

TABLE 1. Basic cost information for the San Jon-Nara Visa area, Quay County, 2003.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators	\$/hour		\$7.55
General & Irrigators	\$/hour		\$6.75
<b>Purchased Inputs:</b>			
Seed:			
Alfalfa	\$/pound		\$3.00
Grain Sorghum	\$/pound		\$1.20
Wheat	\$/pound		\$0.13
<b>Energy:</b>			
Diesel fuel	\$/gallon		\$1.30
Gasoline	\$/gallon		\$1.35
Employee Liability Insurance	\$/ \$1,000 wages		\$20.00
Employee Benefits	percent/w ages		18.00%
Labor Downtime	percent		25.00%
<b>Financial Rates:</b>			
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	\$38.00 /acre (full value)		\$0.33
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)		\$26.43
	- R		\$24.88
Supervision Factor	\$/labor hour		\$0.50
Management Rate	percent		7.00%

BUDGET AREA..... SAN JON-NARA VISA AREA, QUAY COUNTY, 2003.  
 FARM SIZE..... 800 ACRES  
 IRRIGATION TYPE... DRYLAND  
 NUMBER OF CROPS... 3

ACREAGE SUMMARY:	LAND USE (ACRES)
ALFALFA ESTABLISHMENT	6.0 *
ALFALFA	60.0
GRAIN SORGHUM	289.0
ARP	0.0
FLEX IN GRAIN SORGHUM	51.0
WHEAT	340.0
ARP	0.0
FLEX IN GRAIN SORGHUM	60.0
<b>TOTAL</b>	<b>800.0</b>

\* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for the San Jon-Nara Visa area, Quay County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$200.00 per month	\$2,400
Telephone		\$125.00 per month	\$1,500
Accounting & Legal			\$1,385
Misc. Supplies & Hand Tools			\$2,015
Pickup and Auto			
miles	20,600	@ \$0.365 per mile	\$7,519
<b>Insurance</b>			
- general liability (non-employee)			\$1,315
- fire/theft			\$1,110
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$530
Building repairs and maintenance			\$875
Dues, fees, publications			\$410
Farmstead Equipment			\$180
		<b>Total</b>	<b>\$19,240</b>
		<b>Total per planted acre</b>	<b>\$24.05</b>

TABLE 2. Equipment summary for an 800 acre dryland farm, San Jon-Nara Visa, Quay County, 2003.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL, OIL LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 95 HP	277	1	\$19,240	\$2,563	\$976	\$9.24	\$3.52	\$1,430	\$189	\$5.84
TRACTOR 165 HP	183	1	\$31,475	\$2,153	\$1,408	\$11.74	\$7.68	\$4,652	\$307	\$27.04
COMBINE 145 HP	104	1	\$38,150	\$1,125	\$2,244	\$10.86	\$21.66	\$7,600	\$502	\$78.21
GRAIN HEAD, 22 FT	104	1	\$3,100		\$148	\$0.00	\$1.43	\$501	\$33	\$5.16
SWATHER 14 FT SP	29	1	\$4,300	\$140	\$50	\$4.87	\$1.74	\$1,450	\$128	\$54.78
TRUCK 2 TON	104	1	\$22,000	\$856	\$866	\$8.26	\$8.36	\$4,400	\$194	\$44.34
ROD WEED 23 FT	87	1	\$625		\$47	\$0.00	\$0.54	\$83	\$6	\$1.02
ROLLING CULTIVATOR 6-ROW	104	1	\$3,000		\$178	\$0.00	\$1.71	\$400	\$26	\$4.10
DRILL 13 FT	31	1	\$2,150		\$95	\$0.00	\$3.05	\$430	\$19	\$14.42
LISTER/PLANTER 6-ROW	72	1	\$5,000		\$770	\$0.00	\$10.70	\$1,000	\$44	\$14.50
BALER PTO 2-WIRE	38	1	\$1,500		\$26	\$0.00	\$0.69	\$385	\$34	\$11.08
SWEEP 19 FT	129	1	\$2,500		\$181	\$0.00	\$1.40	\$333	\$22	\$2.75
			\$133,040	\$6,836	\$6,990			\$22,666	\$1,504	

TABLE 3. 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, 2003.  
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS		TOTAL			
<u>PURCHASED INPUTS</u>								
ALFALFA SEED	\$3.00	10 LBS	\$30.00		\$30.00			
WHEAT SEED	\$0.13	30 LBS	\$3.90		\$3.90			
SUBTOTAL			\$33.90		\$33.90			
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.76	\$1.17	\$0.91	\$2.98	\$5.82
RODWEEDER	96 HP	0.08 HR		\$0.60	\$0.74	\$0.32	\$0.55	\$2.22
DRILL WHEAT	96 HP	0.09 HR		\$0.68	\$0.83	\$0.59	\$1.82	\$3.93
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.04	\$2.74	\$1.82	\$5.35	\$16.46
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.07 HR		\$0.51				\$0.51
EMPLOYEE BENEFITS				\$0.37				\$0.37
INSURANCE			\$0.04					\$0.04
SUPERVISION AND MANAGEMENT				\$3.69				\$3.69
SUBTOTAL		0.07 HR	0.04	\$4.57				\$4.61
TOTAL OPERATING EXPENSES		0.34 HR	\$38.44	\$6.61	\$2.74	\$1.82	\$5.35	\$54.97

TABLE 4. 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, 2003.  
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$130.00	1.50 TONS (IN FIELD)						\$195.00
GRAZING	\$12.00	1.00 ACRE						\$12.00
<b>TOTAL</b>							<b>\$207.00</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			FIXED COST	TOTAL	
WIRE ESTABLISHMENT: Principal	\$0.36	13 LBS	\$4.63				\$4.63	
: Interest		6 YEARS				\$9.16	\$9.16	
						\$2.46	\$2.46	
<b>SUBTOTAL</b>			<b>\$4.63</b>			<b>\$11.63</b>	<b>\$16.25</b>	
<b>HARVEST OPERATIONS</b>								
HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	14 FT SP	0.48 HR		\$3.62	\$2.34	\$0.84	\$26.30	\$33.09
BALER (3X)	96 HP	0.63 HR		\$4.76	\$5.82	\$2.65	\$10.66	\$23.89
<b>SUBTOTAL</b>	<b>1.11 HR</b>			<b>\$8.38</b>	<b>\$8.16</b>	<b>\$3.49</b>	<b>\$36.96</b>	<b>\$56.98</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.28 HR		\$2.10				\$2.10
EMPLOYEE BENEFITS				\$1.51				\$1.51
INSURANCE			\$0.17					\$0.17
LAND TAXES							\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$15.05				\$15.05
OTHER EXPENSES			\$24.05					\$24.05
<b>SUBTOTAL</b>	<b>0.28 HR</b>		<b>\$24.22</b>	<b>\$18.65</b>			<b>\$0.33</b>	<b>\$43.20</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1.39 HR</b>		<b>\$28.85</b>	<b>\$27.03</b>	<b>\$8.16</b>	<b>\$3.49</b>	<b>\$48.92</b>	<b>\$116.43</b>
<b>NET OPERATING PROFIT</b>								<b>\$90.57</b>
INTEREST ON OPERATING CAPITAL	(	\$3.28	@	8.00%	)			\$0.26
INTEREST ON EQUIPMENT INVESTMENT								\$31.64
<b>RETURN TO LAND AND RISK</b>								<b>\$58.67</b>
<b>BUDGET SUMMARY</b>								
GROSS RETURN		\$207.00						
VARIABLE OPERATING EXPENSES	\$40.49							
RETURN OVER VARIABLE EXPENSES		\$166.51	(GROSS MARGIN)					
FIXED EXPENSES	\$48.92							
NET FARM INCOME		\$117.59	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$27.03							
NET OPERATING PROFIT		\$90.57	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$31.90							
RETURN TO LAND AND RISK		\$58.67						

TABLE 5. 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, 2003.

Planting dates: June 1 - July 4

Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
GRAIN SORGHUM	\$3.95	16 CWT	\$63.20
DIRECT PAYMENT	\$0.625	16 CWT	\$10.00
COUNTER CYCLICAL PAYMENT	\$0.00	0 CWT	\$0.00
GRAZING	\$5.00	1 ACRE	\$5.00
<b>TOTAL</b>			<b>\$78.20</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL
SEED	\$1.20	3 LBS	\$3.00	\$3.00
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07	\$15.07
CROP INSURANCE	\$0.13		\$0.13	\$0.13
<b>SUBTOTAL</b>			<b>\$18.19</b>	<b>\$18.19</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.76	\$1.17	\$0.91	\$2.98	\$5.82
ROD WEED	96 HP	0.08 HR		\$0.60	\$0.74	\$0.32	\$0.55	\$2.22
LISTER/PLANTER	96 HP	0.18 HR		\$1.36	\$1.66	\$2.56	\$3.66	\$9.24
CULTIVATOR (2X)	96 HP	0.26 HR		\$1.96	\$2.40	\$1.36	\$2.58	\$8.31
<b>SUBTOTAL</b>		<b>0.62 HR</b>		<b>\$4.68</b>	<b>\$5.98</b>	<b>\$5.15</b>	<b>\$9.77</b>	<b>\$25.58</b>

<b>HARVEST OPERATIONS</b>								
COMBINE	22 FT	0.14 HR		\$1.06	\$1.52	\$3.23	\$11.15	\$16.96
HAUL	2 TON	0.14 HR		\$1.06	\$1.16	\$1.17	\$6.21	\$9.59
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.11</b>	<b>\$2.68</b>	<b>\$4.40</b>	<b>\$17.36</b>	<b>\$26.55</b>

<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.23 HR		\$1.70				\$1.70
EMPLOYEE BENEFITS				\$1.53				\$1.53
INSURANCE			\$0.14					\$0.14
LAND TAXES							\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$5.92				\$5.92
OTHER EXPENSES			\$24.05					\$24.05
<b>SUBTOTAL</b>		<b>0.23 HR</b>	<b>\$24.19</b>	<b>\$9.15</b>			<b>\$0.33</b>	<b>\$33.67</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>1.35 HR</b>		<b>\$27.19</b>	<b>\$15.95</b>	<b>\$8.65</b>	<b>\$9.55</b>	<b>\$27.47</b>	<b>\$88.81</b>
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<b>NET OPERATING PROFIT</b>									<b>(\$10.61)</b>
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INTEREST ON OPERATING CAPITAL	(	\$12.47	@	8.00%	)				\$1.00
INTEREST ON EQUIPMENT INVESTMENT									\$15.49

<b>RETURN TO LAND AND RISK</b>									<b>(\$27.09)</b>
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**BUDGET SUMMARY**

GROSS RETURN		\$78.20	
VARIABLE OPERATING EXPENSES	\$45.39		
RETURN OVER VARIABLE EXPENSES	\$32.81		(GROSS MARGIN)
FIXED EXPENSES	\$27.47		
NET FARM INCOME	\$5.34		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$15.95		
NET OPERATING PROFIT	(\$10.61)		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$16.49		
RETURN TO LAND AND RISK	(\$27.09)		

TABLE 6. Wheat, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, 2003.

Planting dates: September 1 - September 15

Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
WHEAT	\$4.50	15.00 BUSHELS	\$67.50
DIRECT PAYMENT	\$0.52	15.00 BUSHELS	\$7.80
COUNTER CYCLICAL PAYMENT	\$0.00		\$0.00
GRAZING	\$2.00	1.00 ACRE	\$2.00
<b>TOTAL</b>			<b>\$77.30</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL
SEED	\$0.13	25 LBS	\$3.25	\$3.25
CROP INSURANCE	\$0.15		\$0.15	\$0.15
<b>SUBTOTAL</b>			<b>\$3.40</b>	<b>\$3.40</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$1.96	\$3.05	\$2.36	\$7.75	\$15.12
RODWEED	145 HP	0.16 HR		\$1.21	\$1.88	\$1.32	\$4.49	\$8.89
DRILL	96 HP	0.09 HR		\$0.68	\$0.83	\$0.59	\$1.82	\$3.93
<b>SUBTOTAL</b>		<b>0.51 HR</b>		<b>\$3.85</b>	<b>\$5.76</b>	<b>\$4.27</b>	<b>\$14.06</b>	<b>\$27.94</b>

<b>HARVEST OPERATIONS</b>								
COMBINE	22 FT	0.14 HR		\$1.06	\$1.52	\$3.23	\$11.67	\$17.48
HAUL	2 TON	0.14 HR		\$1.06	\$1.16	\$1.17	\$6.21	\$9.59
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.11</b>	<b>\$2.68</b>	<b>\$4.40</b>	<b>\$17.88</b>	<b>\$27.07</b>

<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.20 HR		\$0.74				\$0.74
EMPLOYEE BENEFITS				\$0.89				\$0.89
INSURANCE				\$0.12				\$0.12
LAND TAXES							\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$3.87				\$3.87
OTHER EXPENSES				\$24.05				\$24.05
<b>SUBTOTAL</b>		<b>0.20 HR</b>		<b>\$24.17</b>	<b>\$5.50</b>		<b>\$0.33</b>	<b>\$30.00</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>0.99 HR</b>		<b>\$27.42</b>	<b>\$11.46</b>	<b>\$8.44</b>	<b>\$8.67</b>	<b>\$32.28</b>	<b>\$88.27</b>
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NET OPERATING PROFIT (\$10.97)

INTEREST ON OPERATING CAPITAL	(	\$4.80	@	8.00%	)	\$0.38
INTEREST ON EQUIPMENT INVESTMENT						\$16.89

RETURN TO LAND AND RISK (\$28.24)

**BUDGET SUMMARY**

GROSS RETURN		\$77.30	
VARIABLE OPERATING EXPENSES	\$44.53		
RETURN OVER VARIABLE EXPENSES	\$32.77		(GROSS MARGIN)
FIXED EXPENSES	\$32.28		
NET FARM INCOME	\$0.50		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$11.46		
NET OPERATING PROFIT	(\$10.97)		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$17.27		
RETURN TO LAND AND RISK	(\$28.24)		

TABLE 7. Summary of per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, 2003.

	ALFALFA ESTABLISHMENT	ALFALFA HAY -----DRYLAND-----	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	15.00
PRIMARY PRICE		130.00	3.95	4.50
GOVERNMENT PAYMENTS		0.00	10.00	7.80
SECOND INCOME		12.00	5.00	2.00
GROSS RETURN		\$207.00	\$78.20	\$77.30
CASH OPERATING EXPENSES				
SEED	\$30.00		\$3.00	\$3.25
FERTILIZER	\$3.90			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.04	\$4.80	\$0.14	\$0.12
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$2.74	\$8.16	\$8.65	\$8.44
FUEL-IRRIGATION				
REPAIRS	\$1.82	\$3.49	\$9.55	\$8.67
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.33	\$0.33	\$0.33
OTHER EXPENSES		\$24.05	\$24.05	\$24.05
TOTAL CASH EXPENSES	\$43.01	\$40.82	\$45.85	\$45.01
RETURN OVER CASH EXPENSES	(\$43.01)	\$166.18	\$32.35	\$32.29
FIXED EXPENSES	\$5.35	\$48.58	\$27.13	\$31.94
TOTAL EXPENSES	\$48.36	\$89.41	\$72.98	\$76.95
NET FARM INCOME	(\$48.36)	\$117.59	\$5.22	\$0.35
LABOR AND MANAGEMENT COSTS	\$6.61	\$27.03	\$15.95	\$11.46
NET OPERATING PROFIT	(\$54.97)	\$90.57	(\$10.73)	(\$11.11)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$0.26	\$1.00	\$0.38
INTEREST ON EQUIPMENT INVESTMENT		\$31.64	\$15.49	\$16.89
TOTAL CAPITAL COSTS	\$0.00	\$31.90	\$16.49	\$17.27
RETURN TO LAND AND RISK	(\$54.97)	\$58.67	(\$27.22)	(\$28.38)
Flex Computation			\$15.40	\$20.44

TABLE 8. Whole farm summary, San Jon-Nara Visa area, Quay County, 2003.

GROSS RETURNS		
ALFALFA HAY	60 ACRES	
CROP		\$11,700
GRAZING		\$720
GRAIN SORGHUM	400 ACRES	
CROP		\$25,280
GRAZING		\$2,000
DIRECT PAYMENT		\$2,890
WHEAT	340 ACRES	
CROP		\$22,950
GRAZING		\$680
DIRECT PAYMENT		\$2,652
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		\$68,872
CASH OPERATING EXPENSES		
SEED		\$2,485
FERTILIZER		\$23
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$383
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$6,836
FUEL-IRRIGATION		\$0
REPAIRS		\$6,990
CUSTOM CHARGES		\$27
LAND TAXES		\$268
OTHER EXPENSES		\$19,240
TOTAL CASH EXPENSES		\$36,352
RETURN OVER CASH EXPENSES		\$32,520
FIXED EXPENSES		\$24,109
TOTAL EXPENSES		\$60,461
NET FARM INCOME		\$8,411
LABOR AND MANAGEMENT COSTS		\$11,937
NET OPERATING PROFIT		(\$3,527)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$545
INTEREST ON EQUIPMENT INVESTMENT		\$13,835
TOTAL CAPITAL COSTS		\$14,381
RETURN TO LAND AND RISK		(\$17,907)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$22,707)	-0.01
\$300 /ACRE	(\$27,507)	-0.01
\$450 /ACRE	(\$32,307)	-0.01
\$600 /ACRE	(\$37,107)	-0.01
\$750 /ACRE	(\$41,907)	-0.00
\$900 /ACRE	(\$46,707)	-0.00

\* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

\*\* NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VA