

TABLE 1. Acreage Summary, Curry County, Projected 2006.

BUDGET AREA.....	CURRY COUNTY		
FARM SIZE.....	520 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS..	2		

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC.IN. PER AC.	TOTAL AC.IN.
WHEAT	255	15	3,825
ARP	0		
FLEX IN WHEAT	45	15	675
GRAIN SORGHUM	170	20	3,400
ARP	0		
FLEX IN WHEAT	30	15	450
ROADS, DITCHES			
HOMESTEAD	20		
TOTAL	520		8,350
ACRE FEET PER ACRE OF WATER RIGHTS			1.34

TABLE 2. Basic cost information for Curry County, Projected 2006.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.65
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.52
Phosphate (P205)	\$/pound	\$0.40
Anhydrous (NH3)	\$/ton	\$525.00
Seed:		
Grain Sorghum	\$/pound	\$1.22
Wheat	\$/pound	\$0.28
Diesel fuel	\$/gallon	\$2.10
Gasoline	\$/gallon	\$2.00
Electricity (SWPS)	cents/KwHr	6.53
LP gas	\$/gallon	\$2.00
Natural Gas (Gas NM)	\$/MCF	\$3.27
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	8.00%
Equipment Interest Rate	percent	8.00%
Real Interest Rate	percent	3.00%
Land Taxes	\$109.00 /acre (full value)	\$0.82
Personal Propety Tax Rate	- NR - R	\$/1,000 (Assessed Value) \$22.57 \$22.57
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment & General	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for Curry County, Projected 2006.

Item		
Electricity (Domestic & Shop)	\$212.00 per month	\$2,544
Telephone	\$106.00 per month	\$1,272
Accounting & Legal		\$1,564
Misc. Supplies & Hand Tools		\$2,337
Pickup and Auto		
miles	21,200 @	\$0.415 per mile
Insurance		
- general liability (non-employee)		\$2,088
- fire/theft		\$1,675
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$0
Building repairs and maintenance		\$1,383
Dues, fees, publications		\$382
Farmstead Equipment		\$159
Total		\$22,202
Total Per Planted Acre		\$52.24

TABLE 6. Wheat, flood-irrigated, budgeted per acre costs and returns for a 520 acre farm with above average management, Curry County, Projected 2006.
Planting Dates: August 15 - September 15
Harvesting Dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$3.75	65.00 BUSHEL		\$243.75
DIRECT PAYMENT	\$0.00	65.00 BUSHEL	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$40.00	1.00 ACRE		\$40.00
TOTAL				\$283.75

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.28	60 LBS	\$16.80		\$16.80
ANHYDROUS AMMONIA (NH3)	\$0.26	100 LBS	\$26.25		\$26.25
NITROGEN (N)	\$0.52	18 LBS	\$9.36		\$9.36
PHOSPHORUS (P205)	\$0.40	46 LBS	\$18.40		\$18.40
INSECTICIDE (CUSTOM)	\$9.59	1 ACRE	\$9.59		\$9.59
HERBICIDE (CUSTOM)	\$10.69	1 ACRE	\$10.69		\$10.69
PUMP WATER*		15 AC. IN.			
CROP INSURANCE	\$0.15		\$0.15		\$0.15
SUBTOTAL			\$91.24		\$91.24

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (3X)	185 HP	0.33 HR		\$2.46	\$7.18	\$5.59	\$13.15	\$28.38
ANHYDROUS APPL	185 HP	0.17 HR		\$1.27	\$3.70	\$0.98	\$4.91	\$10.86
LISTER	185 HP	0.12 HR		\$0.89	\$2.61	\$1.01	\$4.33	\$8.85
FERT SPREADER	145 HP	0.05 HR		\$0.37	\$0.82	\$0.22	\$2.49	\$3.91
DRILL	145 HP	0.13 HR		\$0.97	\$2.13	\$0.79	\$9.41	\$13.30
IRRIGATE (3X)		1.50 HR		\$9.98	\$47.65	\$0.00	\$3.72	\$61.34
SUBTOTAL		2.30 HR		\$15.94	\$64.09	\$8.60	\$38.01	\$126.63

HARVEST OPERATIONS					
COMBINE (CUSTOM)			\$24.74		\$24.74
HAUL (CUSTOM)			\$10.40		\$10.40
SUBTOTAL			\$35.14		\$35.14

OVERHEAD EXPENSES					
DOWNTIME		0.20 HR		\$1.49	\$1.49
EMPLOYEE BENEFITS				\$2.87	\$2.87
INSURANCE			\$0.32		\$0.32
LAND TAXES					\$0.82
SUPERVISION AND MANAGEMENT				\$21.76	\$21.76
OTHER EXPENSES			\$52.24		\$52.24
SUBTOTAL		0.20 HR	\$52.56	\$26.12	\$0.82

TOTAL OPERATING EXPENSES 2.50 HR \$178.93 \$42.06 \$64.09 \$8.60 \$38.83 \$332.51

NET OPERATING PROFIT (\$48.76)

INTEREST ON OPERATING CAPITAL (\$66.72 @ 8.00%) \$5.34
INTEREST ON EQUIPMENT INVESTMENT \$15.03

RETURN TO LAND AND RISK (\$69.12)

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

BUDGET SUMMARY

GROSS RETURN		\$283.75	
VARIABLE OPERATING EXPENSES	\$251.62		
RETURN OVER VARIABLE EXPENSES	\$32.13	(GROSS MARGIN)	
FIXED EXPENSES	\$38.83		
NET FARM INCOME	(\$6.70)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$42.06		
NET OPERATING PROFIT	(\$48.76)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$20.36		
RETURN TO LAND AND RISK		(\$69.12)	

TABLE 7. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 520 acre farm with above average management, Curry County, Projected 2006.
 Planting Dates: May 15 - June 15
 Harvesting Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$3.70	65.00 CWT		\$240.27
DIRECT PAYMENT	\$0.00	65.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$9.00	1.00 ACRE		\$9.00
TOTAL				\$249.27

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.22	5 LBS	\$6.10		\$6.10
ANHYDROUS (NH3)	\$0.26	150 LBS	\$39.38		\$39.38
NITROGEN (N)	\$0.52	25 LBS	\$13.00		\$13.00
PHOSPHORUS (P205)	\$0.40	50 LBS	\$20.00		\$20.00
HERBICIDE (CUSTOM)	\$14.11	1 X/ACRE	\$14.11		\$14.11
INSECTICIDE (CUSTOM)	\$13.49	1 X/ACRE	\$13.49		\$13.49
TRACE ELEMENTS	\$13.89	1 ACRE	\$13.89		\$13.89
PUMP WATER*		20 AC. IN.			
CROP INSURANCE	\$0.29		\$0.29		\$0.29
SUBTOTAL			\$120.25		\$120.25

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.11 HR		\$0.82	\$2.39	\$1.86	\$4.38	\$9.46
CHISEL	185 HP	0.15 HR		\$1.12	\$3.26	\$1.17	\$6.28	\$11.84
DISC (2X)	185 HP	0.22 HR		\$1.64	\$4.79	\$3.73	\$8.77	\$18.92
ANHYDROUS APPL	185 HP	0.17 HR		\$1.27	\$3.70	\$0.98	\$4.91	\$10.86
LISTER	185 HP	0.12 HR		\$0.89	\$2.61	\$1.01	\$4.33	\$8.85
PRE-IRRIGATE		0.50 HR		\$3.73	\$12.71	\$0.00	\$0.99	\$17.42
ROD WEEDER	140 HP	0.08 HR		\$0.60	\$1.31	\$0.41	\$4.73	\$7.05
PLANTER	140 HP	0.17 HR		\$1.27	\$2.79	\$1.09	\$15.18	\$20.32
CULTIVATOR (2X)	140 HP	0.26 HR		\$1.94	\$4.27	\$2.74	\$18.89	\$27.83
IRRIGATE (4X)		2.00 HR		\$13.30	\$50.82	\$0.00	\$3.96	\$68.09
SUBTOTAL		3.78 HR		\$26.56	\$88.65	\$13.00	\$72.43	\$200.64

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$28.43					\$28.43
HAUL (CUSTOM)			\$12.35					\$12.35
SUBTOTAL			\$40.78					\$40.78

OVERHEAD EXPENSES								
DOWNTIME		0.32 HR		\$2.38				\$2.38
EMPLOYEE BENEFITS				\$4.78				\$4.78
INSURANCE			\$0.53					\$0.53
LAND TAXES							\$0.82	\$0.82
SUPERVISION AND MANAGEMENT				\$20.34				\$20.34
OTHER EXPENSES			\$52.24					\$52.24
SUBTOTAL		0.32 HR	\$52.77	\$27.50			\$0.82	\$81.09

TOTAL OPERATING EXPENSES		4.10 HR	\$213.81	\$54.06	\$88.65	\$13.00	\$73.25	\$442.77
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NET OPERATING PROFIT								(\$193.50)
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INTEREST ON OPERATING CAPITAL	(\$88.94	@	8.00%)			\$7.12
INTEREST ON EQUIPMENT INVESTMENT								\$28.52

RETURN TO LAND AND RISK								(\$229.14)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$249.27		
VARIABLE OPERATING EXPENSES	\$315.46			
RETURN OVER VARIABLE EXPENSES		(\$66.19)	(GROSS MARGIN)	
FIXED EXPENSES	\$73.25			
NET FARM INCOME		(\$139.44)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$54.06			
NET OPERATING PROFIT		(\$193.50)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$35.64			
RETURN TO LAND AND RISK		(\$229.14)		

TABLE 8. Summary of per acre costs and returns for a 520 acre farm with above average management, Curry County
Projected 2006.

	WHEAT	GRAIN SORGHUM
	BUSHEL	CWT
PRIMARY YIELD	65.00	65.00
PRIMARY PRICE	\$3.75	\$3.70
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$40.00 ACRE	\$9.00 ACRE
GROSS RETURN	\$283.75	\$249.27
CASH OPERATING EXPENSES		
SEED	\$16.80	\$6.10
FERTILIZER	\$54.01	\$86.26
CHEMICALS	\$20.28	\$27.60
CROP INSURANCE	\$0.15	\$0.29
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$16.44	\$25.12
FUEL-IRRIGATION	\$47.65	\$63.53
REPAIRS	\$8.60	\$13.00
CUSTOM CHARGES	\$35.14	\$40.78
LAND TAXES	\$0.82	\$0.82
OTHER EXPENSES	\$52.56	\$52.77
TOTAL CASH EXPENSES	\$252.44	\$316.28
RETURN OVER CASH EXPENSES	\$31.31	(\$67.01)
FIXED EXPENSES	\$38.01	\$72.43
TOTAL EXPENSES	\$290.45	\$388.71
NET FARM INCOME	(\$6.70)	(\$139.44)
LABOR AND MANAGEMENT COSTS	\$42.06	\$54.06
NET OPERATING PROFIT	(\$48.76)	(\$193.50)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$5.34	\$7.12
INTEREST ON EQUIPMENT INVESTMENT	\$15.03	\$28.52
TOTAL CAPITAL COSTS	\$20.36	\$35.64
RETURN TO LAND AND RISK	<u>(\$69.12)</u>	<u>(\$229.14)</u>
Flex Computation	-16.08	-128.19

TABLE 9. Whole farm summary, Curry County,
Projected 2006.

GROSS RETURNS		
WHEAT	330 ACRES	
CROP		\$80,438
GRAZING		\$13,200
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	170 ACRES	
CROP		\$40,846
GRAZING		\$1,530
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$136,013</u>
CASH OPERATING EXPENSES		
SEED		\$6,581
FERTILIZER		\$32,488
CHEMICALS		\$11,382
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$9,696
FUEL-IRRIGATION		\$26,523
REPAIRS		\$5,048
CUSTOM CHARGES		\$18,529
LAND TAXES		\$410
OTHER EXPENSES		\$26,315
TOTAL CASH EXPENSES		<u>\$137,073</u>
RETURN OVER CASH EXPENSES		(\$1,060)
FIXED EXPENSES		\$24,856
TOTAL EXPENSES		\$161,929
NET FARM INCOME		(\$25,916)
LABOR AND MANAGEMENT COSTS		\$23,069
NET OPERATING PROFIT		(\$48,985)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,971
INTEREST ON EQUIPMENT INVESTMENT		\$9,807
TOTAL CAPITAL COSTS		<u>\$12,778</u>
RETURN TO LAND AND RISK		<u><u>(\$61,764)</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$69,564)	-13.19%
\$1,000 /ACRE	(\$77,364)	-7.76%
\$1,500 /ACRE	(\$85,164)	-5.50%
\$2,000 /ACRE	(\$92,964)	-4.25%
\$2,500 /ACRE	(\$100,764)	-3.47%

* 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)