

TABLE 1. Basic cost information for the Blackwater Draw area, Roosevelt County, 2003.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.36
Phosphate (P205)		\$/pound	\$0.33
Seed:			
Wheat		\$/pound	\$0.13
Corn		\$/bag	\$89.75
Alfalfa		\$/pound	\$3.00
Peanuts		\$/pound	\$0.85
Energy:			
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%
Financial Rates:			
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)	\$0.68
Personal Property Tax Rate - NR	\$/ \$1,000	(Assessed	\$22.90
- R		Value)	\$18.15
Supervision Factors			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate	percent		7.00%

TABLE 1a. Overhead cost information for Blackwater Draw area, Roosevelt County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$355.00 per month	\$4,260
Telephone		\$155.00 per month	\$1,860
Accounting & Legal			\$2,410
Misc. Supplies & Hand Tools			\$3,300
Pickup and Auto			
miles	25,750	@ \$0.365 per mile	\$9,399
Insurance			
- general liability (non-employee)			\$2,150
- fire/theft			\$1,725
Property Taxes			
- non-planted land			\$8
- other than land & machinery			\$855
Building repairs and maintenance			\$1,315
Dues, fees, publications			\$390
Farmstead Equipment			\$250
Total			\$27,922
Total Per Planted Acre			\$37.23

TABLE 2. Pumping costs and data for irrigation wells, Blackwater Draw area,
Roosevelt County, 2003.

INPUT DATA

DELIVERY PSI:		DEPTH CHARACTERISTICS:	
SPRINKLER...	40	STATIC... ..	120
		DRAW DOV	15
		TOTAL HI HEAD.....	135
		CASING... ..	230
GALLONS PER MINUTE (GPM)...	850		
WORK HORSEPOWER	49		

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.....\$	\$5.38
COST PER ACRE INCH.....\$	\$2.87

NATURAL GAS:

COST PER HOUR.....\$	\$3.58
COST PER ACRE INCH.....\$	\$1.90

LP GAS WELL:

COST PER HOUR.....\$	\$13.02
COST PER ACRE INCH.....\$	\$6.93

DIESEL WELL:

COST PER HOUR.....\$	\$8.80
COST PER ACRE INCH.....\$	\$4.69

TABLE 3. Equipment summary for a 960 acre, sprinkler-irrigated farm with above average management, Blackwater Draw area, 2003.

EQUIPMENT ITEM & SIZE	ANNUAL		VARIABLE COSTS					FIXED COSTS		
	HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	FUEL,LUBE REPAIR	PER HR	REPAIR PER HR	DEPRE- CIATION	TAXES	TOTAL PER HOUR
TRACTOR 140 HP, M4WD	487	1	\$19,060	\$4,969	\$4,794	\$10.21	\$9.85	\$3,493	\$200	\$7.59
TRACTOR 185 HP, M4WD	766	1	\$40,700	\$10,332	\$7,436	\$13.49	\$9.71	\$5,995	\$343	\$8.28
PLANTER 8-ROW	50	1	\$5,500		\$495		\$10.01	\$1,100	\$42	\$23.07
ROLL-PACKER 12 FT	43	1	\$1,000		\$11		\$0.26	\$143	\$8	\$3.54
CULTIVATOR 8-ROW	131	1	\$3,200		\$235		\$1.79	\$427	\$24	\$3.44
DISC 21 FT	129	1	\$6,000		\$433		\$3.36	\$800	\$46	\$6.57
CHISEL 21 FT	83	1	\$1,650		\$82		\$0.99	\$220	\$13	\$2.82
FLOAT 12 FT	5	1	\$500		\$0		\$0.02	\$53	\$3	\$11.87
DRILL 21 FT	24	1	\$4,500		\$135		\$5.67	\$900	\$34	\$39.34
LISTER 8-ROW	111	1	\$3,200		\$203		\$1.82	\$427	\$24	\$4.05
PLOW (MOLDBOARD) 5-14 IN	127	1	\$5,100		\$362		\$2.86	\$680	\$39	\$5.67
RAKE	50	1	\$3,400		\$139		\$2.79	\$340	\$26	\$7.32
FERT SPREADER DLR FRN SPRAYER (MTD)	0	0	\$0		\$0		\$0.00	\$0	\$0	\$0.00
DIG AND INVERT 4-ROW	60	1	\$7,500		\$162		\$2.70	\$2,500	\$57	\$42.62
ROD WEEDER 8-ROW	13	1	\$625		\$7		\$0.54	\$83	\$5	\$6.78
SWATHER 14 FT SP	100	1	\$4,300	\$487	\$493	\$4.87	\$4.93	\$1,450	\$111	\$15.61
BALER 1-TON	44	1	\$48,920		\$76		\$1.74	\$5,812	\$333	\$140.44
FRONT END LOADER (MTD)	156	1	\$2,550		\$0		\$0.00	\$255	\$19	\$1.76
PEANUT THRASHER	200	1	\$15,000		\$0		\$0.00	\$2,000	\$115	\$10.57
PEANUT TRAILER	93	4	\$6,000		\$17		\$0.18	\$800	\$46	\$9.14
CENTER PIVOT SPRINKLER	9,677	7	\$105,000	\$306	\$8,758	\$0.03	\$0.91	\$14,000	\$802	\$1.53
ELECTRIC WELL	9,677	6	\$94,500	\$52,101	\$876	\$5.38	\$0.09	\$9,450	\$721	\$1.05
			\$378,205	\$68,194	\$24,714			\$50,928	\$3,010	

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2003.
Planting Dates: August 15 - August 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<u>PURCHASED INPUTS</u>									
SEED	\$3.00	20 LBS		\$60.00					\$60.00
NITROGEN (N)	\$0.36	40 LBS		\$14.40					\$14.40
PHOSPHATE (P2O5)	\$0.33	60 LBS		\$19.80					\$19.80
PUMP WATER*		9 AC. IN.							
SUBTOTAL				\$94.20					\$94.20
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.09 HR		\$0.68	\$1.21	\$1.18	\$1.34	\$4.41	
PLOW	185 HP	0.29 HR		\$2.19	\$3.91	\$3.64	\$4.04	\$13.79	
FLOAT	140 HP	0.19 HR		\$1.43	\$1.94	\$1.87	\$3.70	\$8.95	
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.51	\$0.49	\$0.38	\$1.76	
DISC	185 HP	0.09 HR		\$0.68	\$1.21	\$1.18	\$1.34	\$4.41	
PRE-IRRIGATE		0.10 HR		\$0.68	\$8.65	\$1.59	\$4.12	\$15.04	
DRILL	140 HP	0.10 HR		\$0.76	\$1.02	\$1.55	\$4.69	\$8.02	
IRRIGATE (2X)		0.20 HR		\$1.35	\$17.30	\$3.18	\$8.24	\$30.08	
SUBTOTAL		1.11 HR		\$8.14	\$35.76	\$14.69	\$27.85	\$86.44	
<u>OVERHEAD EXPENSES</u>									
DOWNTIME		0.19 HR		\$1.43					\$1.43
EMPLOYEE BENEFITS				\$1.47					\$1.47
INSURANCE			\$0.16					\$0.16	
SUPERVISION AND MANAGEMENT				\$7.30					\$7.30
SUBTOTAL		0.19 HR	0.16	\$10.20					\$10.36
TOTAL OPERATING EXPENSES		1.30 HR	\$94.36	\$18.34	\$35.76	\$14.69	\$27.85	\$191.01	

TABLE 5. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2003.
Harvest Dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
HAY	\$140.00	7.00	TONS (STACKED)					\$980.00
GRAZING	\$50.00	1.00	ACRE					\$50.00
TOTAL								\$1,030.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PHOSPHATE (P2O5)	\$0.33	150	LBS	\$49.50				\$49.50
PLASTIC TWINE	\$19.15	1,190	FT	\$5.70				\$5.70
INSECTICIDE (CUSTOM)	\$20.01	1	X/ACRE	\$20.01				\$20.01
HERBICIDE (CUSTOM)	\$16.96	1	X/ACRE	\$16.96				\$16.96
ESTABLISHMENT: Principal		5	YEARS		\$38.20			\$38.20
Interest					\$8.23			\$8.23
PUMP WATER*		30	AC. IN.					
SUBTOTAL				\$92.16	\$46.43			\$138.60
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE		1.00	HR	\$6.75	\$86.50	\$15.90	\$41.22	\$150.38
FERT SPREADER	140 HP	0.05	HR	\$0.38	\$0.51	\$0.49	\$0.38	\$1.76
SUBTOTAL		1.05	HR	7.13	87.01	16.39	41.60	152.14
HARVEST OPERATIONS								
SWATHER (5X)	S.P.	0.80	HR	\$6.04	\$3.89	\$3.94	\$12.49	\$26.36
RAKE (5X)	140 HP	0.40	HR	\$3.02	\$4.08	\$5.06	\$5.96	\$18.12
BALER (5X)	185 HP	0.35	HR	\$2.64	\$4.72	\$4.01	\$52.05	\$63.43
FRONT END LOADER (5X)	140 HP	1.25	HR	\$9.44	\$12.76	\$12.31	\$11.68	\$46.20
SUBTOTAL		2.80	HR	\$0.00	\$21.14	\$25.46	\$25.32	\$82.18
OVERHEAD EXPENSES								
DOWNTIME		0.70	HR	\$5.29				\$5.29
EMPLOYEE BENEFITS				\$5.09				\$5.09
INSURANCE				\$0.14				\$0.14
LAND TAXES						\$0.68		\$0.68
SUPERVISION AND MANAGEMENT				\$74.53				\$74.53
OTHER EXPENSES				\$37.23				\$37.23
SUBTOTAL		0.70	HR	\$37.37	\$84.90			\$0.68
TOTAL OPERATING EXPENSES		4.55	HR	\$129.53	\$113.17	\$112.48	\$41.72	\$170.90
NET OPERATING PROFIT								\$462.21
INTEREST ON OPERATING CAPITAL	(	\$76.17	@	8.00%				\$6.09
INTEREST ON EQUIPMENT INVESTMENT								\$54.01
RETURN TO LAND AND RISK								\$402.11

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

BUDGET SUMMARY

GROSS RETURN		\$1,030.00	
VARIABLE OPERATING EXPENSES	\$283.73		
RETURN OVER VARIABLE EXPENSES		\$746.27	(GROSS MARGIN)
FIXED EXPENSES	\$170.90		
NET FARM INCOME		\$575.37	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$113.17		
NET OPERATING PROFIT		\$462.21	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$60.10		
RETURN TO LAND AND RISK		\$402.11	

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2003.

Planting Dates: August 20 - September 15

Harvest Dates: June 1 - June 25

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
WHEAT	\$3.45	36.00	BUSHEL						\$124.20
DIRECT PAYMENT	\$0.52	60.00	BUSHEL						\$31.20
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00
GRAZING	\$0.00	1.00	ACRE						\$0.00
TOTAL									\$155.40
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.13	120	LBS	\$15.60					\$15.60
NITROGEN (N)	\$0.36	120	LBS	\$43.20					\$43.20
PHOSPHATE (P2O5)	\$0.33	40	LBS	\$13.20					\$13.20
INSECTICIDE (CUSTOM)	\$20.01	1	X/ACRE	\$20.01					\$20.01
PUMP WATER*		18	AC. IN.						
CROP INSURANCE	\$0.24			\$0.24					\$0.24
SUBTOTAL									\$92.24
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
BROADCAST (CUSTOM) IRRIGATE (17X)		0.85	HR	\$4.00	\$5.74	\$51.90	\$9.54	\$24.73	\$91.91
SUBTOTAL									\$95.91
HARVEST OPERATIONS									
COMBINE (CUSTOM)				\$1.41					\$1.41
HAUL (CUSTOM)				\$5.76					\$5.76
SUBTOTAL									\$7.17
OVERHEAD EXPENSES									
DOWNTIME		0.00	HR		\$0.00				\$0.00
EMPLOYEE BENEFITS					\$1.03				\$1.03
INSURANCE				\$0.11					\$0.11
LAND TAXES								\$0.68	\$0.68
SUPERVISION AND MANAGEMENT					\$11.73				\$11.73
OTHER EXPENSES				\$37.23					\$37.23
SUBTOTAL									\$50.78
TOTAL OPERATING EXPENSES		0.85	HR	\$140.76	\$18.50	\$51.90	\$9.54	\$25.41	\$246.11
NET OPERATING PROFIT									(\$90.71)
INTEREST ON OPERATING CAPITAL	(	\$62.08	@	8.00%					\$4.97
INTEREST ON EQUIPMENT INVESTMENT									\$4.38
RETURN TO LAND AND RISK									(\$100.06)

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

BUDGET SUMMARY

GROSS RETURN		\$155.40	
VARIABLE OPERATING EXPENSES	\$202.20		
RETURN OVER VARIABLE EXPENSES		(\$46.80)	(GROSS MARGIN)
FIXED EXPENSES	\$25.41		
NET FARM INCOME		(\$72.21)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$18.50		
NET OPERATING PROFIT		(\$90.71)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.35		
RETURN TO LAND AND RISK		(\$100.06)	

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2003.
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

ITEM	PRICE	YIELD		PURCHASED INPUTS				TOTAL	
GROSS RETURNS									
CORN FOR GRAIN	\$5.08	84.00	CWT					\$426.72	
DIRECT PAYMENT	\$0.50	84.00	CWT					\$42.00	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT					\$0.00	
GRAZING	\$15.00	1.00	ACRE					\$15.00	
TOTAL								\$483.72	
PURCHASED INPUTS									
SEED	\$1.12	24	000	\$26.93				\$26.93	
NITROGEN (N)	\$0.36	250	LBS	\$90.00				\$90.00	
PHOSPHATE (P205)	\$0.33	80	LBS	\$26.40				\$26.40	
POTASH (K20)	\$0.125	40	LBS	\$5.00				\$5.00	
TRACE ELEMENTS	\$15.36	1	X/ACRE	\$15.36				\$15.36	
HERBICIDE	\$21.24	1	X/ACRE	\$21.24				\$21.24	
INSECTICIDE (CUSTOM)	\$24.65	1	X/ACRE	\$24.65				\$24.65	
PUMP WATER*		30	AC. IN.						
CROP INSURANCE	\$0.31			\$0.31				\$0.31	
SUBTOTAL				\$209.88				\$209.88	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	185 HP	0.18 HR			\$1.36	\$2.43	\$2.35	\$2.67	\$8.81
PLOW	185 HP	0.29 HR			\$2.19	\$3.91	\$3.64	\$4.04	\$13.79
CHISEL (2X)	185 HP	0.20 HR			\$1.51	\$2.70	\$2.51	\$2.79	\$9.51
FERT SPREADER	140 HP	0.05 HR			\$0.38	\$0.51	\$0.49	\$0.38	\$1.76
PRE-IRRIGATE (3X)		0.30 HR			\$2.03	\$17.30	\$3.18	\$8.24	\$30.75
LISTER (3X)	185 HP	0.27 HR			\$2.04	\$3.64	\$3.11	\$3.33	\$12.12
ROD WEED	185 HP	0.08 HR			\$0.60	\$1.08	\$0.82	\$1.20	\$3.71
PLANTER	185 HP	0.12 HR			\$0.91	\$1.62	\$2.37	\$3.76	\$8.65
SAND FURROW (5X)	140 HP	0.50 HR			\$3.78	\$5.11	\$5.82	\$5.51	\$20.21
IRRIGATE (12X)		1.20 HR			\$8.10	\$69.20	\$12.72	\$32.98	\$123.00
SUBTOTAL		3.19 HR			\$22.88	\$107.50	\$37.03	\$64.91	\$232.32
HARVEST OPERATIONS									
COMBINE (CUSTOM)				\$29.40					\$29.40
HAUL (CUSTOM)				\$15.12					\$15.12
SUBTOTAL				\$44.52					\$44.52
OVERHEAD EXPENSES									
DOWNTIME		0.41 HR			\$3.10				\$3.10
EMPLOYEE BENEFITS					\$4.12				\$4.12
INSURANCE				\$0.46					\$0.46
LAND TAXES							\$0.68		\$0.68
SUPERVISION AND MANAGEMENT					\$36.21				\$36.21
OTHER EXPENSES				\$37.23					\$37.23
SUBTOTAL		0.41 HR		\$37.69	\$43.42		\$0.68		\$81.79
TOTAL OPERATING EXPENSES		3.60 HR		\$292.09	\$66.30	\$107.50	\$37.03	\$65.59	\$568.51
NET OPERATING PROFIT									(\$84.79)
INTEREST ON OPERATING CAPITAL	(	\$144.78	@	8.00%	)				\$11.58
INTEREST ON EQUIPMENT INVESTMENT									\$16.68
RETURN TO LAND AND RISK									(\$113.05)

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

BUDGET SUMMARY

GROSS RETURN		\$483.72	
VARIABLE OPERATING EXPENSES	\$436.61		
RETURN OVER VARIABLE EXPENSES		\$47.11	(GROSS MARGIN)
FIXED EXPENSES	\$65.59		
NET FARM INCOME		(\$18.49)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$66.30		
NET OPERATING PROFIT		(\$84.79)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.26		
RETURN TO LAND AND RISK		(\$113.05)	

TABLE 8. Peanuts, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2003.
 Planting Dates: May 10 - June 10
 Harvest Dates: October 10 - November 10

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
PEANUTS	\$0.110	2,600.00 LBS						\$286.00	
TOTAL								\$286.00	
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED (PEANUT)	\$0.85	100 LB	\$85.00				\$85.00		
NITROGEN (N)	\$0.36	70 LB	\$25.20				\$25.20		
PHOSPHATE (P205)	\$0.33	80 LB	\$26.40				\$26.40		
POTASH (K2O)	\$0.135	30 LB	\$4.05				\$4.05		
TRACE ELEMENTS & MANURE	\$11.14	1 X/ACRE	\$41.14				\$41.14		
HERBICIDE	\$21.18	1 X/ACRE	\$21.18				\$21.18		
INSECTICIDE (CUSTOM)	\$16.96	1 X/ACRE	\$16.96				\$16.96		
FUNGICIDE	\$109.57	1 X/ACRE	\$109.57				\$109.57		
PUMP WATER		28 AC. IN.							
SUBTOTAL			\$329.50				\$329.50		
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC (2X)	185 HP	0.18 HR		\$1.36	\$2.43	\$2.35	\$2.67	\$8.81	
PLOW	185 HP	0.29 HR		\$2.19	\$3.91	\$3.64	\$4.04	\$13.79	
CHISEL (2X)	185 HP	0.20 HR		\$1.51	\$2.70	\$2.51	\$2.79	\$9.51	
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.51	\$0.49	\$0.38	\$1.76	
SPRAY & DISC	185 HP	0.00 HR		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
PRE-IRRIGATE		0.30 HR		\$2.03	\$24.19	\$3.50	\$9.07	\$38.78	
LISTER	185 HP	0.27 HR		\$2.04	\$3.64	\$3.11	\$3.33	\$12.12	
PLANTER	185 HP	0.12 HR		\$0.91	\$1.62	\$2.37	\$3.76	\$8.65	
APPLY FUNGICIDE (CUSTOM)			\$27.00					\$27.00	
CULTIVATOR (2X)	140 HP	0.20 HR		\$1.51	\$2.04	\$2.33	\$2.21	\$8.09	
HAND HOE (CUSTOM)			\$10.00					\$10.00	
IRRIGATE (7X)		0.70 HR		\$4.73	\$56.45	\$8.16	\$21.16	\$90.49	
SUBTOTAL		2.31 HR	\$37.00	\$16.64	\$97.49	\$28.47	\$49.41	\$229.01	
HARVEST OPERATIONS									
DIG AND INVERT	185 HP	0.24 HR		\$1.81	\$3.24	\$29.79	\$12.22	\$47.05	
COMBINE PEANUTS	185 HP	0.80 HR		\$6.04	\$10.79	\$7.77	\$15.08	\$39.68	
HAUL	140 HP	0.37 HR		\$2.79	\$3.78	\$3.71	\$6.19	\$16.47	
SUBTOTAL		1.41 HR	\$0.00	\$10.65	\$17.81	\$41.27	\$33.49	\$103.21	
OVERHEAD EXPENSES									
DOWNTIME		0.68 HR		\$5.13				\$5.13	
EMPLOYEE BENEFITS				\$4.91				\$4.91	
INSURANCE			\$0.55					\$0.55	
LAND TAXES						\$0.68		\$0.68	
SUPERVISION AND MANAGEMENT				\$22.38				\$22.38	
OTHER EXPENSES			\$37.23					\$37.23	
SUBTOTAL		0.68 HR	\$37.77	\$32.43				\$0.68	\$70.88
TOTAL OPERATING EXPENSES		4.40 HR	\$404.27	\$59.71	\$115.30	\$69.74	\$83.57	\$732.60	
NET OPERATING PROFIT								(\$446.60)	
INTEREST ON OPERATING CAPITAL	(	\$201.16	@	8.00%	)			\$16.09
INTEREST ON EQUIPMENT INVESTMENT								\$29.07	
RETURN TO LAND AND RISK								(\$491.76)	

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

BUDGET SUMMARY

GROSS RETURN		\$286.00	
VARIABLE OPERATING EXPENSES	\$589.31		
RETURN OVER VARIABLE EXPENSES		(\$303.31)	(GROSS MARGIN)
FIXED EXPENSES	\$83.57		
NET FARM INCOME		(\$386.89)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$59.71		
NET OPERATING PROFIT		(\$446.60)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$45.16		
RETURN TO LAND AND RISK		(\$491.76)	

TABLE 9. Summary of per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2002.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT -----SPRINKLER-----	CORN	PEANUTS
		TONS	BU	CWT	LBS
PRIMARY YIELD		7.00	36.00	84.00	2,600.00
PRIMARY PRICE		140.00	3.45	5.08	\$0.11
GOVERNMENT PAYMENTS		0.00	31.20	42.00	\$0.00
SECOND INCOME		50.00	0.00	15.00	\$0.00
GROSS RETURN		\$1,030.00	\$155.40	\$483.72	\$286.00
CASH OPERATING EXPENSES					
SEED	\$60.00		\$15.60	\$26.93	\$85.00
FERTILIZER	\$34.20	\$49.50	\$56.40	\$136.76	\$55.65
CHEMICALS		\$36.97	\$20.01	\$45.89	\$147.71
CROP INSURANCE			\$0.24	\$0.31	
OTHER PURCHASED INPUTS					\$41.14
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$9.81	\$25.97	\$0.00	\$21.00	\$34.66
FUEL-IRRIGATION	\$25.95	\$86.50	\$51.90	\$86.50	\$80.64
REPAIRS	\$14.69	\$41.72	\$9.54	\$37.03	\$69.74
CUSTOM CHARGES			\$11.17	\$44.52	\$37.00
LAND TAXES	\$0.00	\$0.68	\$0.68	\$0.68	\$0.68
OTHER EXPENSES	\$0.16	\$37.37	\$37.34	\$37.69	\$37.77
TOTAL CASH EXPENSES	\$144.81	\$278.71	\$202.88	\$437.29	\$589.99
RETURN OVER CASH EXPENSES	(\$144.81)	\$751.29	(\$47.48)	\$46.43	(\$303.99)
FIXED EXPENSES	\$27.85	\$170.22	\$24.73	\$64.91	\$82.89
TOTAL EXPENSES	\$172.67	\$448.93	\$227.61	\$502.21	\$672.89
NET FARM INCOME	(\$172.67)	\$581.07	(\$72.21)	(\$18.49)	(\$386.89)
LABOR AND MANAGEMENT COSTS	\$18.34	\$113.17	\$18.50	\$66.30	\$59.71
NET OPERATING PROFIT	(\$191.01)	\$467.91	(\$90.71)	(\$84.79)	(\$446.60)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$0.00	\$6.09	\$4.97	\$11.58	\$16.09
INTEREST ON EQUIPMENT INVESTMENT	\$0.00	\$54.01	\$4.38	\$16.68	\$29.07
TOTAL CAPITAL COSTS	\$0.00	\$60.10	\$9.35	\$28.26	\$45.16
RETURN TO RISK	(\$191.01)	\$407.80	(\$100.06)	(\$113.05)	(\$491.76)

TABLE 10. Whole farm summary, Blackwater Draw area, Roosevelt County, 2002.

GROSS RETURNS		
ALFALFA HAY	125 ACRES	
CROP		\$122,500
GRAZING		\$6,250
WHEAT	212.5 ACRES	
CROP		\$26,393
GRAZING		\$0
DIRECT PAYMENT		\$6,630
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	163 ACRES	
CROP		\$69,342
GRAZING		\$2,438
DIRECT PAYMENT		\$4,463
COUNTER CYCLICAL PAYMENT		\$0
PEANUTS	250 ACRES	
CROP		\$71,500
GROSS RETURN		<u>\$309,515</u>
CASH OPERATING EXPENSES		
SEED		\$30,440
FERTILIZER		\$55,164
CHEMICALS		\$53,257
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$10,284
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$15,570
FUEL-IRRIGATION		\$56,707
REPAIRS		\$31,061
CUSTOM CHARGES		\$18,858
LAND TAXES		\$510
OTHER EXPENSES		\$28,179
TOTAL CASH EXPENSES		<u>\$300,129</u>
RETURN OVER CASH EXPENSES		\$9,385
FIXED EXPENSES		\$53,726
TOTAL EXPENSES		\$353,855
NET FARM INCOME		(\$44,340)
LABOR AND MANAGEMENT COSTS		\$44,237
NET OPERATING PROFIT		(\$88,578)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$7,722
INTEREST ON EQUIPMENT INVESTMENT		\$17,661
TOTAL CAPITAL COSTS		<u>\$25,383</u>
RETURN TO RISK		<u>(\$113,961)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$133,161)	-10.32%
\$750 /ACRE	(\$142,761)	-8.07%
\$1,000 /ACRE	(\$152,361)	-6.62%
\$1,250 /ACRE	(\$161,961)	-5.61%
\$1,500 /ACRE	(\$171,561)	-4.87%
\$1,750 /ACRE	(\$181,161)	-4.30%
\$2,000 /ACRE	(\$190,761)	-3.85%

* 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)