

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... CURRY COUNTY Projected 2006
FARM SIZE..... 640.00 ACRES
IRRIGATION TYPE..... SPRINKLER
NUMBER OF CROPS..... 2

VERSION 1.0

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

BUDGET AREA.....	CURRY COUNTY
FARM SIZE.....	640 ACRES
IRRIGATION TYPE.....	SPRINKLER
NUMBER OF CROPS...	2

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC. IN. PER ACRE	TOTAL AC. IN.
WHEAT	119	10	1,190
ARP	0		
FLEX IN WHEAT	21	10	210
CORN	306	20	6,120
ARP	0		
FLEX IN WHEAT CORNERS, ROADS, HOMESTEAD	54	10	540
	<u>140</u>		
TOTAL	640		8,060
ACRE FEET PER ACRE PER ACRE OF WATER RIGHTS			1.05

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
Seed:		
Corn	\$/bag	\$100.00
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 Property Tax Rate	- NR - R	-\$/\$1,000 (Assessed Value) \$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		\$1,553
Misc. Supplies & Hand Tools		\$2,327
Pickup and Auto		
miles	21,200	@ \$0.415 per mile \$8,798
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		\$371
Farmstead Equipment		\$159
		<u>\$22,170</u>
	Total	\$22,170
	Total Per Planed Acre	\$44.34

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 640 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	75.00 BUSHELS							\$281.25
DIRECT PAYMENT	\$0.00	75.00 BUSHELS	0.85						\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00
GRAZING	\$40.00	1.00 ACRE							\$40.00
TOTAL									\$321.25
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST		TOTAL
SEED	\$0.28	80 LBS	\$22.40						\$22.40
LIQUID FERT (28-0-0)	\$0.07	460 LBS	\$33.35						\$33.35
NITROGEN (N)	\$0.52	18 LBS	\$9.36						\$9.36
PHOSPHATE (P205)	\$0.40	46 LBS	\$18.40						\$18.40
INSECTICIDE (CUSTOM)	\$11.16	1 ACRE	\$11.16						\$11.16
HERBICIDE (CUSTOM)	\$11.16	1 ACRE	\$11.16						\$11.16
PUMP WATER*		10 AC. IN.							
CROP INSURANCE	\$0.26		\$0.26						\$0.26
SUBTOTAL			\$106.09						\$106.09
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST		TOTAL
CHISEL	185 HP	0.15 HR		\$1.12	\$3.26	\$1.17	\$4.71		\$10.26
DISC (3X)	185 HP	0.33 HR		\$2.46	\$7.18	\$4.98	\$11.45		\$26.07
FERT SPREADER-ANHY	140 HP	0.05 HR		\$0.37	\$0.82	\$0.22	\$1.80		\$3.21
DRILL	140 HP	0.13 HR		\$0.97	\$2.13	\$0.79	\$8.53		\$12.42
IRRIGATE (7X)		0.70 HR		\$4.66	\$40.46	\$0.00	\$4.18		\$49.30
SUBTOTAL		1.36 HR		\$9.57	\$53.85	\$7.16	\$30.67		\$101.25
HARVEST OPERATIONS									
COMBINE (CUSTOM)			\$8.76						\$8.76
HAUL (CUSTOM)			\$12.00						\$12.00
SUBTOTAL			\$20.76						\$20.76
OVERHEAD EXPENSES									
DOWNTIME		0.17 HR		\$1.23					\$1.23
EMPLOYEE BENEFITS				\$1.72					\$1.72
INSURANCE			\$0.19						\$0.19
LAND TAXES							\$0.82		\$0.82
SUPERVISION AND MANAGEMENT				\$23.44					\$23.44
OTHER EXPENSES			\$44.34						\$44.34
SUBTOTAL		0.17 HR	\$44.53	\$26.39			\$0.82		\$71.75
TOTAL OPERATING EXPENSES		1.53 HR	\$171.39	\$35.97	\$53.85	\$7.16	\$31.49		\$299.85
NET OPERATING PROFIT									\$21.40
INTEREST ON OPERATING CAPITAL		(\$70.03 @	8.00%)					\$5.60
INTEREST ON EQUIPMENT INVESTMENT									\$17.15
RETURN TO LAND AND RISK									(\$1.35)

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

BUDGET SUMMARY

GROSS RETURN		\$321.25	
VARIABLE OPERATING EXPENSES	\$232.40		
RETURN OVER VARIABLE EXPENSES		\$88.85	(GROSS MARGIN)
FIXED EXPENSES	\$31.49		
NET FARM INCOME		\$57.36	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$35.97		
NET OPERATING PROFIT		\$21.40	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$22.75		
RETURN TO LAND AND RISK		(\$1.35)	

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2006.
 Planting Dates: April 15 - May 15
 Harvesting Dates: September 1 - October 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
CORN FOR GRAIN	\$4.02	105.00 CWT		\$421.88
DIRECT PAYMENT	\$0.00	105.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$10.00	1.00 ACRE		\$10.00
TOTAL				\$431.88

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.25	34 000	\$42.50		\$42.50
LIQUID FERT (28-0-0)	\$0.08	525 LBS	\$42.00		\$42.00
LIQUID FERT (46-0-0)	\$0.08	325 LBS	\$26.00		\$26.00
K-MAG	\$0.09	45 LBS	\$4.05		\$4.05
PHOSPHATE (P205)	\$0.40	100 LBS	\$40.00		\$40.00
NITROGEN (N)	\$0.52	50 LBS	\$26.00		\$26.00
HERBICIDE (SYSTEM)	\$16.99	1 X/ACRE	\$16.99		\$16.99
INSECTICIDE (SYSTEM)	\$11.16	2 X/ACRE	\$22.32		\$22.32
TRACE ELEMENTS	\$16.00	1 ACRE	\$16.00		\$16.00
PUMP WATER*		20 AC. IN.			
CROP INSURANCE	\$0.16		\$0.16		\$0.16
SUBTOTAL			\$236.02		\$236.02

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	\$1.66	\$3.82	\$8.69
CHISEL	185 HP	0.15 HR		\$1.12	\$3.26	\$1.17	\$4.71	\$10.26
DISC (2X)	185 HP	0.22 HR		\$1.64	\$4.79	\$3.32	\$7.63	\$17.38
FERT SPREADER	140 HP	0.05 HR		\$0.37	\$0.82	\$0.22	\$1.80	\$3.21
PLANTER	140 HP	0.17 HR		\$1.27	\$2.79	\$1.09	\$9.00	\$14.14
CULTIVATOR	140 HP	0.13 HR		\$0.97	\$2.13	\$1.05	\$6.06	\$10.21
IRRIGATE (14X)		1.40 HR		\$9.31	\$80.91	\$0.00	\$8.07	\$98.29
SUBTOTAL		2.23 HR		\$15.49	\$97.10	\$8.51	\$41.07	\$162.17

HARVEST OPERATIONS					
COMBINE (CUSTOM)			\$20.00		\$20.00
HAUL (CUSTOM)			\$18.90		\$18.90
SUBTOTAL			\$38.90		\$38.90

OVERHEAD EXPENSES					
DOWNTIME		0.21 HR		\$1.55	\$1.55
EMPLOYEE BENEFITS				\$2.79	\$2.79
INSURANCE			\$0.31		\$0.31
LAND TAXES					\$0.82
SUPERVISION AND MANAGEMENT				\$32.05	\$32.05
OTHER EXPENSES			\$44.34		\$44.34
SUBTOTAL		0.21 HR	\$44.65	\$36.38	\$81.85

TOTAL OPERATING EXPENSES 2.44 HR \$319.57 \$51.87 \$97.10 \$8.51 \$41.90 \$518.95

NET OPERATING PROFIT (\$87.07)

INTEREST ON OPERATING CAPITAL (\$147.65 @ 8.00%) \$11.81
 INTEREST ON EQUIPMENT INVESTMENT \$23.84

RETURN TO LAND AND RISK (\$122.72)

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

BUDGET SUMMARY

GROSS RETURN		\$431.88	
VARIABLE OPERATING EXPENSES	\$425.18		
RETURN OVER VARIABLE EXPENSES		\$6.70	(GROSS MARGIN)
FIXED EXPENSES	\$41.90		
NET FARM INCOME		(\$35.20)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$51.87		
NET OPERATING PROFIT		(\$87.07)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$35.65		
RETURN TO LAND AND RISK		(\$122.72)	

TABLE 8. Summary of per acre costs and returns for a 640 acre farm with above average management Curry County Projected 2006.

	WHEAT	CORN FOR GRAIN
	BUSHEL	CWT
PRIMARY YIELD	75.00	105.00
PRIMARY PRICE	\$3.75	\$4.02
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$40.00 ACRE	\$10.00 ACRE
GROSS RETURN	\$321.25	\$431.88
CASH OPERATING EXPENSES		
SEED	\$22.40	\$42.50
FERTILIZER	\$61.11	\$154.05
CHEMICALS	\$22.32	\$39.31
CROP INSURANCE	\$0.26	\$0.16
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$13.40	\$16.19
FUEL-IRRIGATION	\$40.46	\$80.91
REPAIRS	\$7.16	\$8.51
CUSTOM CHARGES	\$20.76	\$38.90
LAND TAXES	\$0.82	\$0.82
OTHER EXPENSES	\$44.53	\$44.65
TOTAL CASH EXPENSES	\$233.22	\$426.00
RETURN OVER CASH EXPENSES	\$88.03	\$5.88
FIXED EXPENSES	\$30.67	\$41.07
TOTAL EXPENSES	\$263.89	\$467.07
NET FARM INCOME	\$57.36	(\$35.20)
LABOR AND MANAGEMENT COSTS	\$35.97	\$51.87
NET OPERATING PROFIT	\$21.40	(\$87.07)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$5.60	\$11.81
INTEREST ON EQUIPMENT INVESTMENT	\$17.15	\$23.84
TOTAL CAPITAL COSTS	\$22.75	\$35.65
RETURN TO LAND AND RISK	<u>(\$1.35)</u>	<u>(\$122.72)</u>

Flex Computation

46.46

-57.81

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

GROSS RETURNS		
WHEAT	194 ACRES	
CROP		\$54,563
GRAZING		\$7,760
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	306 ACRES	
CROP		\$129,094
GRAZING		\$3,060
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$194,476</u>
CASH OPERATING EXPENSES		
SEED		\$17,351
FERTILIZER		\$58,995
CHEMICALS		\$16,359
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,551
FUEL-IRRIGATION		\$32,608
REPAIRS		\$3,992
CUSTOM CHARGES		\$15,931
LAND TAXES		\$410
OTHER EXPENSES		\$22,302
TOTAL CASH EXPENSES		<u>\$175,600</u>
RETURN OVER CASH EXPENSES		\$18,877
FIXED EXPENSES		\$18,518
TOTAL EXPENSES		\$194,118
NET FARM INCOME		\$358
LABOR AND MANAGEMENT COSTS		\$22,851
NET OPERATING PROFIT		(\$22,493)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$4,701
INTEREST ON EQUIPMENT INVESTMENT		\$10,621
TOTAL CAPITAL COSTS		<u>\$15,323</u>
RETURN TO LAND AND RISK		<u><u>(\$37,816)</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$47,416)	-5.12%
\$1,000 /ACRE	(\$57,016)	-2.96%
\$1,500 /ACRE	(\$66,616)	-2.08%
\$2,000 /ACRE	(\$76,216)	-1.61%
\$2,500 /ACRE	(\$85,816)	-1.31%

* 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)