

TABLE 1. Acreage Summary, Quay County,  
Projected 2005.

BUDGET AREA.....	SAN JON-NARA VISA AREA, QUAY COUNTY	
FARM SIZE.....	800 ACRES	
IRRIGATION TYPE.....	DRYLAND	
NUMBER OF CROPS..	3	

  

ACREAGE SUMMARY:	LAND USE (ACRES)
ALFALFA ESTABLISHMENT	6.00 *
ALFALFA	60.00
GRAIN SORGHUM	289.00
ARP	0.00
FLEX IN GRAIN SORGHUM	51.00
WHEAT	340.00
ARP	0.00
FLEX IN GRAIN SORGHUM	60.00
<b>TOTAL</b>	<b>800.00</b>

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for the San Jon-Nara Visa area, Quay County,  
Projected 2005.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.65
<b>Purchased Inputs:</b>		
Seed:		
Alfalfa	\$/pound	\$2.88
Grain Sorghum	\$/pound	\$1.23
Wheat	\$/pound	\$0.24
Energy:		
Diesel fuel	\$/gallon	\$2.10
Gasoline	\$/gallon	\$2.00
Employee Liability Insurance	\$\$/1,000 wages	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
<b>Financial Rates:</b>		
Operating Capital Interest Rate	percent	7.00%
Land Interest Rate	percent	7.00%
Equipment Interest Rate	percent	7.00%
Real Interest Rate	percent	3.00%
Land Taxes	\$38.00 /acre (full value)	\$0.33
Personal Property Tax Rate	-NR    \$/1,000 (Assessed Value)	\$25.67
	- R	\$24.63
Supervision Factor	\$/labor hour	\$1.00
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for the San Jon-Nara Visa area, Quay County,  
Projected 2005.

Item		
Electricity (Domestic & Shop)	\$215.00 per month	\$2,580
Telephone	\$115.00 per month	\$1,380
Accounting & Legal		\$1,525
Misc. Supplies & Hand Tools		\$1,430
Pickup and Auto		
miles            20,019    @    \$0.365 per mile		\$7,307
<b>Insurance</b>		
- general liability (non-employee)		\$1,710
- fire/theft		\$1,525
<b>Property Taxes</b>		
- non-planted land		\$0
- other than land & machinery		\$0
Building repairs and maintenance		\$6,010
Dues, fees, publications		\$1,290
Farmstead Equipment		\$405
	<b>Total</b>	<b>\$25,162</b>
	<b>Total per planted acre</b>	<b>\$31.45</b>

TABLE 4. Equipment summary for an 800 acre dryland farm, San Jon-Nara Visa, Quay County, Projected 2005.

EQUIPMENT		ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
ITEM & SIZE					FUEL, OIL, LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR
TRACTOR	96 HP	277	1	\$9,473	\$3,548	\$575	\$12.79	\$2.07	\$1,152	\$148	\$4.68
TRACTOR	165 HP	183	1	\$39,492	\$3,453	\$988	\$18.83	\$5.39	\$5,985	\$384	\$34.73
COMBINE	145 HP	104	1	\$53,537	\$1,817	\$276	\$17.54	\$2.66	\$8,866	\$569	\$91.07
GRAIN HEAD	22 FT	104	1	\$3,600		\$16		\$0.15	\$501	\$32	\$5.15
SWATHER	14 FT SP	29	1	\$3,900	\$226	\$17	\$7.86	\$0.58	\$1,450	\$124	\$54.66
TRUCK	2 TON	104	1	\$22,000	\$1,382	\$638	\$13.34	\$6.16	\$4,400	\$188	\$44.29
ROD WEED	23 FT	87	1	\$625		\$67		\$0.78	\$83	\$5	\$1.02
ROLLING CULTIVATOR	6 ROW	104	1	\$2,000		\$258		\$2.48	\$267	\$17	\$2.73
DRILL 13 FT	13 FT	31	1	\$2,150		\$32		\$1.03	\$430	\$18	\$14.40
LISTER/PLANTER	6 ROW	72	1	\$3,400		\$118		\$1.63	\$680	\$29	\$9.85
BALER PTO	2 WIRE	38	1	\$1,400		\$5		\$0.12	\$150	\$13	\$4.31
SWEEP	19 FT	129	1	\$2,500		\$400		\$3.10	\$333	\$21	\$2.75
				\$134,604	\$10,427	\$3,388	\$70	\$26	\$24,298	\$1,550	

TABLE 5. Alfalfa establishment, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2005  
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
ALFALFA SEED	\$2.88	10 LBS	\$28.80					\$28.80
WHEAT SEED	\$0.24	30 LBS	\$7.20					\$7.20
SUBTOTAL			\$36.00					\$36.00
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.75	\$1.88	\$0.85	\$3.75	\$7.22
RODWEEDEE	96 HP	0.08 HR		\$0.60	\$1.02	\$0.23	\$0.46	\$2.30
DRILL WHEAT	96 HP	0.09 HR		\$0.67	\$1.15	\$0.28	\$1.72	\$3.82
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.01	\$4.06	\$1.36	\$5.92	\$17.85
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.07 HR		\$0.50				\$0.50
EMPLOYEE BENEFITS				\$0.36				\$0.36
INSURANCE			\$0.04					\$0.04
SUPERVISION AND MANAGEMENT				\$4.11				\$4.11
SUBTOTAL		0.07 HR	\$0.04	\$4.97				\$5.01
<u>TOTAL OPERATING EXPENSES</u>		0.34 HR	\$40.54	\$6.98	\$4.06	\$1.36	\$5.92	\$58.86

TABLE 6. Alfalfa hay, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2005.  
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
ALFALF/FA HAY	\$120.00	1.50 TONS (IN FIELD)	\$180.00
GRAZING	\$12.00	1.00 ACRE	\$12.00
<b>TOTAL</b>			<b>\$192.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	\$2.20	13 LBS	\$28.28		\$28.28
: Interest		6 YEARS		\$9.81	\$9.81
				\$2.28	\$2.28
<b>SUBTOTAL</b>			<b>\$28.28</b>	<b>\$12.09</b>	<b>\$40.37</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	14 FT SP	0.48 HR		\$3.58	\$3.77	\$0.28	\$26.23	\$33.86
BALER (3X)	96 HP	0.63 HR		\$4.69	\$8.06	\$1.38	\$5.66	\$19.80
<b>SUBTOTAL</b>		<b>1.11 HR</b>		<b>\$8.27</b>	<b>\$11.83</b>	<b>\$1.66</b>	<b>\$31.90</b>	<b>\$53.66</b>

<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.28 HR		\$2.07				\$2.07
EMPLOYEE BENEFITS				\$1.49				\$1.49
INSURANCE			\$0.17					\$0.17
LAND TAXES							\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$14.55				\$14.55
OTHER EXPENSES			\$31.45					\$31.45
<b>SUBTOTAL</b>		<b>0.28 HR</b>	<b>\$31.62</b>	<b>\$18.11</b>			<b>\$0.33</b>	<b>\$50.05</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>1.39 HR</b>	<b>\$59.90</b>	<b>\$26.38</b>	<b>\$11.83</b>	<b>\$1.66</b>	<b>\$44.32</b>	<b>\$144.08</b>
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<b>NET OPERATING PROFIT</b>								<b>\$47.92</b>
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INTEREST ON OPERATING CAPITAL	(	\$15.26	@	7.00%	)			\$1.07
INTEREST ON EQUIPMENT INVESTMENT								\$24.48

<b>RETURN TO LAND AND RISK</b>								<b>\$22.37</b>
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<b>BUDGET SUMMARY</b>			
GROSS RETURN		\$192.00	
VARIABLE OPERATING EXPENSES	\$73.39		
RETURN OVER VARIABLE EXPENSES		\$118.61	(GROSS MARGIN)
FIXED EXPENSES	\$44.32		
NET FARM INCOME		\$74.29	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$26.38		
NET OPERATING PROFIT		\$47.92	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$25.55		
<b>RETURN TO LAND AND RISK</b>		<b>\$22.37</b>	

TABLE 7. Grain sorghum, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2005.  
 Planting dates: June 1 - July 4  
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
GRAIN SORGHUM	\$3.70	16.00 CWT		\$59.14
DIRECT PAYMENT	\$0.00	16.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$5.00	1.00 ACRE		\$5.00
<b>TOTAL</b>				<b>\$64.14</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.23	3 LBS	\$3.08		\$3.08
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
<b>SUBTOTAL</b>			<b>\$18.27</b>		<b>\$18.27</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.75	\$1.88	\$0.85	\$3.75	\$7.22
ROD WEED	96 HP	0.08 HR		\$0.60	\$1.02	\$0.23	\$0.46	\$2.30
LISTER/PLANTER	96 HP	0.18 HR		\$1.34	\$2.30	\$0.67	\$2.62	\$6.93
CULTIVATOR (2X)	96 HP	0.26 HR		\$1.94	\$3.32	\$1.18	\$1.93	\$8.37
<b>SUBTOTAL</b>		<b>0.62 HR</b>		<b>\$4.62</b>	<b>\$8.53</b>	<b>\$2.93</b>	<b>\$8.75</b>	<b>\$24.83</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.04	\$2.46	\$0.39	\$12.77	\$16.66
HAUL	2 TON	0.14 HR		\$1.04	\$1.87	\$0.86	\$6.20	\$9.97
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.09</b>	<b>\$4.32</b>	<b>\$1.26</b>	<b>\$18.97</b>	<b>\$26.64</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.23 HR		\$1.68				\$1.68
EMPLOYEE BENEFITS			\$1.51				\$1.51
INSURANCE		\$0.13					\$0.13
LAND TAXES						\$0.33	\$0.33
SUPERVISION AND MANAGEMENT			\$5.39				\$5.39
OTHER EXPENSES		\$31.45					\$31.45
<b>SUBTOTAL</b>	<b>0.23 HR</b>	<b>\$31.59</b>	<b>\$8.57</b>			<b>\$0.33</b>	<b>\$40.49</b>

TOTAL OPERATING EXPENSES 1.35 HR \$34.66 \$15.28 \$12.86 \$4.18 \$28.04 \$95.02

NET OPERATING PROFIT (\$30.88)

INTEREST ON OPERATING CAPITAL ( \$12.46 @ 7.00% ) \$0.87  
 INTEREST ON EQUIPMENT INVESTMENT \$13.83

RETURN TO LAND AND RISK (\$45.58)

BUDGET SUMMARY

GROSS RETURN		\$64.14	
VARIABLE OPERATING EXPENSES	\$51.70		
RETURN OVER VARIABLE EXPENSES		\$12.44	(GROSS MARGIN)
FIXED EXPENSES	\$28.04		
NET FARM INCOME		(\$15.60)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$15.28		
NET OPERATING PROFIT		(\$30.88)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$14.70		
RETURN TO LAND AND RISK		(\$45.58)	

TABLE 8. Wheat, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2005  
 Planting dates: September 1 - September 15  
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE					TOTAL	
<b>GROSS RETURNS</b>									
WHEAT	\$3.75	14.00 BUSHELS						\$52.50	
DIRECT PAYMENT	\$0.00	14.00 BUSHELS	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00	
GRAZING	\$2.00	1.00 ACRE						\$2.00	
<b>TOTAL</b>								<b>\$54.50</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.24	25 LBS	\$6.00					\$6.00	
CROP INSURANCE	\$0.15		\$0.15					\$0.15	
<b>SUBTOTAL</b>			<b>\$6.15</b>					<b>\$6.15</b>	
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEP (2X)	145 HP	0.26 HR		\$1.94	\$4.90	\$2.21	\$9.74	\$18.78	
RODWEED	145 HP	0.16 HR		\$1.19	\$3.01	\$0.99	\$5.72	\$10.91	
DRILL	96 HP	0.09 HR		\$0.67	\$1.15	\$0.28	\$1.72	\$3.82	
<b>SUBTOTAL</b>		<b>0.51 HR</b>		<b>\$3.80</b>	<b>\$9.06</b>	<b>\$3.47</b>	<b>\$17.18</b>	<b>\$33.51</b>	
<b>HARVEST OPERATIONS</b>									
COMBINE	22 FT	0.14 HR		\$1.04	\$2.46	\$0.39	\$13.47	\$17.36	
HAUL	2 TON	0.14 HR		\$1.04	\$1.87	\$0.86	\$6.20	\$9.97	
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.09</b>	<b>\$4.32</b>	<b>\$1.26</b>	<b>\$19.67</b>	<b>\$27.34</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.20 HR		\$0.74				\$0.74	
EMPLOYEE BENEFITS				\$0.88				\$0.88	
INSURANCE			\$0.12					\$0.12	
LAND TAXES							\$0.33	\$0.33	
SUPERVISION AND MANAGEMENT				\$2.73				\$2.73	
OTHER EXPENSES			\$31.45					\$31.45	
<b>SUBTOTAL</b>		<b>0.20 HR</b>	<b>\$31.57</b>	<b>\$4.35</b>			<b>\$0.33</b>	<b>\$36.24</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>0.99 HR</b>	<b>\$37.57</b>	<b>\$10.23</b>	<b>\$13.38</b>	<b>\$4.73</b>	<b>\$37.18</b>	<b>\$103.09</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$48.59)</b>	
INTEREST ON OPERATING CAPITAL		( \$6.67 @	7.00%	)				\$0.47	
INTEREST ON EQUIPMENT INVESTMENT								\$17.18	
<b>RETURN TO LAND AND RISK</b>								<b>(\$66.24)</b>	

**BUDGET SUMMARY**

GROSS RETURN	\$54.50		
VARIABLE OPERATING EXPENSES	\$55.68		
RETURN OVER VARIABLE EXPENSES	(\$1.18)	(GROSS MARGIN)	
FIXED EXPENSES	\$37.18		
NET FARM INCOME	(\$38.36)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$10.23		
NET OPERATING PROFIT	(\$48.59)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$17.65		
RETURN TO LAND AND RISK	(\$66.24)		

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County, Projected 2005.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$120.00	\$3.70	\$3.75
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$192.00	\$64.14	\$54.50
CASH OPERATING EXPENSES				
SEED	\$28.80		\$3.08	\$6.00
FERTILIZER	\$7.20			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.04	\$28.45	\$0.13	\$0.12
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$4.06	\$11.83	\$12.86	\$13.38
FUEL-IRRIGATION				
REPAIRS	\$1.36	\$1.66	\$4.18	\$4.73
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.33	\$0.33	\$0.33
OTHER EXPENSES		\$31.45	\$31.45	\$31.45
TOTAL CASH EXPENSES	\$45.95	\$73.71	\$52.15	\$56.15
RETURN OVER CASH EXPENSES	(\$45.95)	\$118.29	\$11.99	(\$1.65)
FIXED EXPENSES	\$5.92	\$43.99	\$27.72	\$36.85
TOTAL EXPENSES	\$51.87	\$117.71	\$79.87	\$93.01
NET FARM INCOME	(\$51.87)	\$74.29	(\$15.73)	(\$38.51)
LABOR AND MANAGEMENT COSTS	\$6.98	\$26.38	\$15.28	\$10.23
NET OPERATING PROFIT	(\$58.86)	\$47.92	(\$31.01)	(\$48.74)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.07	\$0.87	\$0.47
INTEREST ON EQUIPMENT INVESTMENT		\$24.48	\$13.83	\$17.18
TOTAL CAPITAL COSTS	\$0.00	\$25.55	\$14.70	\$17.65
RETURN TO LAND AND RISK	(\$58.86)	\$22.37	(\$45.71)	(\$66.39)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,  
Projected 2005.

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$10,800
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$23,657
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$17,850
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$55,707</u>
CASH OPERATING EXPENSES		
SEED		\$3,443
FERTILIZER		\$43
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$1,801
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$10,427
FUEL-IRRIGATION		\$0
REPAIRS		\$3,388
CUSTOM CHARGES		\$27
LAND TAXES		\$260
OTHER EXPENSES		\$25,162
TOTAL CASH EXPENSES		<u>\$44,651</u>
RETURN OVER CASH EXPENSES		\$11,056
FIXED EXPENSES		\$25,704
TOTAL EXPENSES		\$70,355
NET FARM INCOME		(\$14,648)
LABOR AND MANAGEMENT COSTS		\$11,215
NET OPERATING PROFIT		(\$25,863)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$572
INTEREST ON EQUIPMENT INVESTMENT		\$12,842
TOTAL CAPITAL COSTS		<u>\$13,414</u>
RETURN TO LAND AND RISK		<u>(\$39,277)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$42,877)	-10.16%
\$300 /ACRE	(\$46,477)	-6.90%
\$450 /ACRE	(\$50,077)	-5.23%
\$600 /ACRE	(\$53,677)	-4.21%
\$750 /ACRE	(\$57,277)	-3.52%
\$900 /ACRE	(\$60,877)	-3.03%

\* 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)