

TABLE 1. Basic cost information for the Portales Valley, 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
Grain Sorghum	\$/pound		\$1.20
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)		\$0.51
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)		\$17.18
- R			\$12.59
Supervision Factor	\$/labor hour		\$0.50
Management Rate	percent		7.00%

BUDGET AREA..... PORTALES VALLEY, ROOSEVELT COUNTY, 2003.
 FARM SIZE..... 320 ACRES
 IRRIGATION TYPE... SPRINKLER
 NUMBER OF CROPS... 4

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC.IN. PER AC.	TOTAL AC.IN.
WHEAT	53.55	18	964
ARP	0.00		
FLEX IN WHEAT	9.45	18	170
CORN	52.70	30	1,581
ARP	0.00		
FLEX IN WHEAT	9.30	18	167
GRAIN SORGHUM	52.70	20	1,054
ARP	0.00		
FLEX IN WHEAT	9.30	18	167
PEANUTS	63.00	22	1,386
CORNERS, ROADS, HOMESTEAD	70.00		
TOTAL	320.00		5,490
ACRE FEET PER ACRE OF WATER RIGHTS			1.43

TABLE 1a. Overhead cost information for the Portales Valley, Roosevelt County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$215.00 per month	\$2,580
Telephone		\$115.00 per month	\$1,380
Accounting & Legal			\$1,600
Misc. Supplies & Hand Tools			\$2,410
Pickup and Auto			
miles	20,600	@ \$0.365 per mile	\$7,519
Insurance			
- general liability (non-employee)			\$1,725
- fire/theft			\$1,370
Property Taxes			
- non-planted land			\$6
- other than land & machinery			\$610
Building repairs and maintenance			\$1,310
Dues, fees, publications			\$390
Farmstead Equipment			\$165
Total			\$21,066
Total Per Planted Acre			\$85.88

TABLE 2. Pumping costs and data for irrigation wells, Portales Valley, Roosevelt County, 2003.

INPUT DATA

DELIVERY PSI:		DEPTH CHARACTERISTICS:	
SPRINKLER...	40	STATIC.....	80
		DRAW DOV.....	20
		TOTAL HEAD.....	100
		CASING.....	120
GALLONS PER MINUTE (GPM)...	400		
WORK HORSEPOWER	19		
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.....\$	\$2.16
COST PER ACRE INCH.....\$	\$2.45
NATURAL (AS WELL:	
COST PER HOUR.....\$	\$1.44
COST PER ACRE INCH.....\$	\$1.63
LP GAS WELL:	
COST PER HOUR.....\$	\$5.20
COST PER ACRE INCH.....\$	\$5.88
DIESEL WELL:	
COST PER HOUR.....\$	\$3.52
COST PER ACRE INCH.....\$	\$3.98

TABLE 3. Equipment summary for a 320 acre, sprinkler-irrigated farm with above average management, Portales Valley, 2003.

EQUIPMENT	VARIABLE COSTS							FIXED COSTS		
	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	FUEL, LUBE REPAIR PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR	
TRACTOR 126 HP	150	1	\$31,240	\$1,432	\$771	\$9.55	\$5.14	\$2,740	\$196	\$19.57
TRACTOR 185 HP	274	1	\$40,700	\$3,692	\$3,690	\$13.49	\$13.49	\$5,995	\$257	\$22.85
PLANTER 6-ROW	29	1	\$4,250		\$173		\$6.04	\$850	\$24	\$30.54
CULTIVATOR 6-ROW	44	1	\$2,500		\$74		\$1.70	\$333	\$14	\$7.94
DISC 14 FT	99	1	\$3,000		\$169		\$1.71	\$400	\$17	\$4.23
DRILL 13 FT	15	1	\$2,150		\$32		\$2.19	\$430	\$12	\$30.11
LISTER 6-ROW	20	1	\$2,150		\$34		\$1.68	\$287	\$12	\$14.80
PLOW (MOLDBOARD) 4-14 IN	81	1	\$4,000		\$197		\$2.44	\$533	\$23	\$6.88
SPRAYER (MTD)	29	1	\$1,400		\$57		\$1.99	\$187	\$8	\$6.80
DIG AND INVERT 2-ROW	15	1	\$625		\$1		\$0.05	\$83	\$4	\$5.75
ROD WEEDER 6-ROW	8	1	\$625		\$5		\$0.63	\$83	\$4	\$10.31
FERT SPREADER DEALER FURNI:	13	1								
PEANUT THRASHER	50	1	\$14,250		\$158		\$3.14	\$1,900	\$82	\$39.32
PEANUT TRAILER	50	5	\$3,500		\$1		\$0.03	\$467	\$20	\$9.66
CENTER PIVOT SPRINKLER	6211	3	\$45,000	\$196	\$5,621	\$0.03	\$0.91	\$6,000	\$258	\$1.01
ELECTRIC WELL	6211	6	\$50,400	\$13,428	\$1,242	\$2.16	\$0.20	\$4,800	\$289	\$0.82
			\$205,790	\$18,749	\$12,226			\$25,088	\$1,220	

TABLE 4. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, 2003.
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
WHEAT	\$4.50	60.00	BUSHEL						\$270.00	
DIRECT PAYMENT	\$0.52	60.00	BUSHEL						\$31.20	
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00	
GRAZING	\$40.00	1.00	ACRE						\$40.00	
TOTAL									\$341.20	
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL	
SEED	\$0.13	60	LBS	\$7.80						\$7.80
NITROGEN (N)	\$0.36	120	LBS	\$43.20						\$43.20
PHOSPHATE (P205)	\$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	\$0.61			\$0.61						\$0.61
SUBTOTAL				\$84.82						\$84.82
PREHARVEST OPERATIONS										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC (2X)	185 HP	0.28	HR		\$2.11	\$3.78	\$4.26	\$7.58	\$17.73	
FERT SPREADER	126 HP	0.05	HR		\$0.38	\$0.48	\$0.26	\$0.98	\$2.09	
DRILL	126 HP	0.18	HR		\$1.36	\$1.72	\$1.32	\$8.94	\$13.34	
IRRIGATE (6X)		0.60	HR		\$4.05	\$44.67	\$22.50	\$37.20	\$108.43	
SUBTOTAL		1.11	HR		\$7.90	\$50.65	\$28.34	\$54.71	\$141.59	
HARVEST OPERATIONS										
COMBINE (CUSTOM)				\$22.30						\$22.30
HAUL (CUSTOM)				\$9.60						\$9.60
SUBTOTAL				\$31.90						\$31.90
OVERHEAD EXPENSES										
DOWNTIME		0.13	HR		\$0.96					\$0.96
EMPLOYEE BENEFITS					\$1.42					\$1.42
INSURANCE				\$0.16						\$0.16
LAND TAXES								\$0.51	\$0.51	
SUPERVISION AND MANAGEMENT					\$24.44					\$24.44
OTHER EXPENSES				\$85.88						\$85.88
SUBTOTAL		0.13	HR		\$86.04	\$26.82		\$0.51	\$113.37	
TOTAL OPERATING EXPENSES		1.24	HR		\$202.75	\$34.72	\$50.65	\$28.34	\$55.22	\$371.68
NET OPERATING PROFIT									(\$30.48)	
INTEREST ON OPERATING CAPITAL	(\$64.81	@	8.00%						\$5.19
INTEREST ON EQUIPMENT INVESTMENT									\$16.81	
RETURN TO LAND AND RISK									(\$52.47)	

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

BUDGET SUMMARY

GROSS RETURN		\$341.20	
VARIABLE OPERATING EXPENSES	\$281.74		
RETURN OVER VARIABLE EXPENSES		\$59.46	(GROSS MARGIN)
FIXED EXPENSES	\$55.22		
NET FARM INCOME		\$4.25	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$34.72		
NET OPERATING PROFIT		(\$30.48)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$21.99		
RETURN TO LAND AND RISK		(\$52.47)	

TABLE 5. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, 2003.
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN FOR GRAIN	\$4.29	70.00	CWT					\$300.30
DIRECT PAYMENT	\$0.50	70.00	CWT					\$35.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT					\$0.00
GRAZING	\$15.00	1.00	ACRE					\$15.00
TOTAL								\$350.30
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.12	28	000	\$31.41				\$31.41
NITROGEN (N)	\$0.36	150	LBS	\$54.00				\$54.00
PHOSPHATE (P205)	\$0.33	60	LBS	\$19.80				\$19.80
HERBICIDE	\$16.96	1	X/ACRE	\$16.96				\$16.96
INSECTICIDE (CUSTOM)	\$20.01	2	X/ACRE	\$40.01				\$40.01
PUMP WATER*		30	AC. IN.					
CROP INSURANCE	\$0.95			\$0.95				\$0.95
SUBTOTAL				\$163.13				\$163.13
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.06	\$1.89	\$2.13	\$3.79	\$8.86
PLOW	185 HP	0.48 HR		\$3.62	\$6.48	\$7.65	\$14.27	\$32.02
DISC	185 HP	0.14 HR		\$1.06	\$1.89	\$2.13	\$3.79	\$8.86
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.48	\$0.26	\$0.98	\$2.09
SPRAY & DISC	185 HP	0.17 HR		\$1.28	\$2.29	\$2.92	\$5.76	\$12.26
PRE-IRRIGATE		0.10 HR		\$0.68	\$5.73	\$2.89	\$4.77	\$14.06
LISTER	126 HP	0.12 HR		\$0.91	\$1.15	\$0.82	\$4.12	\$6.99
ROD WEED	126 HP	0.08 HR		\$0.60	\$0.76	\$0.46	\$2.39	\$4.22
PLANT ER	185 HP	0.17 HR		\$1.28	\$2.29	\$3.32	\$9.08	\$15.97
CULTIVATOR (2X)	126 HP	0.26 HR		\$1.96	\$2.48	\$1.78	\$7.15	\$13.38
IRRIGATE (12X)		1.20 HR		\$8.10	\$68.73	\$34.62	\$57.23	\$168.68
SUBTOTAL		2.91 HR		\$20.93	\$94.17	\$58.96	\$113.34	\$287.40
HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$24.50				\$24.50
HAUL (CUSTOM)				\$12.60				\$12.60
SUBTOTAL				\$37.10				\$37.10
OVERHEAD EXPENSES								
DOWNTIME		0.20 HR		\$1.47				\$1.47
EMPLOYEE BENEFITS				\$3.77				\$3.77
INSURANCE				\$0.42				\$0.42
LAND TAXES							\$0.51	\$0.51
SUPERVISION AND MANAGEMENT				\$25.64				\$25.64
OTHER EXPENSES				\$85.88				\$85.88
SUBTOTAL		0.20 HR		\$86.30	\$30.88		\$0.51	\$117.69
TOTAL OPERATING EXPENSES		3.11 HR		\$286.53	\$51.81	\$94.17	\$58.96	\$113.85
NET OPERATING PROFIT								(\$255.02)
INTEREST ON OPERATING CAPITAL	(\$122.94	@	8.00%				\$9.84
INTEREST ON EQUIPMENT INVESTMENT								\$42.37
RETURN TO LAND AND RISK								(\$307.22)

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

BUDGET SUMMARY

GROSS RETURN		\$350.30	
VARIABLE OPERATING EXPENSES	\$439.66		
RETURN OVER VARIABLE EXPENSES		(\$89.36)	(GROSS MARGIN)
FIXED EXPENSES	\$113.85		
NET FARM INCOME		(\$203.21)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$51.81		
NET OPERATING PROFIT		(\$255.02)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$52.20		
RETURN TO LAND AND RISK		(\$307.22)	

TABLE 6. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, 2003.
 Planting Dates: May 15 - June 10
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
GRAIN SORGHUM	\$3.95	65.00	CWT					\$256.75	
DIRECT PAYMENT	\$0.625	65.00	CWT					\$40.63	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT					\$0.00	
GRAZING	\$9.00	1.00	ACRE					\$9.00	
TOTAL								\$306.38	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	\$1.20		6 LBS		\$7.20			\$7.20	
NITROGEN (N)	\$0.36		150 LBS		\$54.00			\$54.00	
PHOSPHATE (P205)	\$0.33		40 LBS		\$13.20			\$13.20	
HERBICIDE	\$16.96		1 ACRE		\$16.96			\$16.96	
INSECTICIDE (CUSTOM)	\$20.01		1 ACRE		\$20.01			\$20.01	
PUMP WATER*			20 AC. IN.						
CROP INSURANCE	\$0.95				\$0.95			\$0.95	
SUBTOTAL					\$112.32			\$112.32	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14	HR		\$1.06	\$1.89	\$2.13	\$3.79	\$8.86
PLOW	185 HP	0.48	HR		\$3.62	\$6.48	\$7.65	\$14.27	\$32.02
DISC	185 HP	0.14	HR		\$1.06	\$1.89	\$2.13	\$3.79	\$8.86
FERT SPREADER	126 HP	0.05	HR		\$0.38	\$0.48	\$0.26	\$0.98	\$2.09
DISC & SPRAY	185 HP	0.17	HR		\$1.28	\$2.29	\$2.92	\$5.76	\$12.26
LISTER	126 HP	0.12	HR		\$0.91	\$1.15	\$0.82	\$4.12	\$6.99
PRE-IRRIGATE		0.10	HR		\$0.68	\$4.51	\$2.27	\$3.76	\$11.22
ROD WEED	126 HP	0.08	HR		\$0.60	\$0.76	\$0.46	\$2.39	\$4.22
PLANTER	185 HP	0.17	HR		\$1.28	\$2.29	\$3.32	\$9.08	\$15.97
CULTIVATOR (2X)	126 HP	0.26	HR		\$1.96	\$2.48	\$1.78	\$7.15	\$13.38
IRRIGATE (10X)		1.00	HR		\$6.75	\$45.12	\$22.73	\$37.58	\$112.18
SUBTOTAL		2.71	HR		\$19.58	\$69.35	\$46.46	\$92.67	\$228.06
HARVEST OPERATIONS									
COMBINE (CUSTOM)					\$29.28			\$29.28	
HAUL (CUSTOM)					\$12.35			\$12.35	
SUBTOTAL					\$41.63			\$41.63	
OVERHEAD EXPENSES									
DOWNTIME		0.39	HR		\$2.96			\$2.96	
EMPLOYEE BENEFITS					\$3.52			\$3.52	
INSURANCE					\$0.39			\$0.39	
LAND TAXES							\$0.51	\$0.51	
SUPERVISION AND MANAGEMENT					\$22.73			\$22.73	
OTHER EXPENSES					\$85.88			\$85.88	
SUBTOTAL		0.39	HR		\$86.27	\$29.22		\$0.51	\$116.00
TOTAL OPERATING EXPENSES		3.10	HR		\$240.22	\$48.80	\$69.35	\$46.46	\$93.18
NET OPERATING PROFIT								(\$191.63)	
INTEREST ON OPERATING CAPITAL	(\$88.58	@	8.00%)			\$7.09	
INTEREST ON EQUIPMENT INVESTMENT								\$38.96	
RETURN TO LAND AND RISK								(\$237.67)	

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

BUDGET SUMMARY

GROSS RETURN		\$306.38	
VARIABLE OPERATING EXPENSES	\$356.02		
RETURN OVER VARIABLE EXPENSES		(\$49.65)	(GROSS MARGIN)
FIXED EXPENSES	\$93.18		
NET FARM INCOME		(\$142.83)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$48.80		
NET OPERATING PROFIT		(\$191.63)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$46.04		
RETURN TO LAND AND RISK		(\$237.67)	

TABLE 7. Peanuts, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, 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	\$0.85		100 LB	\$85.00					\$85.00	
NITROGEN (N)	\$0.36		60 LB	\$21.60					\$21.60	
PHOSPHATE (P205)	\$0.33		80 LB	\$26.40					\$26.40	
HERBICIDE	\$16.96		1 X/ACRE	\$16.96					\$16.96	
INSECTICIDE (CUSTOM)	\$20.01		1 X/ACRE	\$20.01					\$20.01	
FUNGICIDE	\$37.67		1 X/ACRE	\$37.67					\$37.67	
TRACE ELEMENTS	\$11.89		1 X/ACRE	\$11.89					\$11.89	
PUMP WATER*			22 AC. IN.							
SUBTOTAL				\$219.53					\$219.53	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
DISC	185 HP	0.14 HR		\$1.06	\$1.89	\$2.13	\$3.79	\$8.86		
PLOW	185 HP	0.48 HR		\$3.62	\$6.48	\$7.65	\$14.27	\$32.02		
DISC	185 HP	0.14 HR		\$1.06	\$1.89	\$2.13	\$3.79	\$8.86		
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.48	\$0.26	\$0.98	\$2.09		
SPRAY & DISC	185 HP	0.17 HR		\$1.28	\$2.29	\$2.92	\$5.76	\$12.26		
PRE-IRRIGATE		0.10 HR		\$0.68	\$4.96	\$2.50	\$4.13	\$12.27		
LISTE R	126 HP	0.12 HR		\$0.91	\$1.15	\$0.82	\$4.12	\$6.99		
PLANTER	126 HP	0.17 HR		\$1.28	\$2.29	\$3.32	\$9.08	\$15.97		
APPLY FUNGICIDE (CUSTOM)			\$27.00					\$27.00		
CULTIVATOR (2X)	126 HP	0.26 HR		\$1.96	\$2.48	\$1.78	\$7.15	\$13.38		
HAND HOE (CUSTOM)			\$12.00					\$12.00		
IRRIGATE (10X)		1.00 HR		\$6.75	\$49.64	\$25.00	\$41.34	\$122.73		
SUBTOTAL		2.63 HR	\$39.00	\$18.98	\$73.55	\$48.50	\$94.41	\$274.44		
HARVEST OPERATIONS										
DIG AND INVERT	185 HP	0.24 HR		\$1.81	\$3.24	\$3.25	\$6.86	\$15.16		
COMBINE PEANUTS	185 HP	0.80 HR		\$6.04	\$10.79	\$13.30	\$49.73	\$79.87		
HAUL	126 HP	0.80 HR		\$6.04	\$7.64	\$4.13	\$23.38	\$41.19		
SUBTOTAL		1.84 HR	\$0.00	\$13.89	\$21.67	\$20.68	\$79.98	\$136.22		
OVERHEAD EXPENSES										
DOWNTIME		0.61 HR		\$4.61					\$4.61	
EMPLOYEE BENEFITS				\$5.92					\$5.92	
INSURANCE			\$0.66					\$0.66		
LAND TAXES						\$0.51			\$0.51	
SUPERVISION AND MANAGEMENT				\$21.87					\$21.87	
OTHER EXPENSES			\$85.88							\$85.88
SUBTOTAL		0.61 HR	\$86.53	\$32.39				\$0.51	\$119.44	
TOTAL OPERATING EXPENSES		5.08 HR	\$345.06	\$65.26	\$95.22	\$69.18	\$174.90	\$749.62		
NET OPERATING PROFIT								(\$463.62)		
INTEREST ON OPERATING CAPITAL		(\$143.80	@	8.00%)			\$11.50	
INTEREST ON EQUIPMENT INVESTMENT								\$85.76		
RETURN TO LAND AND RISK								(\$560.89)		

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

BUDGET SUMMARY

GROSS RETURN		\$286.00	
VARIABLE OPERATING EXPENSES	\$509.46		
RETURN OVER VARIABLE EXPENSES		(\$223.46)	(GROSS MARGIN)
FIXED EXPENSES	\$174.90		
NET FARM INCOME		(\$398.36)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$65.26		
NET OPERATING PROFIT		(\$463.62)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$97.27		
RETURN TO LAND AND RISK		(\$560.89)	

TABLE 8. Summary of per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, New Mexico, 2003.

	GRAIN			
	WHEAT	CORN -----SPRINKLER-----	SORGHUM	PEANUTS
	BU	CWT	CWT	LBS
PRIMARY YIELD	60.00	70.00	65.00	2600.00
PRIMARY PRICE	4.50	4.29	3.95	0.11
GOVERNMENT PAYMENTS	31.20	35.00	40.63	0.00
SECOND INCOME	40.00	15.00	9.00	0.00
GROSS RETURN	\$341.20	\$350.30	\$306.38	\$286
CASH OPERATING EXPENSES				
SEED	\$7.80	\$31.41	\$7.20	\$85.00
FERTILIZER	\$56.40	\$73.80	\$67.20	\$48.00
CHEMICALS	\$20.01	\$56.97	\$36.97	\$74.64
CROP INSURANCE	\$0.61	\$0.95	\$0.95	
OTHER PURCHASED INPUTS				\$11.89
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.97	\$19.71	\$19.71	\$40.62
FUEL-IRRIGATION	\$44.67	\$74.45	\$49.64	\$54.60
REPAIRS	\$28.34	\$58.96	\$46.46	\$69.18
CUSTOM CHARGES	\$31.90	\$37.10	\$41.63	\$39.00
LAND TAXES	\$0.51	\$0.51	\$0.51	\$0.51
OTHER EXPENSES	\$86.04	\$86.30	\$86.27	\$86.53
TOTAL CASH EXPENSES	\$282.25	\$440.17	\$356.53	\$509.97
RETURN OVER CASH EXPENSES	\$58.95	(\$89.87)	(\$50.16)	(\$223.97)
FIXED EXPENSES	\$54.71	\$113.34	\$92.67	\$174.39
TOTAL EXPENSES	\$336.95	\$553.51	\$449.20	\$684.36
NET FARM INCOME	\$4.25	(\$203.21)	(\$142.83)	(\$398.36)
LABOR AND MANAGEMENT COSTS	\$34.72	\$51.81	\$48.80	\$65.26
NET OPERATING PROFIT	(\$30.48)	(\$255.02)	(\$191.63)	(\$463.62)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$5.19	\$9.84	\$7.09	\$11.50
INTEREST ON EQUIPMENT INVESTMENT	\$16.81	\$42.37	\$38.96	\$85.76
TOTAL CAPITAL COSTS	\$21.99	\$52.20	\$46.04	\$97.27
RETURN TO LAND AND RISK	(\$52.47)	(\$307.22)	(\$237.67)	(\$560.89)
Flex Computation	\$19.04	(\$151.51)	(\$106.04)	

TABLE 9. Whole farm summary, Portales Valley, Roosevelt County, 2003.

GROSS RETURNS		
WHEAT	82 ACRES	
CROP		\$22,032
GRAZING		\$3,264
DIRECT PAYMENT		\$1,671
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	53 ACRES	
CROP		\$15,826
GRAZING		\$791
DIRECT PAYMENT		\$1,845
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	53 ACRES	
CROP		\$13,531
GRAZING		\$474
DIRECT PAYMENT		\$2,141
COUNTER CYCLICAL PAYMENT		\$0
PEANUTS	63 ACRES	
CROP		\$18,018
GROSS RETURN		<u>\$79,592</u>
CASH OPERATING EXPENSES		
SEED		\$8,026
FERTILIZER		\$15,057
CHEMICALS		\$11,285
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$749
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$5,124
FUEL-IRRIGATION		\$13,625
REPAIRS		\$12,226
CUSTOM CHARGES		\$9,209
LAND TAXES		\$127
OTHER EXPENSES		\$21,566
TOTAL CASH EXPENSES		<u>\$97,145</u>
RETURN OVER CASH EXPENSES		(\$17,554)
FIXED EXPENSES		\$26,308
TOTAL EXPENSES		\$123,453
NET FARM INCOME		(\$43,861)
LABOR AND MANAGEMENT COSTS		\$12,247
NET OPERATING PROFIT		(\$56,108)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,040
INTEREST ON EQUIPMENT INVESTMENT		\$11,060
TOTAL CAPITAL COSTS		<u>\$13,100</u>
RETURN TO LAND AND RISK		<u>(\$69,208)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$75,608)	-15.34%
\$750 /ACRE	(\$78,808)	-12.59%
\$1,000 /ACRE	(\$82,008)	-10.67%
\$1,250 /ACRE	(\$85,208)	-9.26%
\$1,500 /ACRE	(\$88,408)	-8.18%
\$1,750 /ACRE	(\$91,608)	-7.33%
\$2,000 /ACRE	(\$94,808)	-6.63%

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREA

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