

TABLE 1. Basic cost information for the Portales Valley, 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 |
| Grain Sorghum | \$/pound | \$1.11 |
| Cotton | \$/pound | \$0.70 |
| 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) | \$0.51 |
| Personal Property Tax Rate - NR | \$/ \$1,000 (Assessed Value) | \$17.18 |
| - R | | \$12.59 |
| Supervision Factors | | |
| Field Crop-Irrigation | \$/labor hour | \$1.00 |
| Field Crop-Equipment & General | \$/labor hour | \$0.50 |
| Management Rate | percent | 7.00% |

BUDGET AREA..... PORTALES VALLEY, ROOSEVELT COUNTY, 2002.
 FARM SIZE..... 320 ACRES
 IRRIGATION TYPE..... FLOOD
 NUMBER OF CROPS... 5

| ACREAGE SUMMARY: | LAND USE (ACRES) | WATER USE | |
|---|------------------|----------------|--------------|
| | | AC.IN. PER AC. | TOTAL AC.IN. |
| WHEAT | 68.0 | 25 | 1,700 |
| ARP | 0.0 | | |
| FLEX IN COTTON | 12.0 | 15 | 180 |
| CORN | 51.0 | 38 | 1,938 |
| ARP | 0.0 | | |
| FLEX IN COTTON | 9.0 | 15 | 135 |
| GRAIN SORGHUM | 51.0 | 20 | 1,020 |
| ARP | 0.0 | | |
| FLEX IN COTTON | 9.0 | 15 | 135 |
| COTTON | 34.0 | 15 | 510 |
| ARP | 0.0 | | |
| FLEX IN COTTON | 6.0 | 15 | 90 |
| PEANUTS | 60.0 | 24 | 1,440 |
| ROADS, HOMESTEAD | 20.0 | | |
| TOTAL | 320.0 | | 7,148 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 1.86 |

TABLE 1a. Overhead cost information for the Portales Valley, Roosevelt County, 2002.

| ITEM | | |
|------------------------------------|---------------------------|-----------------|
| Electricity (Domestic & Shop) | \$210.00 per month | \$2,520 |
| Telephone | \$110.00 per month | \$1,320 |
| Accounting & Legal | | \$1,555 |
| Misc. Supplies & Hand Tools | | \$2,340 |
| Pickup and Auto | | |
| miles | 20,600 @ \$0.345 per mile | \$7,107 |
| Insurance | | |
| - general liability (non-employee) | | \$1,675 |
| - fire/theft | | \$1,330 |
| Property Taxes | | |
| - non-planted land | | \$6 |
| - other than land & machinery | | \$590 |
| Building repairs and maintenance | | \$1,270 |
| Dues, fees, publications | | \$380 |
| Farmstead Equipment | | \$160 |
| Total | | \$20,253 |
| Total Per Planted Acre | | \$67.51 |

TABLE 2. Pumping costs and data for irrigation wells, Portales Valley, Roosevelt County, 2002.

INPUT DATA

| | | | |
|-------------------------------|--------|------------------------|-----|
| | | DEPTH CHARACTERISTICS: | |
| | | STATIC..... | 80 |
| | | DRAW DOWN..... | 20 |
| | | TOTAL HEAD..... | 100 |
| | | CASING..... | 120 |
| GALLONS PER MINUTE (GPM)..... | 400 | | |
| WORK HORSEPOWER..... | 10 | | |
| 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..... | \$1.19 |
| COST PER ACRE INCH..... | \$1.35 |
| NATURAL GAS WELL: | |
| COST PER HOUR..... | \$0.76 |
| COST PER ACRE INCH..... | \$0.86 |
| LP GAS WELL: | |
| COST PER HOUR..... | \$1.94 |
| COST PER ACRE INCH..... | \$2.19 |
| DIESEL WELL: | |
| COST PER HOUR..... | \$1.49 |
| COST PER ACRE INCH..... | \$1.69 |

TABLE 3. Equipment summary for a 320 acre, flood-irrigated farm with above average management, Portales Valley, 2002.

| EQUIPMENT ITEM & SIZE | ANNUAL HOURS OF USE | NUMBER | VARIABLE COSTS | | | | | FIXED COSTS | | |
|-----------------------------|---------------------------|--------|----------------|-----------------------|---------|---------------------|------------------|-------------------|---------|-------------------|
| | | | TOTAL VALUE | FUEL AND LUBRICANT | REPAIR | FUEL,LUBE PER HR | REPAIR PER HR | DEPRE- CIATION | TAXES | TOTAL PER HOUR |
| TRACTOR 126 HP | 346 | 1 | \$39,725 | \$2,445 | \$2,272 | \$7.07 | \$6.58 | \$2,740 | \$196 | \$8.49 |
| TRACTOR 175 HP | 407 | 1 | \$47,275 | \$4,438 | \$4,028 | \$10.90 | \$9.89 | \$5,995 | \$257 | \$15.35 |
| COTTON STRIPPER 2-ROW MTD | 43 | 1 | \$2,520 | | \$140 | | \$3.22 | \$767 | \$33 | \$18.42 |
| PLANTER 6-ROW | 39 | 1 | \$3,011 | | \$268 | | \$6.80 | \$850 | \$24 | \$22.17 |
| CULTIVATOR 6-ROW | 60 | 1 | \$2,500 | | \$93 | | \$1.55 | \$333 | \$14 | \$5.76 |
| DISC 14 FT | 114 | 1 | \$3,000 | | \$195 | | \$1.71 | \$400 | \$17 | \$3.66 |
| DRILL 13 FT | 12 | 1 | \$2,150 | | \$20 | | \$1.63 | \$430 | \$12 | \$36.14 |
| LISTER 6-ROW | 35 | 1 | \$2,150 | | \$54 | | \$1.55 | \$287 | \$12 | \$8.53 |
| PLOW (MOLDBOARD) 4-14 IN | 144 | 1 | \$4,000 | | \$323 | | \$2.24 | \$533 | \$23 | \$3.86 |
| SHREDDER 4-ROW | 10 | 1 | \$2,500 | | \$7 | | \$0.70 | \$333 | \$14 | \$35.47 |
| SPRAYER (MTD) | 39 | 1 | \$1,400 | | \$95 | | \$2.41 | \$187 | \$8 | \$4.94 |
| DIG AND INVERT 2-ROW | 14 | 1 | \$625 | | \$1 | | \$0.05 | \$83 | \$4 | \$6.04 |
| ROD WEEDER 6-ROW | 24 | 1 | \$625 | | \$11 | | \$0.46 | \$83 | \$4 | \$3.62 |
| FERT SPREADER DEALER FURNIS | 15 | 1 | | | | | | | | |
| PEANUT THRASHER | 48 | 1 | \$14,250 | | \$150 | | \$3.14 | \$1,900 | \$82 | \$41.28 |
| PEANUT TRAILER | 48 | 5 | \$3,500 | | \$1 | | \$0.03 | \$467 | \$20 | \$10.14 |
| COTTON TRAILER | 53 | 2 | \$2,400 | | \$11 | | \$0.22 | \$320 | \$14 | \$6.36 |
| ELECTRIC WELL | 8,087 | 8 | \$67,200 | \$9,659 | \$1,617 | \$1.19 | \$0.20 | \$6,400 | \$385 | \$0.84 |
| | | | \$198,831 | \$16,541 | \$9,288 | | | \$22,108 | \$1,120 | |

TABLE 4. Wheat, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, 2002.
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

| ITEM | PRICE | YIELD | | | | | | | TOTAL |
|----------------------------------|------------|---------------------|-----------|------------------|-----------------|----------------|----------------|----------------|------------------|
| GROSS RETURNS | | | | | | | | | |
| WHEAT | \$3.40 | 55.00 | BUSHEL | | | | | | \$187.00 |
| ASCS DEFICIENCY | \$0.474 | 55.00 | BUSHEL | | | | | | \$26.07 |
| ASCS DIVERSION | \$0.00 | | | | | | | | \$0.00 |
| GRAZING | \$40.00 | 1.00 | ACRE | | | | | | \$40.00 |
| TOTAL | | | | | | | | | \$253.07 |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$0.16 | 60 | LBS | \$9.60 | | | | | \$9.60 |
| NITROGEN (N) | \$0.32 | 100 | LBS | \$32.00 | | | | | \$32.00 |
| PHOSPHATE (P205) | \$0.30 | 40 | LBS | \$12.00 | | | | | \$12.00 |
| INSECTICIDE (CUSTOM) | \$19.54 | 1 | X/ACRE | \$19.54 | | | | | \$19.54 |
| PUMP WATER* | | 25 | AC. IN. | | | | | | |
| CROP INSURANCE | \$0.74 | | | \$0.74 | | | | | \$0.74 |
| SUBTOTAL | | | | | | | | | \$73.87 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | | PURCHASED INPUTS | LABOR | FUEL, LUBE | REPAIRS | FIXED COST | TOTAL |
| ROD WEEDER | 126 HP | 0.08 | HR | | \$0.60 | \$0.57 | \$0.56 | \$0.97 | \$2.70 |
| PLOW | 185 HP | 0.48 | HR | | \$3.62 | \$5.23 | \$5.82 | \$9.22 | \$23.90 |
| DISC | 185 HP | 0.14 | HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| FERT SPREADER | 126 HP | 0.05 | HR | | \$0.38 | \$0.35 | \$0.33 | \$0.42 | \$1.48 |
| DRILL | 126 HP | 0.18 | HR | | \$1.36 | \$1.27 | \$1.48 | \$8.03 | \$12.14 |
| IRRIGATE (5X) | | 2.50 | HR | | \$16.88 | \$33.78 | \$5.66 | \$23.73 | \$80.04 |
| SUBTOTAL | | 3.43 | HR | | \$23.90 | \$42.73 | \$15.47 | \$45.04 | \$127.14 |
| HARVEST OPERATIONS | | | | | | | | | |
| COMBINE (CUSTOM) | | | | | \$21.25 | | | | \$21.25 |
| HAUL (CUSTOM) | | | | | \$8.80 | | | | \$8.80 |
| SUBTOTAL | | | | | \$30.05 | | | | \$30.05 |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.23 | HR | | \$1.76 | | | | \$1.76 |
| EMPLOYEE BENEFITS | | | | | \$4.30 | | | | \$4.30 |
| INSURANCE | | | | | \$0.48 | | | | \$0.48 |
| LAND TAXES | | | | | | | | \$0.51 | \$0.51 |
| SUPERVISION AND MANAGEMENT | | | | | \$20.68 | | | | \$20.68 |
| OTHER EXPENSES | | | | | \$67.51 | | | | \$67.51 |
| SUBTOTAL | | 0.23 | HR | | \$67.99 | \$26.74 | | \$0.51 | \$95.24 |
| TOTAL OPERATING EXPENSES | | 3.66 | HR | | \$171.91 | \$50.63 | \$42.73 | \$15.47 | \$45.55 |
| NET OPERATING PROFIT | | | | | | | | | (\$73.23) |
| INTEREST ON OPERATING CAPITAL | (| \$53.99 | @ | 8.00% |) | | | | \$4.32 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$14.34 |
| RETURN TO LAND AND RISK | | | | | | | | | (\$91.89) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|-----------|---|
| GROSS RETURN | | \$253.07 | |
| VARIABLE OPERATING EXPENSES | \$230.12 | | |
| RETURN OVER VARIABLE EXPENSES | | \$22.95 | (GROSS MARGIN) |
| FIXED EXPENSES | \$45.55 | | |
| NET FARM INCOME | | (\$22.60) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$50.63 | | |
| NET OPERATING PROFIT | | (\$73.23) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$18.66 | | |
| RETURN TO LAND AND RISK | | (\$91.89) | |

TABLE 5. Corn for grain, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, 2002.

Planting Dates: April 15 - May 15

Harvest Dates: November 1 - November 30

| ITEM | PRICE | YIELD | | | | | | TOTAL | |
|----------------------------------|------------|---------------------|-----------|------------------|-----------------|----------------|----------------|-----------------|-------------------|
| GROSS RETURNS | | | | | | | | | |
| CORN FOR GRAIN | \$3.84 | 65.00 | CWT | | | | | \$249.60 | |
| ASCS DEFICIENCY | \$0.50 | 65.00 | CWT | | | | | \$32.50 | |
| ASCS DIVERSION | \$0.00 | 0.00 | CWT | | | | | \$0.00 | |
| GRAZING | \$15.00 | 1.00 | ACRE | | | | | \$15.00 | |
| TOTAL | | | | | | | | \$297.10 | |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$1.12 | 28 | 000 | \$31.41 | | | | | \$31.41 |
| NITROGEN (N) | \$0.32 | 150 | LBS | \$48.00 | | | | | \$48.00 |
| PHOSPHATE (P205) | \$0.30 | 60 | LBS | \$18.00 | | | | | \$18.00 |
| HERBICIDE | \$15.51 | 1 | X/ACRE | \$15.51 | | | | | \$15.51 |
| INSECTICIDE (CUSTOM) | \$16.56 | 2 | X/ACRE | \$33.13 | | | | | \$33.13 |
| PUMP WATER* | | 38 | AC. IN. | | | | | | |
| CROP INSURANCE | \$0.98 | | | \$0.98 | | | | | \$0.98 |
| SUBTOTAL | | | | \$147.03 | | | | | \$147.03 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | | PURCHASED INPUTS | LABOR | FUEL, LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 185 HP | 0.14 | HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| PLOW | 185 HP | 0.48 | HR | | \$3.62 | \$5.23 | \$5.82 | \$9.22 | \$23.90 |
| DISC | 185 HP | 0.14 | HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| FERT SPREADER | 126 HP | 0.05 | HR | | \$0.38 | \$0.35 | \$0.33 | \$0.42 | \$1.48 |
| SPRAY & DISC | 185 HP | 0.17 | HR | | \$1.28 | \$1.85 | \$2.38 | \$4.07 | \$9.59 |
| LISTER | 126 HP | 0.12 | HR | | \$0.91 | \$0.85 | \$0.97 | \$2.04 | \$4.77 |
| TRACK | 126 HP | 0.40 | HR | | \$3.02 | \$2.83 | \$2.63 | \$3.40 | \$11.88 |
| PRE-IRRIGATE | | 0.75 | HR | | \$5.66 | \$8.56 | \$1.43 | \$6.01 | \$21.67 |
| ROD WEED | 185 HP | 0.08 | HR | | \$0.60 | \$0.87 | \$0.83 | \$1.52 | \$3.82 |
| PLANTER | 185 HP | 0.17 | HR | | \$1.28 | \$1.85 | \$2.84 | \$6.38 | \$12.35 |
| CULTIVATOR (2X) | 126 HP | 0.26 | HR | | \$1.96 | \$1.84 | \$2.11 | \$3.71 | \$9.62 |
| IRRIGATE (5X) | | 2.50 | HR | | \$16.88 | \$42.79 | \$7.17 | \$30.06 | \$96.89 |
| SUBTOTAL | | 5.26 | HR | | \$37.71 | \$70.08 | \$29.76 | \$72.16 | \$209.71 |
| HARVEST OPERATIONS | | | | | | | | | |
| COMBINE (CUSTOM) | | | | \$22.75 | | | | | \$22.75 |
| HAUL (CUSTOM) | | | | \$11.70 | | | | | \$11.70 |
| SUBTOTAL | | | | \$34.45 | | | | | \$34.45 |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.36 | HR | | \$2.70 | | | | \$2.70 |
| EMPLOYEE BENEFITS | | | | | \$6.79 | | | | \$6.79 |
| INSURANCE | | | | \$0.75 | | | | \$0.75 | |
| LAND TAXES | | | | | | | \$0.51 | \$0.51 | |
| SUPERVISION AND MANAGEMENT | | | | | \$24.14 | | | | \$24.14 |
| OTHER EXPENSES | | | | \$67.51 | | | | \$67.51 | |
| SUBTOTAL | | 0.36 | HR | | \$68.27 | \$33.63 | | \$0.51 | \$102.40 |
| TOTAL OPERATING EXPENSES | | 5.62 | HR | | \$249.75 | \$71.34 | \$70.08 | \$29.76 | \$493.60 |
| NET OPERATING PROFIT | | | | | | | | | (\$196.50) |
| INTEREST ON OPERATING CAPITAL | (| \$101.35 | @ | 8.00% | | | | | \$8.11 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$26.15 |
| RETURN TO LAND AND RISK | | | | | | | | | (\$230.76) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$297.10 | |
| VARIABLE OPERATING EXPENSES | \$349.59 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$52.49) | (GROSS MARGIN) |
| FIXED EXPENSES | \$72.67 | | |
| NET FARM INCOME | | (\$125.15) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$71.34 | | |
| NET OPERATING PROFIT | | (\$196.50) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$34.26 | | |
| RETURN TO LAND AND RISK | | (\$230.76) | |

TABLE 6. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, 2002.
 Planting Dates: May 15 - June 10
 Harvest Dates: October 15 - November 15

| ITEM | PRICE | YIELD | | | | | | TOTAL | |
|----------------------------------|------------|---------------------|------------|------------------|-----------------|----------------|----------------|-----------------|-------------------|
| GROSS RETURNS | | | | | | | | | |
| GRAIN SORGHUM | \$3.75 | 55.00 | CWT | | | | | \$206.25 | |
| ASCS DEFICIENCY | \$0.58 | 55.00 | CWT | | | | | \$31.90 | |
| ASCS DIVERSION | \$0.00 | 0.00 | CWT | | | | | \$0.00 | |
| GRAZING | \$9.00 | 1.00 | ACRE | | | | | \$9.00 | |
| TOTAL | | | | | | | | \$247.15 | |
| PURCHASED INPUTS | | PRICE | QUANTITY | PURCHASED INPUTS | | | | TOTAL | |
| SEED | \$1.11 | | 6 LBS | \$6.66 | | | | \$6.66 | |
| NITROGEN (N) | \$0.32 | | 100 LBS | \$32.00 | | | | \$32.00 | |
| PHOSPHATE (P205) | \$0.30 | | 40 LBS | \$12.00 | | | | \$12.00 | |
| HERBICIDE | \$15.51 | | 1 ACRE | \$15.51 | | | | \$15.51 | |
| INSECTICIDE (CUSTOM) | \$19.54 | | 1 ACRE | \$19.54 | | | | \$19.54 | |
| PUMP WATER* | | | 20 AC. IN. | | | | | | |
| CROP INSURANCE | \$0.98 | | | \$0.98 | | | | \$0.98 | |
| SUBTOTAL | | | | \$86.69 | | | | \$86.69 | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | | PURCHASED INPUTS | LABOR | FUEL, LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 185 HP | 0.14 | HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| PLOW | 185 HP | 0.48 | HR | | \$3.62 | \$5.23 | \$5.82 | \$9.22 | \$23.90 |
| DISC | 185 HP | 0.14 | HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| FERT SPREADER | 126 HP | 0.05 | HR | | \$0.38 | \$0.35 | \$0.33 | \$0.42 | \$1.48 |
| DISC & SPRAY | 185 HP | 0.17 | HR | | \$1.28 | \$1.85 | \$2.38 | \$4.07 | \$9.59 |
| LISTER | 126 HP | 0.12 | HR | | \$0.91 | \$0.85 | \$0.97 | \$2.04 | \$4.77 |
| TRACK | 126 HP | 0.40 | HR | | \$3.02 | \$2.83 | \$2.63 | \$3.40 | \$11.88 |
| PRE-IRRIGATE | | 0.75 | HR | | \$5.06 | \$6.76 | \$1.13 | \$4.75 | \$17.70 |
| ROD WEED | 126 HP | 0.08 | HR | | \$0.60 | \$0.57 | \$0.56 | \$0.97 | \$2.70 |
| PLANTER | 185 HP | 0.17 | HR | | \$1.28 | \$1.85 | \$2.84 | \$6.38 | \$12.35 |
| CULTIVATOR (2X) | 126 HP | 0.26 | HR | | \$1.96 | \$1.84 | \$2.11 | \$3.71 | \$9.62 |
| IRRIGATE (3X) | | 1.50 | HR | | \$10.13 | \$20.27 | \$3.39 | \$14.24 | \$48.03 |
| SUBTOTAL | | 4.26 | HR | | \$30.36 | \$45.45 | \$25.43 | \$54.52 | \$155.76 |
| HARVEST OPERATIONS | | | | | | | | | |
| COMBINE (CUSTOM) | | | | | \$26.18 | | | | \$26.18 |
| HAUL (CUSTOM) | | | | | \$10.45 | | | | \$10.45 |
| SUBTOTAL | | | | | \$36.63 | | | | \$36.63 |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.66 | HR | | \$4.95 | | | | \$4.95 |
| EMPLOYEE BENEFITS | | | | | \$5.47 | | | | \$5.47 |
| INSURANCE | | | | | \$0.61 | | | | \$0.61 |
| LAND TAXES | | | | | | | \$0.51 | | \$0.51 |
| SUPERVISION AND MANAGEMENT | | | | | \$20.11 | | | | \$20.11 |
| OTHER EXPENSES | | | | | \$67.51 | | | | \$67.51 |
| SUBTOTAL | | 0.66 | HR | | \$68.12 | \$30.52 | | \$0.51 | \$99.15 |
| TOTAL OPERATING EXPENSES | | 4.92 | HR | | \$191.44 | \$60.88 | \$45.45 | \$25.43 | \$378.23 |
| NET OPERATING PROFIT | | | | | | | | | (\$131.08) |
| INTEREST ON OPERATING CAPITAL | (| \$64.12 | @ | 8.00% |) | | | | \$5.13 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$24.39 |
| RETURN TO LAND AND RISK | | | | | | | | | (\$160.60) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$247.15 | |
| VARIABLE OPERATING EXPENSES | \$262.32 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$15.17) | (GROSS MARGIN) |
| FIXED EXPENSES | \$55.03 | | |
| NET FARM INCOME | | (\$70.20) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$60.88 | | |
| NET OPERATING PROFIT | | (\$131.08) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$29.52 | | |
| RETURN TO LAND AND RISK | | (\$160.60) | |

TABLE 7. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, 2002.
 Planting Dates: May 1 - May 15
 Harvest Dates: November 15 - December 30

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|---------|------------|---------|------------|------------|
| GROSS RETURNS | | | | | | | | |
| LINT | \$0.380 | 500 LBS | | | | | | \$190.00 |
| SEED | \$0.05 | 800 LBS | | | | | | \$39.00 |
| ASCS DEFICIENCY | \$0.0599 | 500 LBS | | | | | | \$29.95 |
| FARM LOAN DEFICIENCY | \$0.04 | 500 LBS | | | | | | \$20.00 |
| TOTAL | | | | | | | | \$278.95 |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$0.70 | 25 LB | \$17.50 | | | | | \$17.50 |
| NITROGEN (N) | \$0.32 | 80 LB | \$25.60 | | | | | \$25.60 |
| PHOSPHATE (P205) | \$0.30 | 60 LB | \$18.00 | | | | | \$18.00 |
| HERBICIDE | \$15.51 | 1 X/ACRE | \$15.51 | | | | | \$15.51 |
| INSECTICIDE | \$10.04 | 1 X/ACRE | \$10.04 | | | | | \$10.04 |
| INSECTICIDE (CUSTOM) | \$19.54 | 1 X/ACRE | \$19.54 | | | | | \$19.54 |
| PUMP WATER* | | 15 AC. IN. | | | | | | |
| CROP INSURANCE | \$0.71 | | \$0.71 | | | | | \$0.71 |
| SUBTOTAL | | | \$106.90 | | | | | \$106.90 |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL, LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 185 HP | 0.14 HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| PLOW | 185 HP | 0.48 HR | | \$3.62 | \$5.23 | \$5.82 | \$9.22 | \$23.90 |
| DISC | 185 HP | 0.14 HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.38 | \$0.35 | \$0.33 | \$0.42 | \$1.48 |
| DISC & SPRAY | 185 HP | 0.17 HR | | \$1.28 | \$1.85 | \$2.38 | \$4.07 | \$9.59 |
| LISTER | 126 HP | 0.12 HR | | \$0.91 | \$0.85 | \$0.97 | \$2.04 | \$4.77 |
| TRACK | 126 HP | 0.40 HR | | \$3.02 | \$2.83 | \$2.63 | \$3.40 | \$11.88 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.06 | \$6.76 | \$1.13 | \$4.75 | \$17.70 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.60 | \$0.57 | \$0.56 | \$0.97 | \$2.70 |
| PLANTER | 185 HP | 0.17 HR | | \$1.28 | \$1.85 | \$2.84 | \$6.38 | \$12.35 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$1.96 | \$1.84 | \$2.11 | \$3.71 | \$9.62 |
| HAND HOE (CUSTOM) | | | \$10.00 | | | | | \$10.00 |
| IRRIGATE (2X) | | 1.00 HR | | \$6.75 | \$13.51 | \$2.26 | \$9.49 | \$32.02 |
| SUBTOTAL | | 3.76 HR | \$10.00 | \$26.99 | \$38.69 | \$24.29 | \$49.78 | \$149.75 |
| HARVEST OPERATIONS | | | | | | | | |
| COTTON STRIPPER MTD | 126 HP | 0.62 HR | | \$4.68 | \$6.76 | \$8.13 | \$20.94 | \$40.51 |
| HAUL | 126 HP | 0.75 HR | | \$5.66 | \$5.30 | \$5.09 | \$11.14 | \$27.20 |
| GIN COTTON (CUSTOM) | | | \$82.70 | | | | | \$82.70 |
| SUBTOTAL | | 1.37 HR | \$82.70 | \$10.34 | \$12.06 | \$13.22 | \$32.08 | \$150.41 |
| POSTHARVEST OPERATIONS | | | | | | | | |
| SHREDDER | 126 HP | 0.14 HR | | \$1.06 | \$0.99 | \$1.02 | \$6.16 | \$9.22 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.92 HR | | \$6.93 | | | | \$6.93 |
| EMPLOYEE BENEFITS | | | | \$6.91 | | | | \$6.91 |
| INSURANCE | | | \$0.77 | | | | | \$0.77 |
| LAND TAXES | | | | | | \$0.51 | \$0.51 | \$0.51 |
| SUPERVISION AND MANAGEMENT | | | | \$22.42 | | | | \$22.42 |
| OTHER EXPENSES | | | \$67.51 | | | | | \$67.51 |
| SUBTOTAL | | 0.92 HR | \$68.28 | \$36.26 | | | \$0.51 | \$105.05 |
| TOTAL OPERATING EXPENSES | | 6.19 HR | \$267.88 | \$74.65 | \$51.74 | \$38.53 | \$88.52 | \$521.33 |
| NET OPERATING PROFIT | | | | | | | | (\$242.38) |
| INTEREST ON OPERATING CAPITAL | (| \$78.70 | @ | 8.00% | | | | \$6.30 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$47.25 |
| RETURN TO LAND AND RISK | | | | | | | | (\$295.92) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$278.95 | |
| VARIABLE OPERATING EXPENSES | \$358.16 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$79.21) | (GROSS MARGIN) |
| FIXED EXPENSES | \$88.52 | | |
| NET FARM INCOME | | (\$167.73) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$74.65 | | |
| NET OPERATING PROFIT | | (\$242.38) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$53.55 | | |
| RETURN TO LAND AND RISK | | (\$295.92) | |

TABLE 8. Peanuts, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, 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 LBS | | | | | | \$712.40 |
| TOTAL | | | | | | | \$712.40 | |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$0.85 | 100 LB | \$85.00 | | | | \$85.00 | |
| NITROGEN (N) | \$0.32 | 50 LB | \$16.00 | | | | \$16.00 | |
| PHOSPHATE (P205) | \$0.30 | 80 LB | \$24.00 | | | | \$24.00 | |
| HERBICIDE | \$16.56 | 1 X/ACRE | \$16.56 | | | | \$16.56 | |
| INSECTICIDE (CUSTOM) | \$19.54 | 1 X/ACRE | \$19.54 | | | | \$19.54 | |
| FUNGICIDE | \$36.79 | 1 X/ACRE | \$36.79 | | | | \$36.79 | |
| TRACE ELEMENTS | \$11.64 | 1 X/ACRE | \$11.64 | | | | \$11.64 | |
| PUMP WATER* | | 24 AC. IN. | | | | | | |
| SUBTOTAL | | | \$209.53 | | | | \$209.53 | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & OIL | REPAIRS | FIXED COST | TOTAL |
| DISC | 185 HP | 0.14 HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| PLOW | 185 HP | 0.48 HR | | \$3.62 | \$5.23 | \$5.82 | \$9.22 | \$23.90 |
| DISC | 185 HP | 0.14 HR | | \$1.06 | \$1.53 | \$1.62 | \$2.66 | \$6.87 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.38 | \$0.35 | \$0.33 | \$0.42 | \$1.48 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.28 | \$1.85 | \$2.38 | \$4.07 | \$9.59 |
| LISTER | 126 HP | 0.12 HR | | \$0.91 | \$0.85 | \$0.97 | \$2.04 | \$4.77 |
| TRACK | 126 HP | 0.40 HR | | \$3.02 | \$2.83 | \$2.63 | \$3.40 | \$11.88 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.06 | \$8.11 | \$1.36 | \$5.70 | \$20.22 |
| LISTER | 126 HP | 0.12 HR | | \$0.91 | \$0.85 | \$0.97 | \$2.04 | \$4.77 |
| ROD WEEDER | 126 HP | 0.08 HR | | \$0.60 | \$0.57 | \$0.56 | \$0.97 | \$2.70 |
| PLANTER | 185 HP | 0.17 HR | | \$1.28 | \$1.85 | \$2.84 | \$6.38 | \$12.35 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$1.96 | \$1.84 | \$2.11 | \$3.71 | \$9.62 |
| HAND HOE (CUSTOM) | | | \$12.00 | | | | | \$12.00 |
| IRRIGATE (3X) | | 1.50 HR | | \$10.13 | \$24.32 | \$4.07 | \$17.09 | \$55.61 |
| SUBTOTAL | | 4.38 HR | \$12.00 | \$31.27 | \$51.70 | \$27.30 | \$60.36 | \$182.64 |
| HARVEST OPERATIONS | | | | | | | | |
| DIG AND INVERT | 185 HP | 0.24 HR | | \$1.81 | \$2.62 | \$2.39 | \$5.13 | \$11.95 |
| COMBINE PEANUTS | 185 HP | 0.80 HR | | \$6.04 | \$8.72 | \$10.42 | \$45.31 | \$70.49 |
| HAUL | 126 HP | 0.80 HR | | \$6.04 | \$5.66 | \$5.28 | \$14.91 | \$31.89 |
| SUBTOTAL | | 1.84 HR | \$0.00 | \$13.89 | \$16.99 | \$18.09 | \$65.35 | \$114.32 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.81 HR | | \$6.10 | | | | \$6.10 |
| EMPLOYEE BENEFITS | | | | \$8.13 | | | | \$8.13 |
| INSURANCE | | | \$0.90 | | | | | \$0.90 |
| LAND TAXES | | | | | | \$0.51 | | \$0.51 |
| SUPERVISION AND MANAGEMENT | | | | \$55.33 | | | | \$55.33 |
| OTHER EXPENSES | | | \$67.51 | | | | | \$67.51 |
| SUBTOTAL | | 0.81 HR | \$68.41 | \$69.55 | | | \$0.51 | \$138.48 |
| TOTAL OPERATING EXPENSES | | 7.03 HR | \$289.94 | \$114.71 | \$68.70 | \$45.39 | \$126.22 | \$644.96 |
| NET OPERATING PROFIT | | | | | | | \$67.44 | |
| INTEREST ON OPERATING CAPITAL | (| \$127.44 | @ | 8.00% | | | \$10.20 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$62.60 | |
| RETURN TO LAND AND RISK | | | | | | | (\$5.36) | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$712.40 | |
| VARIABLE OPERATING EXPENSES | \$404.03 | | |
| RETURN OVER VARIABLE EXPENSES | | \$308.37 | (GROSS MARGIN) |
| FIXED EXPENSES | \$126.22 | | |
| NET FARM INCOME | | \$182.15 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$114.71 | | |
| NET OPERATING PROFIT | | \$67.44 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$72.79 | | |
| RETURN TO LAND AND RISK | | (\$5.36) | |

TABLE 9. Summary of per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, New Mexico, 2002.

| | WHEAT | CORN | GRAIN SORGHUM -----FLOOD----- | STRIPPER COTTON | PEANUTS |
|----------------------------------|-----------|------------|-------------------------------------|--------------------|----------|
| | BU | CWT | CWT | LBS | LBS |
| PRIMARY YIELD | 55.00 | 65.00 | 55.00 | 500.00 | 2600.00 |
| PRIMARY PRICE | 3.40 | 3.84 | 3.75 | 0.38 | 0.27 |
| GOVERNMENT PAYMENTS | 26.07 | 32.50 | 31.90 | 29.95 | 0.00 |
| SECOND INCOME | 40.00 | 15.00 | 9.00 | 39.00 | 0.00 |
| GROSS RETURN | \$253.07 | \$297.10 | \$247.15 | \$278.95 | \$712.40 |
| CASH OPERATING EXPENSES | | | | | |
| SEED | \$9.60 | \$31.41 | \$6.66 | \$17.50 | \$85.00 |
| FERTILIZER | \$44.00 | \$66.00 | \$44.00 | \$43.60 | \$40.00 |
| CHEMICALS | \$19.54 | \$48.64 | \$35.05 | \$45.09 | \$72.89 |
| CROP INSURANCE | \$0.74 | \$0.98 | \$0.98 | \$0.71 | |
| OTHER PURCHASED INPUTS | | | | | \$11.64 |
| CANAL WATER | | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$8.95 | \$18.73 | \$18.42 | \$31.47 | \$36.26 |
| FUEL-IRRIGATION | \$33.78 | \$51.35 | \$27.03 | \$20.27 | \$32.43 |
| REPAIRS | \$15.47 | \$29.76 | \$25.43 | \$38.53 | \$45.39 |
| CUSTOM CHARGES | \$30.05 | \$34.45 | \$36.63 | \$92.70 | \$12.00 |
| LAND TAXES | \$0.51 | \$0.51 | \$0.51 | \$0.51 | \$0.51 |
| OTHER EXPENSES | \$67.99 | \$68.27 | \$68.12 | \$68.28 | \$68.41 |
| TOTAL CASH EXPENSES | \$230.63 | \$350.10 | \$262.82 | \$358.67 | \$404.54 |
| RETURN OVER CASH EXPENSES | \$22.44 | (\$53.00) | (\$15.67) | (\$79.72) | \$307.86 |
| FIXED EXPENSES | \$45.04 | \$72.16 | \$54.52 | \$88.01 | \$125.71 |
| TOTAL EXPENSES | \$275.67 | \$422.25 | \$317.35 | \$446.68 | \$530.25 |
| NET FARM INCOME | (\$22.60) | (\$125.15) | (\$70.20) | (\$167.73) | \$182.15 |
| LABOR AND MANAGEMENT COSTS | \$50.63 | \$71.34 | \$60.88 | \$74.65 | \$114.71 |
| NET OPERATING PROFIT | (\$73.23) | (\$196.50) | (\$131.08) | (\$242.38) | \$67.44 |
| CAPITAL COSTS | | | | | |
| INTEREST ON OPERATING CAPITAL | \$4.32 | \$8.11 | \$5.13 | \$6.30 | \$10.20 |
| INTEREST ON EQUIPMENT INVESTMENT | \$14.34 | \$26.15 | \$24.39 | \$47.25 | \$62.60 |
| TOTAL CAPITAL COSTS | \$18.66 | \$34.26 | \$29.52 | \$53.55 | \$72.79 |
| RETURN TO LAND AND RISK | (\$91.89) | (\$230.76) | (\$160.60) | (\$295.92) | (\$5.36) |

TABLE 10. Whole farm summary, Portales Valley, Roosevelt County, 2002.

| | | |
|----------------------------------|----------|-------------------|
| GROSS RETURNS | | |
| WHEAT | 68 ACRES | |
| CROP | | \$12,716 |
| GRAZING | | \$2,720 |
| ASCS DEFICIENCY | | \$1,773 |
| ASCS DIVERSION | | \$0 |
| CORN FOR GRAIN | 51 ACRES | |
| CROP | | \$12,730 |
| GRAZING | | \$765 |
| ASCS DEFICIENCY | | \$1,658 |
| ASCS DIVERSION | | \$0 |
| GRAIN SORGHUM | 51 ACRES | |
| CROP | | \$10,519 |
| GRAZING | | \$459 |
| ASCS DEFICIENCY | | \$1,627 |
| ASCS DIVERSION | | \$0 |
| UPLAND COTTON | 70 ACRES | |
| LINT | | \$13,300 |
| SEED | | \$2,730 |
| ASCS DEFICIENCY | | \$1,018 |
| PEANUTS | 60 ACRES | |
| CROP | | \$42,744 |
| | | |
| GROSS RETURN | | <u>\$104,758</u> |
| | | |
| CASH OPERATING EXPENSES | | |
| SEED | | \$8,919 |
| FERTILIZER | | \$14,054 |
| CHEMICALS | | \$13,126 |
| CROP INSURANCE | | \$200 |
| OTHER PURCHASED INPUTS | | \$698 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$6,882 |
| FUEL-IRRIGATION | | \$9,659 |
| REPAIRS | | \$9,288 |
| CUSTOM CHARGES | | \$12,878 |
| LAND TAXES | | \$153 |
| OTHER EXPENSES | | \$20,463 |
| | | |
| TOTAL CASH EXPENSES | | <u>\$96,321</u> |
| | | |
| RETURN OVER CASH EXPENSES | | \$8,437 |
| | | |
| FIXED EXPENSES | | \$23,227 |
| | | |
| TOTAL EXPENSES | | \$119,548 |
| | | |
| NET FARM INCOME | | (\$14,790) |
| | | |
| LABOR AND MANAGEMENT COSTS | | \$22,295 |
| | | |
| NET OPERATING PROFIT | | (\$37,085) |
| | | |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$2,021 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$10,616 |
| | | |
| TOTAL CAPITAL COSTS | | <u>\$12,638</u> |
| | | |
| RETURN TO LAND AND RISK | | <u>(\$49,722)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | (\$56,122) | -10.33% |
| \$750 /ACRE | (\$59,322) | -8.45% |
| \$1,000 /ACRE | (\$62,522) | -7.15% |
| \$1,250 /ACRE | (\$65,722) | -6.19% |
| \$1,500 /ACRE | (\$68,922) | -5.46% |
| \$1,750 /ACRE | (\$72,122) | -4.89% |
| \$2,000 /ACRE | (\$75,322) | -4.42% |

* 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)