

TABLE 1. Basic cost information for the Portales Valley, Roosevelt County, 2003.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Nitrogen (N)		\$/pound	\$0.36
Phosphate (P205)		\$/pound	\$0.33
<b>Seed:</b>			
Wheat		\$/pound	\$0.13
Corn		\$/bag	\$89.75
Grain Sorghum		\$/pound	\$1.20
Cotton		\$/pound	\$0.56
Peanuts		\$/pound	\$0.85
<b>Energy:</b>			
Natural gas (Gas NM)		\$/MCF	\$3.28
Diesel fuel		\$/gallon	\$1.30
Gasoline		\$/gallon	\$1.35
Electricity (SWPS)		cents/KwHr	6.32
LP Gas		\$/gallon	\$1.21
Employee Liability Insurance	\$/1,000	wages	\$20.00
Employee Benefits	percent/w	ages	18.00%
Labor Downtime	percent		25.00%
<b>Financial Rates:</b>			
Operating Capital Interest Rate	percent		8.00%
Land Interest Rate	percent		7.00%
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
<b>Supervision Factors</b>			
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, 2003.  
 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, 2003.

ITEM			
Electricity (Domestic & Shop)		\$215.00 per month	\$2,580
Telephone		\$115.00 per month	\$1,380
Accounting & Legal			\$1,600
Misc. Supplies & Hand Tools			\$2,410
Pickup and Auto			
miles	20,600	@ \$0.365 per mile	\$7,519
<b>Insurance</b>			
- general liability (non-employee)			\$1,725
- fire/theft			\$1,370
<b>Property Taxes</b>			
- non-planted land			\$6
- other than land & machinery			\$610
Building repairs and maintenance			\$1,310
Dues, fees, publications			\$390
Farmstead Equipment			\$165
Total			\$21,066
Total Per Planted Acre			\$70.22

TABLE 2. Pumping costs and data for irrigation wells, Portales Valley, Roosevelt County, 2003.

INPUT DATA

		DEPTH CHARACTERISTICS:	
		STATIC.....	80
		DRAW DOV.....	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. ....	\$6.32	CENTS/K	wHr
NATURAL GAS. ....	\$3.28	\$/MCF	
LP GAS.....	\$1.21	\$/GAL	
DIESEL.....	\$1.30	\$/GAL	

PUMPING COSTS

ELECTRIC WELL:		
COST PER HOUR.....	\$	\$1.14
COST PER ACRE INCH.....	\$	\$1.29
NATURAL GAS WELL:		
COST PER HOUR.....	\$	\$0.76
COST PER ACRE INCH.....	\$	\$0.86
LP GAS WELL:		
COST PER HOUR.....	\$	\$2.72
COST PER ACRE INCH.....	\$	\$3.07
DIESEL WELL:		
COST PER HOUR.....	\$	\$1.84
COST PER ACRE INCH.....	\$	\$2.08

TABLE 3. Equipment summary for a 320 acre, flood-irrigated farm with above average management, Portales Valley, 2003.

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	\$31,240	\$3,300	\$2,272	\$9.55	\$6.58	\$2,740	\$196	\$8.49
TRACTOR 175 HP	407	1	\$40,700	\$5,495	\$4,028	\$13.49	\$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 FURNI:	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	\$9,205	\$1,617	\$1.14	\$0.20	\$6,400	\$385	\$0.84
			\$183,771	\$18,000	\$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, 2003.  
 Planting Dates: August 20 - September 15  
 Harvest Dates: June 1 - June 25

ITEM	PRICE	YIELD							TOTAL	
<b>GROSS RETURNS</b>										
WHEAT	\$4.50	55.00	BUSHEL						\$247.50	
DIRECT PAYMENT	\$0.52	55.00	BUSHEL						\$28.60	
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00	
GRAZING	\$40.00	1.00	ACRE						\$40.00	
<b>TOTAL</b>									<b>\$316.10</b>	
<b>PURCHASED INPUTS</b>										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS							TOTAL
SEED	\$0.13	60	LBS	\$7.80						\$7.80
NITROGEN (N)	\$0.36	100	LBS	\$36.00						\$36.00
PHOSPHATE (P205)	\$0.33	40	LBS	\$13.20						\$13.20
INSECTICIDE (CUSTOM)	\$20.01	1	X/ACRE	\$20.01						\$20.01
PUMP WATER*		25	AC. IN.							
CROP INSURANCE	\$0.74			\$0.74						\$0.74
<b>SUBTOTAL</b>				<b>\$77.74</b>						<b>\$77.74</b>
<b>PREHARVEST OPERATIONS</b>										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL, LUBE	REPAIRS	FIXED COST	TOTAL		
ROD WEEDER	126 HP	0.08 HR		\$0.60	\$0.76	\$0.56	\$0.97	\$2.90		
PLOW	185 HP	0.48 HR		\$3.62	\$6.48	\$5.82	\$9.22	\$25.15		
DISC	185 HP	0.14 HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23		
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.48	\$0.33	\$0.42	\$1.61		
DRILL	126 HP	0.18 HR		\$1.36	\$1.72	\$1.48	\$8.03	\$12.59		
IRRIGATE (5X)		2.50 HR		\$16.88	\$32.20	\$5.66	\$23.73	\$78.46		
<b>SUBTOTAL</b>		<b>3.43 HR</b>		<b>\$23.90</b>	<b>\$43.52</b>	<b>\$15.47</b>	<b>\$45.04</b>	<b>\$127.93</b>		
<b>HARVEST OPERATIONS</b>										
COMBINE (CUSTOM)				\$21.25						\$21.25
HAUL (CUSTOM)				\$8.80						\$8.80
<b>SUBTOTAL</b>				<b>\$30.05</b>						<b>\$30.05</b>
<b>OVERHEAD EXPENSES</b>										
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				\$25.09						\$25.09
OTHER EXPENSES				\$70.22						\$70.22
<b>SUBTOTAL</b>		<b>0.23 HR</b>		<b>\$70.70</b>	<b>\$31.15</b>		<b>\$0.51</b>	<b>\$102.36</b>		
<b>TOTAL OPERATING EXPENSES</b>		<b>3.66 HR</b>		<b>\$178.49</b>	<b>\$55.05</b>	<b>\$43.52</b>	<b>\$15.47</b>	<b>\$45.55</b>	<b>\$338.08</b>	
<b>NET OPERATING PROFIT</b>									<b>(\$21.98)</b>	
INTEREST ON OPERATING CAPITAL	(	\$56.12	@	8.00%						\$4.49
INTEREST ON EQUIPMENT INVESTMENT									\$14.34	
<b>RETURN TO LAND AND RISK</b>									<b>(\$40.81)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$316.10	
VARIABLE OPERATING EXPENSES	\$237.48		
RETURN OVER VARIABLE EXPENSES		\$78.62	(GROSS MARGIN)
FIXED EXPENSES	\$45.55		
NET FARM INCOME		\$33.07	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$55.05		
NET OPERATING PROFIT		(\$21.98)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.83		
RETURN TO LAND AND RISK		(\$40.81)	

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, 2003.  
Planting Dates: April 15 - May 15  
Harvest Dates: November 1 - November 30

ITEM	PRICE	YIELD						TOTAL		
<b>GROSS RETURNS</b>										
CORN FOR GRAIN	\$4.29	65.00	CWT					\$278.85		
DIRECT PAYMENT	\$0.50	65.00	CWT					\$32.50		
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT					\$0.00		
GRAZING	\$15.00	1.00	ACRE					\$15.00		
<b>TOTAL</b>								<b>\$326.35</b>		
<b>PURCHASED INPUTS</b>										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL		
SEED	\$1.12	28	000	\$31.41				\$31.41		
NITROGEN (N)	\$0.36	150	LBS	\$54.00				\$54.00		
PHOSPHATE (P205)	\$0.33	60	LBS	\$19.80				\$19.80		
HERBICIDE	\$15.88	1	X/ACRE	\$15.88				\$15.88		
INSECTICIDE (CUSTOM)	\$16.96	2	X/ACRE	\$33.92				\$33.92		
PUMP WATER*		38	AC. IN.							
CROP INSURANCE	\$0.98			\$0.98				\$0.98		
<b>SUBTOTAL</b>				<b>\$156.00</b>				<b>\$156.00</b>		
<b>PREHARVEST OPERATIONS</b>										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL, LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14	HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23	
PLOW	185 HP	0.48	HR		\$3.62	\$6.48	\$5.82	\$9.22	\$25.15	
DISC	185 HP	0.14	HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23	
FERT SPREADER	126 HP	0.05	HR		\$0.38	\$0.48	\$0.33	\$0.42	\$1.61	
SPRAY & DISC	185 HP	0.17	HR		\$1.28	\$2.29	\$2.38	\$4.07	\$10.03	
LISTER	126 HP	0.12	HR		\$0.91	\$1.15	\$0.97	\$2.04	\$5.07	
TRACK	126 HP	0.40	HR		\$3.02	\$3.82	\$2.63	\$3.40	\$12.87	
PRE-IRRIGATE		0.75	HR		\$5.66	\$8.16	\$1.43	\$6.01	\$21.26	
ROD WEED	185 HP	0.08	HR		\$0.60	\$1.08	\$0.83	\$1.52	\$4.03	
PLANTER	185 HP	0.17	HR		\$1.28	\$2.29	\$2.84	\$6.38	\$12.79	
CULTIVATOR (2X)	126 HP	0.26	HR		\$1.96	\$2.48	\$2.11	\$3.71	\$10.27	
IRRIGATE (5X)		2.50	HR		\$16.88	\$40.78	\$7.17	\$30.06	\$94.88	
<b>SUBTOTAL</b>		<b>5.26</b>	<b>HR</b>		<b>\$37.71</b>	<b>\$72.78</b>	<b>\$29.76</b>	<b>\$72.16</b>	<b>\$212.42</b>	
<b>HARVEST OPERATIONS</b>										
COMBINE (CUSTOM)				\$22.75				\$22.75		
HAUL (CUSTOM)				\$11.70				\$11.70		
<b>SUBTOTAL</b>				<b>\$34.45</b>				<b>\$34.45</b>		
<b>OVERHEAD EXPENSES</b>										
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					\$26.19				\$26.19	
OTHER EXPENSES				\$70.22				\$70.22		
<b>SUBTOTAL</b>		<b>0.36</b>	<b>HR</b>		<b>\$70.97</b>	<b>\$35.68</b>		<b>\$0.51</b>	<b>\$107.16</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>5.62</b>	<b>HR</b>		<b>\$261.42</b>	<b>\$73.39</b>	<b>\$72.78</b>	<b>\$29.76</b>	<b>\$72.67</b>	<b>\$510.02</b>
<b>NET OPERATING PROFIT</b>									<b>(\$183.67)</b>	
INTEREST ON OPERATING CAPITAL	(	\$106.51	@	8.00%					\$8.52	
INTEREST ON EQUIPMENT INVESTMENT									\$26.15	
<b>RETURN TO LAND AND RISK</b>									<b>(\$218.35)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$326.35	
VARIABLE OPERATING EXPENSES	\$363.97		
RETURN OVER VARIABLE EXPENSES		(\$37.62)	(GROSS MARGIN)
FIXED EXPENSES	\$72.67		
NET FARM INCOME		(\$110.28)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$73.39		
NET OPERATING PROFIT		(\$183.67)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$34.67		
RETURN TO LAND AND RISK		(\$218.35)	

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, 2003.  
 Planting Dates: May 15 - June 10  
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
GRAIN SORGHUM	\$3.95	55.00	CWT					\$217.25	
DIRECT PAYMENT	\$0.625	55.00	CWT					\$34.38	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT					\$0.00	
GRAZING	\$9.00	1.00	ACRE					\$9.00	
<b>TOTAL</b>								<b>\$260.63</b>	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	\$1.20	6	LBS	\$7.20				\$7.20	
NITROGEN (N)	\$0.36	100	LBS	\$36.00				\$36.00	
PHOSPHATE (P205)	\$0.33	40	LBS	\$13.20				\$13.20	
HERBICIDE	\$15.88	1	ACRE	\$15.88				\$15.88	
INSECTICIDE (CUSTOM)	\$20.01	1	ACRE	\$20.01				\$20.01	
PUMP WATER*		20	AC. IN.						
CROP INSURANCE	\$0.98			\$0.98				\$0.98	
<b>SUBTOTAL</b>				<b>\$93.27</b>				<b>\$93.27</b>	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL, LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14	HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23
PLOW	185 HP	0.48	HR		\$3.62	\$6.48	\$5.82	\$9.22	\$25.15
DISC	185 HP	0.14	HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23
FERT SPREADER	126 HP	0.05	HR		\$0.38	\$0.48	\$0.33	\$0.42	\$1.61
DISC & SPRAY	185 HP	0.17	HR		\$1.28	\$2.29	\$2.38	\$4.07	\$10.03
LISTER	126 HP	0.12	HR		\$0.91	\$1.15	\$0.97	\$2.04	\$5.07
TRACK	126 HP	0.40	HR		\$3.02	\$3.82	\$2.63	\$3.40	\$12.87
PRE-IRRIGATE		0.75	HR		\$5.06	\$6.44	\$1.13	\$4.75	\$17.38
ROD WEED	126 HP	0.08	HR		\$0.60	\$0.76	\$0.56	\$0.97	\$2.90
PLANTER	185 HP	0.17	HR		\$1.28	\$2.29	\$2.84	\$6.38	\$12.79
CULTIVATOR (2X)	126 HP	0.26	HR		\$1.96	\$2.48	\$2.11	\$3.71	\$10.27
IRRIGATE (3X)		1.50	HR		\$10.13	\$19.32	\$3.39	\$14.24	\$47.07
<b>SUBTOTAL</b>		<b>4.26</b>	<b>HR</b>		<b>\$30.36</b>	<b>\$49.29</b>	<b>\$25.43</b>	<b>\$54.52</b>	<b>\$159.60</b>
<b>HARVEST OPERATIONS</b>									
COMBINE (CUSTOM)					\$26.18				\$26.18
HAUL (CUSTOM)					\$10.45				\$10.45
<b>SUBTOTAL</b>					<b>\$36.63</b>				<b>\$36.63</b>
<b>OVERHEAD EXPENSES</b>									
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					\$21.05				\$21.05
OTHER EXPENSES					\$70.22				\$70.22
<b>SUBTOTAL</b>		<b>0.66</b>	<b>HR</b>		<b>\$70.83</b>	<b>\$31.46</b>		<b>\$0.51</b>	<b>\$102.80</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.92</b>	<b>HR</b>		<b>\$200.73</b>	<b>\$61.83</b>	<b>\$49.29</b>	<b>\$25.43</b>	<b>\$392.30</b>
<b>NET OPERATING PROFIT</b>									<b>(\$131.68)</b>
INTEREST ON OPERATING CAPITAL	(	\$68.37	@	8.00%	)				\$5.47
INTEREST ON EQUIPMENT INVESTMENT									\$24.39
<b>RETURN TO LAND AND RISK</b>									<b>(\$161.54)</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$260.63	
VARIABLE OPERATING EXPENSES	\$275.44		
RETURN OVER VARIABLE EXPENSES		(\$14.82)	(GROSS MARGIN)
FIXED EXPENSES	\$55.03		
NET FARM INCOME		(\$69.85)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$61.83		
NET OPERATING PROFIT		(\$131.68)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$29.86		
RETURN TO LAND AND RISK		(\$161.54)	

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, 2003.  
 Planting Dates: May 1 - May 15  
 Harvest Dates: November 15 - December 30

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
LINT	\$0.520	500	LBS					\$260.00	
SEED	\$0.08	800	LBS					\$60.00	
DIRECT PAYMENT	\$0.0667	500	LBS					\$33.35	
COUNTER CYCLICAL PAYMENT	\$0.1373	500	LBS					\$68.65	
TOTAL								\$422.00	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS				TOTAL	
SEED	\$0.56	25	LB	\$14.00				\$14.00	
NITROGEN (N)	\$0.36	80	LB	\$28.80				\$28.80	
PHOSPHATE (P205)	\$0.33	60	LB	\$19.80				\$19.80	
HERBICIDE	\$15.88	1	X/ACRE	\$15.88				\$15.88	
INSECTICIDE	\$10.28	1	X/ACRE	\$10.28				\$10.28	
INSECTICIDE (CUSTOM)	\$20.01	1	X/ACRE	\$20.01				\$20.01	
PUMP WATER*		15	AC. IN.						
CROP INSURANCE	\$0.71			\$0.71				\$0.71	
SUBTOTAL				\$109.48				\$109.48	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL, LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14	HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23
PLOW	185 HP	0.48	HR		\$3.62	\$6.48	\$5.82	\$9.22	\$25.15
DISC	185 HP	0.14	HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23
FERT SPREADER	126 HP	0.05	HR		\$0.38	\$0.48	\$0.33	\$0.42	\$1.61
DISC & SPRAY	185 HP	0.17	HR		\$1.28	\$2.29	\$2.38	\$4.07	\$10.03
LISTER	126 HP	0.12	HR		\$0.91	\$1.15	\$0.97	\$2.04	\$5.07
TRACK	126 HP	0.40	HR		\$3.02	\$3.82	\$2.63	\$3.40	\$12.87
PRE-IRRIGATE		0.75	HR		\$5.06	\$6.44	\$1.13	\$4.75	\$17.38
ROD WEED	126 HP	0.08	HR		\$0.60	\$0.76	\$0.56	\$0.97	\$2.90
PLANTER	185 HP	0.17	HR		\$1.28	\$2.29	\$2.84	\$6.38	\$12.79
CULTIVATOR (2X)	126 HP	0.26	HR		\$1.96	\$2.48	\$2.11	\$3.71	\$10.27
HAND HOE (CUSTOM)				\$10.00					\$10.00
IRRIGATE (2X)		1.00	HR		\$6.75	\$12.88	\$2.26	\$9.49	\$31.38
SUBTOTAL		3.76	HR	\$10.00	\$26.99	\$42.85	\$24.29	\$49.78	\$153.91
<b>HARVEST OPERATIONS</b>									
COTTON STRIPPER MTD	126 HP	0.62	HR		\$4.68	\$8.37	\$8.13	\$20.94	\$42.12
HAUL	126 HP	0.75	HR		\$5.66	\$7.16	\$5.09	\$11.14	\$29.06
GIN COTTON (CUSTOM)				\$82.70					\$82.70
SUBTOTAL		1.37	HR	\$82.70	\$10.34	\$15.53	\$13.22	\$32.08	\$153.87
<b>POSTHARVEST OPERATIONS</b>									
SHREDDER	126 HP	0.14	HR		\$1.06	\$1.34	\$1.02	\$6.16	\$9.57
<b>OVERHEAD EXPENSES</b>									
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
SUPERVISION AND MANAGEMENT					\$32.44				\$32.44
OTHER EXPENSES				\$70.22					\$70.22
SUBTOTAL		0.92	HR	\$70.99	\$46.27		\$0.51		\$117.77
TOTAL OPERATING EXPENSES		6.19	HR	\$273.17	\$84.66	\$59.71	\$38.53	\$88.52	\$544.60
NET OPERATING PROFIT									(\$122.60)
INTEREST ON OPERATING CAPITAL	(	\$81.40	@	8.00%					\$6.51
INTEREST ON EQUIPMENT INVESTMENT									\$47.25
RETURN TO LAND AND RISK									(\$176.36)

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

BUDGET SUMMARY

GROSS RETURN		\$422.00	
VARIABLE OPERATING EXPENSES	\$371.42		
RETURN OVER VARIABLE EXPENSES		\$50.58	(GROSS MARGIN)
FIXED EXPENSES	\$88.52		
NET FARM INCOME		(\$37.94)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$84.66		
NET OPERATING PROFIT		(\$122.60)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$53.76		
RETURN TO LAND AND RISK		(\$176.36)	

TABLE 8. Peanuts, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, 2003.  
 Planting Dates: May 10 - June 10  
 Harvest Dates: October 10 - November 10

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
PEANUTS	\$0.110	2,600 LBS						\$286.00
<b>TOTAL</b>							<b>\$286.00</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.85	100 LB	\$85.00				\$85.00	
NITROGEN (N)	\$0.36	50 LB	\$18.00				\$18.00	
PHOSPHATE (P205)	\$0.33	80 LB	\$26.40				\$26.40	
HERBICIDE	\$16.96	1 X/ACRE	\$16.96				\$16.96	
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01				\$20.01	
FUNGICIDE	\$37.67	1 X/ACRE	\$37.67				\$37.67	
TRACE ELEMENTS	\$11.92	1 X/ACRE	\$11.92				\$11.92	
PUMP WATER*		24 AC. IN.						
<b>SUBTOTAL</b>			<b>\$215.95</b>				<b>\$215.95</b>	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23
PLOW	185 HP	0.48 HR		\$3.62	\$6.48	\$5.82	\$9.22	\$25.15
DISC	185 HP	0.14 HR		\$1.06	\$1.89	\$1.62	\$2.66	\$7.23
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.48	\$0.33	\$0.42	\$1.61
SPRAY & DISC	185 HP	0.17 HR		\$1.28	\$2.29	\$2.38	\$4.07	\$10.03
LISTER	126 HP	0.12 HR		\$0.91	\$1.15	\$0.97	\$2.04	\$5.07
TRACK	126 HP	0.40 HR		\$3.02	\$3.82	\$2.63	\$3.40	\$12.87
PRE-IRRIGATE		0.75 HR		\$5.06	\$7.73	\$1.36	\$5.70	\$19.84
LISTER	126 HP	0.12 HR		\$0.91	\$1.15	\$0.97	\$2.04	\$5.07
ROD WEEDER	126 HP	0.08 HR		\$0.60	\$0.76	\$0.56	\$0.97	\$2.90
PLANTER	185 HP	0.17 HR		\$1.28	\$2.29	\$2.84	\$6.38	\$12.79
CULTIVATOR (2X)	126 HP	0.26 HR		\$1.96	\$2.48	\$2.11	\$3.71	\$10.27
HAND HOE (CUSTOM)			\$12.00					\$12.00
IRRIGATE (3X)		1.50 HR		\$10.13	\$23.18	\$4.07	\$17.09	\$54.46
<b>SUBTOTAL</b>		<b>4.38 HR</b>	<b>\$12.00</b>	<b>\$31.27</b>	<b>\$55.58</b>	<b>\$27.30</b>	<b>\$60.36</b>	<b>\$186.52</b>
<b>HARVEST OPERATIONS</b>								
DIG AND INVERT	185 HP	0.24 HR		\$1.81	\$3.24	\$2.39	\$5.13	\$12.57
COMBINE PEANUTS	185 HP	0.80 HR		\$6.04	\$10.79	\$10.42	\$45.31	\$72.56
HAUL	126 HP	0.80 HR		\$6.04	\$7.64	\$5.28	\$14.91	\$33.87
<b>SUBTOTAL</b>		<b>1.84 HR</b>	<b>\$0.00</b>	<b>\$13.89</b>	<b>\$21.67</b>	<b>\$18.09</b>	<b>\$65.35</b>	<b>\$119.00</b>
<b>OVERHEAD EXPENSES</b>								
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				\$25.48				\$25.48
OTHER EXPENSES			\$70.22					\$70.22
<b>SUBTOTAL</b>		<b>0.81 HR</b>	<b>\$71.12</b>	<b>\$39.71</b>			<b>\$0.51</b>	<b>\$111.34</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7.03 HR</b>	<b>\$299.08</b>	<b>\$84.87</b>	<b>\$77.25</b>	<b>\$45.39</b>	<b>\$126.22</b>	<b>\$632.81</b>
<b>NET OPERATING PROFIT</b>							<b>(\$346.81)</b>	
INTEREST ON OPERATING CAPITAL	(	\$132.01	@	8.00%			\$10.56	
INTEREST ON EQUIPMENT INVESTMENT							\$62.60	
<b>RETURN TO LAND AND RISK</b>							<b>(\$419.97)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$286.00	
VARIABLE OPERATING EXPENSES	\$421.72		
RETURN OVER VARIABLE EXPENSES		(\$135.72)	(GROSS MARGIN)
FIXED EXPENSES	\$126.22		
NET FARM INCOME		(\$261.95)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$84.87		
NET OPERATING PROFIT		(\$346.81)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$73.16		
RETURN TO LAND AND RISK		(\$419.97)	

TABLE 9. Summary of per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, New Mexico, 2003.

	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	4.50	4.29	3.95	0.52	0.11
GOVERNMENT PAYMENTS	28.60	32.50	34.38	33.35	0.00
SECOND INCOME	40.00	15.00	9.00	60.00	0.00
GROSS RETURN	\$316.10	\$326.35	\$260.63	\$422.00	\$286.00
CASH OPERATING EXPENSES					
SEED	\$7.80	\$31.41	\$7.20	\$14.00	\$85.00
FERTILIZER	\$49.20	\$73.80	\$49.20	\$48.60	\$44.40
CHEMICALS	\$20.01	\$49.80	\$35.89	\$46.17	\$74.64
CROP INSURANCE	\$0.74	\$0.98	\$0.98	\$0.71	
OTHER PURCHASED INPUTS					\$11.92
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$11.33	\$23.85	\$23.53	\$40.39	\$46.35
FUEL-IRRIGATION	\$32.20	\$48.94	\$25.76	\$19.32	\$30.91
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	\$70.70	\$70.97	\$70.83	\$70.99	\$71.12
TOTAL CASH EXPENSES	\$237.99	\$364.48	\$275.95	\$371.93	\$422.23
RETURN OVER CASH EXPENSES	\$78.11	(\$38.13)	(\$15.33)	\$50.07	(\$136.23)
FIXED EXPENSES	\$45.04	\$72.16	\$54.52	\$88.01	\$125.71
TOTAL EXPENSES	\$283.03	\$436.63	\$330.47	\$459.94	\$547.95
NET FARM INCOME	\$33.07	(\$110.28)	(\$69.85)	(\$37.94)	(\$261.95)
LABOR AND MANAGEMENT COSTS	\$55.05	\$73.39	\$61.83	\$84.66	\$84.87
NET OPERATING PROFIT	(\$21.98)	(\$183.67)	(\$131.68)	(\$122.60)	(\$346.81)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$4.49	\$8.52	\$5.47	\$6.51	\$10.56
INTEREST ON EQUIPMENT INVESTMENT	\$14.34	\$26.15	\$24.39	\$47.25	\$62.60
TOTAL CAPITAL COSTS	\$18.83	\$34.67	\$29.86	\$53.76	\$73.16
RETURN TO LAND AND RISK	(\$40.81)	(\$218.35)	(\$161.54)	(\$176.36)	(\$419.97)
Flex Computation	\$18.57	(\$120.04)	(\$82.62)	(\$41.10)	(\$231.66)

TABLE 10. Whole farm summary, Portales Valley, Roosevelt County, 2003.

GROSS RETURNS		
WHEAT	68 ACRES	
CROP		\$16,830
GRAZING		\$2,720
DIRECT PAYMENT		\$1,945
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	51 ACRES	
CROP		\$14,221
GRAZING		\$765
DIRECT PAYMENT		\$1,658
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	51 ACRES	
CROP		\$11,080
GRAZING		\$459
DIRECT PAYMENT		\$1,753
COUNTER CYCLICAL PAYMENT		\$0
UPLAND COTTON	70 ACRES	
LINT		\$18,200
SEED		\$4,200
DIRECT PAYMENT		\$1,134
PEANUTS	60 ACRES	
CROP		\$17,160
GROSS RETURN		<u>\$92,124</u>
CASH OPERATING EXPENSES		
SEED		\$8,580
FERTILIZER		\$15,685
CHEMICALS		\$13,441
CROP INSURANCE		\$200
OTHER PURCHASED INPUTS		\$715
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,795
FUEL-IRRIGATION		\$9,205
REPAIRS		\$9,288
CUSTOM CHARGES		\$12,878
LAND TAXES		\$153
OTHER EXPENSES		\$21,276
TOTAL CASH EXPENSES		<u>\$100,214</u>
RETURN OVER CASH EXPENSES		(\$8,090)
FIXED EXPENSES		\$23,227
TOTAL EXPENSES		\$123,441
NET FARM INCOME		(\$31,317)
LABOR AND MANAGEMENT COSTS		\$21,657
NET OPERATING PROFIT		(\$52,974)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,108
INTEREST ON EQUIPMENT INVESTMENT		\$10,616
TOTAL CAPITAL COSTS		<u>\$12,725</u>
RETURN TO LAND AND RISK		<u>(\$65,699)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$72,099)	-15.41%
\$750 /ACRE	(\$75,299)	-12.50%
\$1,000 /ACRE	(\$78,499)	-10.52%
\$1,250 /ACRE	(\$81,699)	-9.07%
\$1,500 /ACRE	(\$84,899)	-7.98%
\$1,750 /ACRE	(\$88,099)	-7.12%
\$2,000 /ACRE	(\$91,299)	-6.43%

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

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