

TABLE 1. Acreage Summary, Roosevelt County, Projected 2004.

BUDGET AREA..... PORTALES VALLEY, ROOSEVELT COUNTY			
FARM SIZE..... 320 ACRES			
IRRIGATION TYPE..... SPRINKLER			
NUMBER OF CROPS... 4			
WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
WHEAT	53.55	18	964
ARP	0.00		
FLEX IN WHEAT	9.45	18	170
CORN	52.70	30	1,581
ARP	0.00		
FLEX IN WHEAT	9.30	18	167
GRAIN SORGHUM	52.70	20	1,054
ARP	0.00		
FLEX IN WHEAT	9.30	18	167
PEANUTS	63.00	22	1,386
CORNERS, ROADS, HOMESTEAD	70.00		
TOTAL	320.00		5,490
ACRE FEET PER ACRE OF WATER RIGHTS			1.43

TABLE 2. Basic cost information for the Portales Valley, Roosevelt County, Projected 2004.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.55
General & Irrigators	\$/hour		\$6.75
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.29
Phosphate (P205)	\$/pound		\$0.20
Seed:			
Wheat	\$/pound		\$0.18
Corn	\$/bag		\$85.00
Grain Sorghum	\$/pound		\$1.30
Peanuts	\$/pound		\$0.85
Energy:			
Natural gas (Gas NM)	\$/MCF		\$7.22
Diesel fuel	\$/gallon		\$1.50
Gasoline	\$/gallon		\$1.45
Electricity (SWPS)	cents/KwHr		6.32
LP Gas	\$/gallon		\$1.21
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		6.50%
Land Interest Rate	percent		6.00%
Equipment Interest Rate	percent		6.50%
Real Interest Rate	percent		4.00%
Land Taxes	\$89.00 /acre (full value)		\$0.53
Personal Property Tax Rate	- NR	\$/1,000 (Assessed Value)	\$18.03
	- R		\$13.80
Supervision Factor	\$/labor hour		\$0.50
Management Rate	percent		7.00%

TABLE 3. Overhead cost information for the Portales Valley, Roosevelt County, Projected 2004.

Item			
Electricity (Domestic & Shop)		\$220.00 per month	\$2,640
Telephone		\$120.00 per month	\$1,440
Accounting & Legal			\$1,650
Misc. Supplies & Hand Tools			\$2,480
Pickup and Auto			
miles	20,600	@ \$0.365 per mile	\$7,519
Insurance			
- general liability (non-employee)			\$1,775
- fire/theft			\$1,410
Property Taxes			
- non-planted land			\$9
- other than land & machinery			\$630
Building repairs and maintenance			\$1,350
Dues, fees, publications			\$400
Farmstead Equipment			\$170
Total			\$21,473
Total Per Planted Acre			\$87.54

TABLE 4. Pumping costs and data for irrigation wells, Portales Valley, Roosevelt County, Projected 2004.

INPUT DATA			
DELIVERY PSI:			DEPTH CHARACTERISTICS:
SPRINKLER	40		STATIC.....
			DRAW DOWN.....
			TOTAL HEAD.....
			CASING.....
GALLONS PER MINUTE (GPM)	400		
WORK HORSEPOWER	19		
EFFICIENCY FACTOR:			
ELECTRICITY	0.430		
NATURAL GAS	0.126		
LP GAS	0.126		
DIESEL	0.130		
FUEL COST PER HOUR:			
ELECTRICITY	6.32	CENTS/KwHr	
NATURAL GAS	\$7.22	\$/MCF	
LP GAS	\$1.21	\$/GAL	
DIESEL	\$1.50	\$/GAL	
PUMPING COSTS			
ELECTRIC WELL:			
COST PER HOUR		\$2.16	
COST PER ACRE INCH		\$2.45	
NATURAL AS WELL:			
COST PER HOUR		\$3.14	
COST PER ACRE INCH		\$3.55	
LP GAS WELL:			
COST PER HOUR		\$5.20	
COST PER ACRE INCH		\$5.88	
DIESEL WELL:			
COST PER HOUR		\$4.06	
COST PER ACRE INCH		\$4.59	

TABLE 5. Equipment summary for a 320 acre, sprinkler-irrigated farm with above average management, Portales Valley, Projected 2004.

EQUIPMENT	ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
					FUEL, OIL, LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR
TRACTOR	126 HP	150	1	\$31,240	\$1,539	\$771	\$10.26	\$5.14	\$2,740	\$206	\$19.63
TRACTOR	185 HP	274	1	\$38,035	\$4,259	\$3,690	\$15.57	\$13.49	\$5,995	\$270	\$22.90
PLANTER	6 ROW	29	1	\$4,250		\$173		\$6.04	\$850	\$26	\$30.58
CULTIVATOR	6 ROW	44	1	\$2,500		\$74		\$1.70	\$333	\$15	\$7.96
DISC	14 FT	99	1	\$3,000		\$169		\$1.71	\$400	\$18	\$4.24
DRILL	13 FT	15	1	\$2,150		\$32		\$2.19	\$430	\$13	\$30.16
LISTER	6 ROW	20	1	\$2,150		\$34		\$1.68	\$287	\$13	\$14.83
PLOW (MOLDBOARD)	4-14 IN	81	1	\$4,000		\$197		\$2.44	\$533	\$24	\$6.90
SPRAYER (MTD)		29	1	\$1,400		\$57		\$1.99	\$187	\$8	\$6.81
DIG AND INVERT	2 ROW	15	1	\$625		\$1		\$0.05	\$83	\$4	\$5.76
ROD WEEDER	6 ROW	8	1	\$625		\$5		\$0.63	\$83	\$4	\$10.33
FERT SPREADER	DEALER FURNISHED	13	1								
PEANUT THRASHER		50	1	\$14,250		\$158		\$3.14	\$1,900	\$86	\$39.40
PEANUT TRAILER		50	5	\$3,500		\$1		\$0.03	\$467	\$21	\$9.68
CENTER PIVOT SPRINKLER		6,211	3	\$45,000	\$196	\$5,621	\$0.03	\$0.91	\$6,000	\$270	\$1.01
ELECTRIC WELL		6,211	6	\$50,400	\$13,428	\$1,242	\$2.16	\$0.20	\$4,800	\$303	\$0.82
				\$203,125	\$19,423	\$12,226			\$25,088	\$1,280	

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County
 Projected 2004.
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$3.75	36.00 BUSHELS		\$135.00
DIRECT PAYMENT	\$0.52	36.00 BUSHELS	0.85	\$15.91
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$40.00	1.00 ACRE		\$40.00
TOTAL				\$190.91

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.18	60 LBS	\$10.80		\$10.80
NITROGEN (N)	\$0.29	120 LBS	\$34.80		\$34.80
PHOSPHATE (P205)	\$0.20	40 LBS	\$8.00		\$8.00
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01		\$20.01
PUMP WATER*		18 AC. IN.			
CROP INSURANCE	\$0.61		\$0.61		\$0.61
SUBTOTAL			\$74.22		\$74.22

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	185 HP	0.28 HR		\$2.11	\$4.36	\$4.26	\$7.60	\$18.33
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.51	\$0.26	\$0.98	\$2.13
DRILL	126 HP	0.18 HR		\$1.36	\$1.85	\$1.32	\$8.96	\$13.49
IRRIGATE (6X)		0.60 HR		\$4.05	\$44.67	\$22.50	\$37.29	\$108.52
SUBTOTAL		1.11 HR		\$7.90	\$51.39	\$28.34	\$54.83	\$142.46

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$17.26					\$17.26
HAUL (CUSTOM)			\$5.76					\$5.76
SUBTOTAL			\$23.02					\$23.02

OVERHEAD EXPENSES								
DOWNTIME		0.13 HR		\$0.96				\$0.96
EMPLOYEE BENEFITS				\$1.42				\$1.42
INSURANCE			\$0.16					\$0.16
LAND TAXES						\$0.53		\$0.53
SUPERVISION AND MANAGEMENT				\$13.92				\$13.92
OTHER EXPENSES			\$87.54					\$87.54
SUBTOTAL		0.13 HR		\$87.70	\$16.30		\$0.53	\$104.53

TOTAL OPERATING EXPENSES		1.24 HR		\$184.93	\$24.20	\$51.39	\$28.34	\$55.37	\$344.23
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NET OPERATING PROFIT									(\$153.32)
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INTEREST ON OPERATING CAPITAL	(\$58.96	@	6.50%)				\$3.83
INTEREST ON EQUIPMENT INVESTMENT									\$13.66

RETURN TO LAND AND RISK									(\$170.81)
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* Pump water costs are shown under irrigation in the preharvest operations section
 BUDGET SUMMARY

GROSS RETURN		\$190.91			
VARIABLE OPERATING EXPENSES	\$264.66				
RETURN OVER VARIABLE EXPENSES		(\$73.75)	(GROSS MARGIN)		
FIXED EXPENSES	\$55.37				
NET FARM INCOME		(\$129.12)	(RETURN TO CAPITAL, LABOR, LAND & RISK)		
LABOR AND MANAGEMENT COST	\$24.20				
NET OPERATING PROFIT		(\$153.32)	(RETURN TO CAPITAL, LAND & RISK)		
CAPITAL COSTS	\$17.49				
RETURN TO LAND AND RISK		(\$170.81)			

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2004.
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
CORN FOR GRAIN	\$4.38	84.00 CWT							\$367.92
DIRECT PAYMENT	\$0.28	84.00 CWT	0.85						\$19.99
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT							\$0.00
GRAZING	\$15.00	1.00 ACRE							\$15.00
TOTAL									\$402.91
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$1.06	28 000	\$29.75						\$29.75
NITROGEN (N)	\$0.29	150 LBS	\$43.50						\$43.50
PHOSPHATE (P205)	\$0.20	60 LBS	\$12.00						\$12.00
HERBICIDE	\$16.96	1 X/ACRE	\$16.96						\$16.96
INSECTICIDE (CUSTOM)	\$20.01	2 X/ACRE	\$40.01						\$40.01
PUMP WATER*		30 AC. IN.							
CROP INSURANCE	\$0.95		\$0.95						\$0.95
SUBTOTAL			\$143.17						\$143.17
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		\$1.06	\$2.18	\$2.13	\$3.80	\$9.16	
PLOW	185 HP	0.48 HR		\$3.62	\$7.47	\$7.65	\$14.30	\$33.04	
DISC	185 HP	0.14 HR		\$1.06	\$2.18	\$2.13	\$3.80	\$9.16	
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.51	\$0.26	\$0.98	\$2.13	
SPRAY & DISC	185 HP	0.17 HR		\$1.28	\$2.65	\$2.92	\$5.77	\$12.62	
PRE-IRRIGATE		0.10 HR		\$0.68	\$5.73	\$2.89	\$4.78	\$14.07	
LISTER	126 HP	0.12 HR		\$0.91	\$1.23	\$0.82	\$4.14	\$7.09	
ROD WEED	126 HP	0.08 HR		\$0.60	\$0.82	\$0.46	\$2.40	\$4.28	
PLANT ER	185 HP	0.17 HR		\$1.28	\$2.65	\$3.32	\$9.09	\$16.34	
CULTIVATOR (2X)	126 HP	0.26 HR		\$1.96	\$2.67	\$1.78	\$7.17	\$13.58	
IRRIGATE (12X)		1.20 HR		\$8.10	\$68.73	\$34.62	\$57.37	\$168.82	
SUBTOTAL		2.91 HR		\$20.93	\$96.81	\$58.96	\$113.60	\$290.30	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			\$29.40						\$29.40
HAUL (CUSTOM)			\$15.12						\$15.12
SUBTOTAL			\$44.52						\$44.52
OVERHEAD EXPENSES									
DOWNTIME		0.20 HR		\$1.47					\$1.47
EMPLOYEE BENEFITS				\$3.77					\$3.77
INSURANCE			\$0.42					\$0.42	
LAND TAXES								\$0.53	
SUPERVISION AND MANAGEMENT				\$29.32					\$29.32
OTHER EXPENSES			\$87.54					\$87.54	
SUBTOTAL		0.20 HR	\$87.96	\$34.56			\$0.53	\$123.05	
TOTAL OPERATING EXPENSES		3.11 HR	\$275.65	\$55.49	\$96.81	\$58.96	\$114.14	\$601.05	
NET OPERATING PROFIT								(\$198.14)	
INTEREST ON OPERATING CAPITAL		(\$114.24 @	6.50%)				\$7.43	
INTEREST ON EQUIPMENT INVESTMENT								\$34.42	
RETURN TO LAND AND RISK								(\$239.98)	

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

BUDGET SUMMARY

GROSS RETURN		\$402.91		
VARIABLE OPERATING EXPENSES	\$431.42			
RETURN OVER VARIABLE EXPENSES		(\$28.51)	(GROSS MARGIN)	
FIXED EXPENSES	\$114.14			
NET FARM INCOME		(\$142.64)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$55.49			
NET OPERATING PROFIT		(\$198.14)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$41.85			
RETURN TO LAND AND RISK		(\$239.98)		

TABLE 8. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County
 Projected 2004.
 Planting Dates: May 15 - June 10
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$4.03	28.00 CWT		\$112.84
DIRECT PAYMENT	\$0.35	28.00 CWT	0.85	\$8.33
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$9.00	1.00 ACRE		\$9.00
TOTAL				\$130.17

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.30	6 LBS	\$7.80		\$7.80
NITROGEN (N)	\$0.29	150 LBS	\$43.50		\$43.50
PHOSPHATE (P205)	\$0.20	40 LBS	\$8.00		\$8.00
HERBICIDE	\$16.96	1 ACRE	\$16.96		\$16.96
INSECTICIDE (CUSTOM)	\$20.01	1 ACRE	\$20.01		\$20.01
PUMP WATER*		20 AC. IN.			
CROP INSURANCE	\$0.95		\$0.95		\$0.95
SUBTOTAL			\$97.22		\$97.22

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.06	\$2.18	\$2.13	\$3.80	\$9.16
PLOW	185 HP	0.48 HR		\$3.62	\$7.47	\$7.65	\$14.30	\$33.04
DISC	185 HP	0.14 HR		\$1.06	\$2.18	\$2.13	\$3.80	\$9.16
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.51	\$0.26	\$0.98	\$2.13
DISC & SPRAY	185 HP	0.17 HR		\$1.28	\$2.65	\$2.92	\$5.77	\$12.62
LISTER	126 HP	0.12 HR		\$0.91	\$1.23	\$0.82	\$4.14	\$7.09
PRE-IRRIGATE		0.10 HR		\$0.68	\$4.51	\$2.27	\$3.77	\$11.23
ROD WEED	126 HP	0.08 HR		\$0.60	\$0.82	\$0.46	\$2.40	\$4.28
PLANTER	185 HP	0.17 HR		\$1.28	\$2.65	\$3.32	\$9.09	\$16.34
CULTIVATOR (2X)	126 HP	0.26 HR		\$1.96	\$2.67	\$1.78	\$7.17	\$13.58
IRRIGATE (10X)		1.00 HR		\$6.75	\$45.12	\$22.73	\$37.67	\$112.27
SUBTOTAL		2.71 HR		\$19.58	\$71.99	\$46.46	\$92.88	\$230.91

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$17.81				\$17.81
HAUL (CUSTOM)				\$5.32				\$5.32
SUBTOTAL				\$23.13				\$23.13

OVERHEAD EXPENSES								
DOWNTIME		0.39 HR		\$2.96				\$2.96
EMPLOYEE BENEFITS				\$3.52				\$3.52
INSURANCE			\$0.39					\$0.39
LAND TAXES						\$0.53		\$0.53
SUPERVISION AND MANAGEMENT				\$10.40				\$10.40
OTHER EXPENSES				\$87.54				\$87.54
SUBTOTAL		0.39 HR		\$87.93	\$16.88		\$0.53	\$105.35

TOTAL OPERATING EXPENSES		3.10 HR		\$208.28	\$36.47	\$71.99	\$46.46	\$93.42	\$456.61
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NET OPERATING PROFIT									(\$326.44)
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INTEREST ON OPERATING CAPITAL	(\$80.15	@	6.50%)				\$5.21
INTEREST ON EQUIPMENT INVESTMENT									\$31.65

RETURN TO LAND AND RISK									(\$363.30)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$130.17		
VARIABLE OPERATING EXPENSES	\$326.73			
RETURN OVER VARIABLE EXPENSES		(\$196.56)	(GROSS MARGIN)	
FIXED EXPENSES	\$93.42			
NET FARM INCOME		(\$289.98)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$36.47			
NET OPERATING PROFIT		(\$326.44)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$36.86			
RETURN TO LAND AND RISK		(\$363.30)		

TABLE 9. Peanuts, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2004.
 Planting Dates: May 10 - June 10
 Harvest Dates: October 10 - November 10

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
PEANUTS	\$0.15	2,800.00 LBS	\$420.00
TOTAL			\$420.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.85	100 LB	\$85.00		\$85.00
NITROGEN (N)	\$0.29	60 LB	\$17.40		\$17.40
PHOSPHATE (P205)	\$0.20	80 LB	\$16.00		\$16.00
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	\$11.89	1 X/ACRE	\$11.89		\$11.89
PUMP WATER*		22 AC. IN.			
SUBTOTAL			\$204.93		\$204.93

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.06	\$2.18	\$2.13	\$3.80	\$9.16
PLOW	185 HP	0.48 HR		\$3.62	\$7.47	\$7.65	\$14.30	\$33.04
DISC	185 HP	0.14 HR		\$1.06	\$2.18	\$2.13	\$3.80	\$9.16
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.51	\$0.26	\$0.98	\$2.13
SPRAY & DISC	185 HP	0.17 HR		\$1.28	\$2.65	\$2.92	\$5.77	\$12.62
PRE-IRRIGATE		0.10 HR		\$0.68	\$4.96	\$2.50	\$4.14	\$12.28
LISTE R	126 HP	0.12 HR		\$0.91	\$1.23	\$0.82	\$4.14	\$7.09
PLANTER	126 HP	0.17 HR		\$1.28	\$2.65	\$3.32	\$9.09	\$16.34
APPLY FUNGICIDE (CUSTOM)			\$27.00					\$27.00
CULTIVATOR (2X)	126 HP	0.26 HR		\$1.96	\$2.67	\$1.78	\$7.17	\$13.58
HAND HOE (CUSTOM)			\$12.00					\$12.00
IRRIGATE (10X)		1.00 HR		\$6.75	\$49.64	\$25.00	\$41.43	\$122.83
SUBTOTAL		2.63 HR	\$39.00	\$18.98	\$76.13	\$48.50	\$94.63	\$277.24

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DIG AND INVERT	185 HP	0.24 HR		\$1.81	\$3.74	\$3.25	\$6.88	\$15.68
COMBINE PEANUTS	185 HP	0.80 HR		\$6.04	\$12.45	\$13.30	\$49.84	\$81.63
HAUL	126 HP	0.80 HR		\$6.04	\$8.20	\$4.13	\$23.45	\$41.83
SUBTOTAL		1.84 HR	\$0.00	\$13.89	\$24.40	\$20.68	\$80.16	\$139.13

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.61 HR		\$4.61				\$4.61
EMPLOYEE BENEFITS			\$5.92				\$5.92
INSURANCE		\$0.66					\$0.66
LAND TAXES						\$0.53	\$0.53
SUPERVISION AND MANAGEMENT			\$31.25				\$31.25
OTHER EXPENSES		\$87.54					\$87.54
SUBTOTAL	0.61 HR	\$88.20	\$41.77			\$0.53	\$130.50

TOTAL OPERATING EXPENSES	5.08 HR	\$332.12	\$74.64	\$100.53	\$69.18	\$175.33	\$751.80
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NET OPERATING PROFIT							(\$331.80)
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INTEREST ON OPERATING CAPITAL	(\$137.38	@	6.50%)		\$8.93
INTEREST ON EQUIPMENT INVESTMENT							\$69.68

RETURN TO LAND AND RISK							(\$410.41)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$420.00	
VARIABLE OPERATING EXPENSES	\$501.83		
RETURN OVER VARIABLE EXPENSES		(\$81.83)	(GROSS MARGIN)
FIXED EXPENSES	\$175.33		
NET FARM INCOME		(\$257.16)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$74.64		
NET OPERATING PROFIT		(\$331.80)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$78.61		
RETURN TO LAND AND RISK		(\$410.41)	

TABLE 10. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, Projected 2004.

	WHEAT	CORN	GRAIN SORGHUM	PEANUTS
	BU	CWT	CWT	LBS
PRIMARY YIELD	36.00	84.00	28.00	2,800.00
PRIMARY PRICE	\$3.75	\$4.38	\$4.03	\$0.15
GOVERNMENT PAYMENTS	\$15.91	\$19.99	\$8.33	\$0.00
SECOND INCOME	\$40.00	\$15.00	\$9.00	\$0.00
GROSS RETURN	\$190.91	\$402.91	\$130.17	\$420.00
CASH OPERATING EXPENSES				
SEED	\$10.80	\$29.75	\$7.80	\$85.00
FERTILIZER	\$42.80	\$55.50	\$51.50	\$33.40
CHEMICALS	\$20.01	\$56.97	\$36.97	\$74.64
CROP INSURANCE	\$0.61	\$0.95	\$0.95	
OTHER PURCHASED INPUTS				\$11.89
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$6.72	\$22.36	\$22.36	\$45.93
FUEL-IRRIGATION	\$44.67	\$74.45	\$49.64	\$54.60
REPAIRS	\$28.34	\$58.96	\$46.46	\$69.18
CUSTOM CHARGES	\$23.02	\$44.52	\$23.13	\$39.00
LAND TAXES	\$0.53	\$0.53	\$0.53	\$0.53
OTHER EXPENSES	\$87.70	\$87.96	\$87.93	\$88.20
TOTAL CASH EXPENSES	\$265.20	\$431.95	\$327.26	\$502.37
RETURN OVER CASH EXPENSES	(\$74.28)	(\$29.04)	(\$197.09)	(\$82.37)
FIXED EXPENSES	\$54.83	\$113.60	\$92.88	\$174.79
TOTAL EXPENSES	\$320.03	\$545.55	\$420.15	\$677.16
NET FARM INCOME	(\$129.12)	(\$142.64)	(\$289.98)	(\$257.16)
LABOR AND MANAGEMENT COSTS	\$24.20	\$55.49	\$36.47	\$74.64
NET OPERATING PROFIT	(\$153.32)	(\$198.14)	(\$326.44)	(\$331.80)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$3.83	\$7.43	\$5.21	\$8.93
INTEREST ON EQUIPMENT INVESTMENT	\$13.66	\$34.42	\$31.65	\$69.68
TOTAL CAPITAL COSTS	\$17.49	\$41.85	\$36.86	\$78.61
RETURN TO LAND AND RISK	(\$170.81)	(\$239.98)	(\$363.30)	(\$410.41)
Flex Computation	-102.32	-91.96	-238.77	

TABLE 11. Whole farm summary, Portales Valley, Roosevelt County,
Projected 2004.

GROSS RETURNS		
WHEAT	81.60 ACRES	
CROP		\$11,016
GRAZING		\$3,264
DIRECT PAYMENT		\$852
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	52.70 ACRES	
CROP		\$19,389
GRAZING		\$791
DIRECT PAYMENT		\$1,054
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	52.70 ACRES	
CROP		\$5,947
GRAZING		\$474
DIRECT PAYMENT		\$439
COUNTER CYCLICAL PAYMENT		\$0
PEANUTS	63.00 ACRES	
CROP		\$26,460
GROSS RETURN		<u>\$69,686</u>
CASH OPERATING EXPENSES		
SEED		\$8,215
FERTILIZER		\$11,236
CHEMICALS		\$11,285
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$749
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$5,798
FUEL-IRRIGATION		\$13,625
REPAIRS		\$12,226
CUSTOM CHARGES		\$7,901
LAND TAXES		\$134
OTHER EXPENSES		\$21,981
TOTAL CASH EXPENSES		<u>\$93,300</u>
RETURN OVER CASH EXPENSES		(\$23,614)
FIXED EXPENSES		\$26,368
TOTAL EXPENSES		\$119,668
NET FARM INCOME		(\$49,982)
LABOR AND MANAGEMENT COSTS		\$11,524
NET OPERATING PROFIT		(\$61,506)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,541
INTEREST ON EQUIPMENT INVESTMENT		\$8,987
TOTAL CAPITAL COSTS		<u>\$10,528</u>
RETURN TO LAND AND RISK		<u>(\$72,034)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$78,434)	-16.94%
\$750 /ACRE	(\$81,634)	-13.88%
\$1,000 /ACRE	(\$84,834)	-11.76%
\$1,250 /ACRE	(\$88,034)	-10.20%
\$1,500 /ACRE	(\$91,234)	-9.00%
\$1,750 /ACRE	(\$94,434)	-8.06%
\$2,000 /ACRE	(\$97,634)	-7.29%

* 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)