15.00	1.00 ACRE						\$15.00
TOTAL								\$449.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.12	24 000	\$26.93					\$26.93
NITROGEN (N)	\$0.32	250 LBS	\$80.00					\$80.00
PHOSPHATE (P205)	\$0.30	80 LBS	\$24.00					\$24.00
POTASH (K20)	\$0.125	40 LBS	\$5.00					\$5.00
TRACE ELEMENTS	\$15.00	1 X/ACRE	\$15.00					\$15.00
HERBICIDE	\$20.74	1 X/ACRE	\$20.74					\$20.74
INSECTICIDE (CUSTOM)	\$24.08	1 X/ACRE	\$24.08					\$24.08
PUMP WATER*		30 AC. IN.						
CROP INSURANCE	\$0.31		\$0.31					\$0.31
SUBTOTAL			\$196.05					\$196.05
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	185 HP	0.18 HR		\$1.36	\$1.96	\$2.35	\$2.67	\$8.35
PLOW	185 HP	0.29 HR		\$2.19	\$3.16	\$3.64	\$4.04	\$13.04
CHISEL (2X)	185 HP	0.20 HR		\$1.51	\$2.18	\$2.51	\$2.79	\$8.99
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.41	\$0.49	\$0.38	\$1.66
PRE-IRRIGATE (3X)		0.30 HR		\$2.03	\$18.17	\$3.18	\$8.24	\$31.62
LISTER (3X)	185 HP	0.27 HR		\$2.04	\$2.94	\$3.11	\$3.33	\$11.42
ROD WEED	185 HP	0.08 HR		\$0.60	\$0.87	\$0.82	\$1.20	\$3.50
PLANTER	185 HP	0.12 HR		\$0.91	\$1.31	\$2.37	\$3.76	\$8.34
SAND FURROW (5X)	140 HP	0.50 HR		\$3.78	\$4.12	\$5.82	\$5.51	\$19.23
IRRIGATE (12X)		1.20 HR		\$8.10	\$72.69	\$12.72	\$32.98	\$126.49
SUBTOTAL		3.19 HR		\$22.88	\$107.82	\$37.03	\$64.91	\$232.64
HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$35.00				\$35.00
HAUL (CUSTOM)				\$18.00				\$18.00
SUBTOTAL				\$53.00				\$53.00
OVERHEAD EXPENSES								
DOWNTIME		0.41 HR		\$3.10				\$3.10
EMPLOYEE BENEFITS				\$4.12				\$4.12
INSURANCE				\$0.46				\$0.46
LAND TAXES						\$0.68		\$0.68
SUPERVISION AND MANAGEMENT				\$33.78				\$33.78
OTHER EXPENSES				\$35.91				\$35.91
SUBTOTAL		0.41 HR		\$36.37	\$40.99		\$0.68	\$78.04
TOTAL OPERATING EXPENSES		3.60 HR		\$285.41	\$63.87	\$107.82	\$37.03	\$65.59
NET OPERATING PROFIT								(\$110.72)
INTEREST ON OPERATING CAPITAL	(	\$138.65	@	8.00%				\$11.09
INTEREST ON EQUIPMENT INVESTMENT								\$16.68
RETURN TO LAND AND RISK								(\$138.49)

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$449.00	
VARIABLE OPERATING EXPENSES	\$430.26		
RETURN OVER VARIABLE EXPENSES		\$18.74	(GROSS MARGIN)
FIXED EXPENSES	\$65.59		
NET FARM INCOME		(\$46.85)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$63.87		
NET OPERATING PROFIT		(\$110.72)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$27.77		
RETURN TO LAND AND RISK		(\$138.49)	

TABLE 8. Peanuts, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2002.
 Planting Dates: May 10 - June 10
 Harvest Dates: October 10 - November 10

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
PEANUTS	\$0.274	2,600.00 LBS						\$712.40
TOTAL								\$712.40
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED (PEANUT)	\$0.85	100 LB	\$85.00					\$85.00
NITROGEN (N)	\$0.32	70 LB	\$22.40					\$22.40
PHOSPHATE (P205)	\$0.30	80 LB	\$24.00					\$24.00
POTASH (K2O)	\$0.135	30 LB	\$4.05					\$4.05
TRACE ELEMENTS & MANURE	\$10.88	1 X/ACRE	\$40.88					\$40.88
HERBICIDE	\$20.69	1 X/ACRE	\$20.69					\$20.69
INSECTICIDE (CUSTOM)	\$16.56	1 X/ACRE	\$16.56					\$16.56
FUNGICIDE	\$107.00	1 X/ACRE	\$107.00					\$107.00
PUMP WATER		28 AC. IN.						
SUBTOTAL			\$320.57					\$320.57
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	185 HP	0.18 HR		\$1.36	\$1.96	\$2.35	\$2.67	\$8.35
PLOW	185 HP	0.29 HR		\$2.19	\$3.16	\$3.64	\$4.04	\$13.04
CHISEL (2X)	185 HP	0.20 HR		\$1.51	\$2.18	\$2.51	\$2.79	\$8.99
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.41	\$0.49	\$0.38	\$1.66
SPRAY & DISC	185 HP	0.00 HR		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PRE-IRRIGATE		0.30 HR		\$2.03	\$25.41	\$3.50	\$9.07	\$40.00
LISTER	185 HP	0.27 HR		\$2.04	\$2.94	\$3.11	\$3.33	\$11.42
PLANTER	185 HP	0.12 HR		\$0.91	\$1.31	\$2.37	\$3.76	\$8.34
APPLY FUNGICIDE (CUSTOM)			\$27.00					\$27.00
CULTIVATOR (2X)	140 HP	0.20 HR		\$1.51	\$1.65	\$2.33	\$2.21	\$7.69
HAND HOE (CUSTOM)			\$10.00					\$10.00
IRRIGATE (7X)		0.70 HR		\$4.73	\$59.29	\$8.16	\$21.16	\$93.33
SUBTOTAL		2.31 HR	\$37.00	\$16.64	\$98.31	\$28.47	\$49.41	\$229.83
HARVEST OPERATIONS								
DIG AND INVERT	185 HP	0.24 HR		\$1.81	\$2.62	\$29.79	\$12.22	\$46.43
COMBINE PEANUTS	185 HP	0.80 HR		\$6.04	\$8.72	\$7.77	\$15.08	\$37.61
HAUL	140 HP	0.37 HR		\$2.79	\$3.05	\$3.71	\$6.19	\$15.75
SUBTOTAL		1.41 HR	\$0.00	\$10.65	\$14.38	\$41.27	\$33.49	\$99.78
OVERHEAD EXPENSES								
DOWNTIME		0.68 HR		\$5.13				\$5.13
EMPLOYEE BENEFITS				\$4.91				\$4.91
INSURANCE			\$0.55					\$0.55
LAND TAXES						\$0.68		\$0.68
SUPERVISION AND MANAGEMENT				\$52.23				\$52.23
OTHER EXPENSES			\$35.91					\$35.91
SUBTOTAL		0.68 HR	\$36.45	\$62.27			\$0.68	\$99.41
TOTAL OPERATING EXPENSES		4.40 HR	\$394.03	\$89.56	\$112.69	\$69.74	\$83.57	\$749.60
NET OPERATING PROFIT								(\$37.20)
INTEREST ON OPERATING CAPITAL	(	\$196.62	@	8.00%	)			\$15.73
INTEREST ON EQUIPMENT INVESTMENT								\$29.07
RETURN TO LAND AND RISK								(\$82.00)

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$712.40	
VARIABLE OPERATING EXPENSES	\$576.46		
RETURN OVER VARIABLE EXPENSES	\$135.94	(GROSS MARGIN)	
FIXED EXPENSES	\$83.57		
NET FARM INCOME	\$52.36	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$89.56		
NET OPERATING PROFIT	(\$37.20)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$44.80		
RETURN TO LAND AND RISK	(\$82.00)		

TABLE 9. Summary of per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2002.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT -----SPRINKLER-----	CORN	PEANUTS
		TONS	BU	CWT	LBS
PRIMARY YIELD		6.00	60.00	100.00	2,600.00
PRIMARY PRICE		120.00	3.40	3.84	\$0.27
GOVERNMENT PAYMENTS		0.00	28.44	50.00	\$0.00
SECOND INCOME		50.00	0.00	15.00	\$0.00
GROSS RETURN		\$770.00	\$232.44	\$449.00	\$712.40
CASH OPERATING EXPENSES					
SEED	\$58.00		\$19.20	\$26.93	\$85.00
FERTILIZER	\$30.80	\$45.00	\$50.40	\$124.00	\$50.45
CHEMICALS		\$36.10	\$19.54	\$44.81	\$144.25
CROP INSURANCE			\$0.24	\$0.31	
OTHER PURCHASED INPUTS					\$40.88
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$7.93	\$20.98	\$0.00	\$16.96	\$28.00
FUEL-IRRIGATION	\$27.26	\$90.86	\$54.52	\$90.86	\$84.70
REPAIRS	\$14.69	\$41.72	\$9.54	\$37.03	\$69.74
CUSTOM CHARGES			\$19.57	\$53.00	\$37.00
LAND TAXES	\$0.00	\$0.68	\$0.68	\$0.68	\$0.68
OTHER EXPENSES	\$0.16	\$36.05	\$36.02	\$36.37	\$36.45
TOTAL CASH EXPENSES	\$138.83	\$271.38	\$209.70	\$430.94	\$577.14
RETURN OVER CASH EXPENSES	(\$138.83)	\$498.62	\$22.74	\$18.06	\$135.26
FIXED EXPENSES	\$27.85	\$168.62	\$24.73	\$64.91	\$82.89
TOTAL EXPENSES	\$166.69	\$440.01	\$234.43	\$495.85	\$660.04
NET FARM INCOME	(\$166.69)	\$329.99	(\$1.99)	(\$46.85)	\$52.36
LABOR AND MANAGEMENT COSTS	\$17.96	\$94.97	\$23.89	\$63.87	\$89.56
NET OPERATING PROFIT	(\$184.65)	\$235.02	(\$25.89)	(\$110.72)	(\$37.20)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$0.00	\$5.90	\$4.96	\$11.09	\$15.73
INTEREST ON EQUIPMENT INVESTMENT	\$0.00	\$54.01	\$4.38	\$16.68	\$29.07
TOTAL CAPITAL COSTS	\$0.00	\$59.91	\$9.34	\$27.77	\$44.80
RETURN TO RISK	(\$184.65)	\$175.12	(\$35.23)	(\$138.49)	(\$82.00)

TABLE 10. Whole farm summary, Blackwater Draw area, Roosevelt County, 2002.

GROSS RETURNS		
ALFALFA HAY	125 ACRES	
CROP		\$90,000
GRAZING		\$6,250
WHEAT	212.5 ACRES	
CROP		\$43,350
GRAZING		\$0
ASCS DEFICIENCY		\$6,044
ASCS DIVERSION		\$0
CORN FOR GRAIN	163 ACRES	
CROP		\$62,400
GRAZING		\$2,438
ASCS DEFICIENCY		\$5,313
ASCS DIVERSION		\$0
PEANUTS	250 ACRES	
CROP		\$178,100
GROSS RETURN		<u>\$393,894</u>
CASH OPERATING EXPENSES		
SEED		\$31,155
FERTILIZER		\$49,868
CHEMICALS		\$52,008
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$10,219
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$12,576
FUEL-IRRIGATION		\$59,562
REPAIRS		\$31,061
CUSTOM CHARGES		\$22,021
LAND TAXES		\$510
OTHER EXPENSES		\$27,188
TOTAL CASH EXPENSES		<u>\$296,268</u>
RETURN OVER CASH EXPENSES		\$97,625
FIXED EXPENSES		\$53,685
TOTAL EXPENSES		\$349,954
NET FARM INCOME		\$43,940
LABOR AND MANAGEMENT COSTS		\$50,166
NET OPERATING PROFIT		(\$6,226)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$7,526
INTEREST ON EQUIPMENT INVESTMENT		\$17,661
TOTAL CAPITAL COSTS		<u>\$25,187</u>
RETURN TO RISK		<u>(\$31,413)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$50,613)	-0.71%
\$750 /ACRE	(\$60,213)	-0.56%
\$1,000 /ACRE	(\$69,813)	-0.46%
\$1,250 /ACRE	(\$79,413)	-0.39%
\$1,500 /ACRE	(\$89,013)	-0.34%
\$1,750 /ACRE	(\$98,613)	-0.30%
\$2,000 /ACRE	(\$108,213)	-0.27%

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)