TABLE 7. Summary of per acre costs and returns for a 1,600 acre farm with above average management, Curry County
Actual 2004

<table>
<thead>
<tr>
<th></th>
<th>WHEAT</th>
<th>GRAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUSHELS</td>
<td>18.00</td>
<td>18.00</td>
</tr>
<tr>
<td>CWT</td>
<td>18.00</td>
<td>18.00</td>
</tr>
<tr>
<td>PRIMARY YIELD</td>
<td>18.00</td>
<td>18.00</td>
</tr>
<tr>
<td>PRIMARY PRICE</td>
<td>$3.75</td>
<td>$3.70</td>
</tr>
<tr>
<td>GOVERNMENT PAYMENTS</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>SECOND INCOME</td>
<td>$12.00</td>
<td>$4.00</td>
</tr>
<tr>
<td>GROSS RETURN</td>
<td>$79.50</td>
<td>$70.54</td>
</tr>
</tbody>
</table>

CASH OPERATING EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>WHEAT</th>
<th>GRAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEED</td>
<td>$7.20</td>
<td>$1.85</td>
</tr>
<tr>
<td>FERTILIZER</td>
<td>$10.00</td>
<td></td>
</tr>
<tr>
<td>CHEMICALS</td>
<td>$7.05</td>
<td>$26.44</td>
</tr>
<tr>
<td>CROP INSURANCE</td>
<td>$0.08</td>
<td>$0.11</td>
</tr>
<tr>
<td>OTHER PURCHASED INPUTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUEL, OIL &amp; LUBRICANTS-EQUIPMENT</td>
<td>$6.71</td>
<td>$12.56</td>
</tr>
<tr>
<td>REPAIRS</td>
<td>$2.90</td>
<td>$5.53</td>
</tr>
<tr>
<td>CUSTOM CHARGES</td>
<td>$12.13</td>
<td>$13.09</td>
</tr>
<tr>
<td>LAND TAXES</td>
<td>$40.00</td>
<td>$40.00</td>
</tr>
<tr>
<td>OTHER EXPENSES</td>
<td>$16.29</td>
<td>$16.34</td>
</tr>
</tbody>
</table>

TOTAL CASH EXPENSES $92.36 $125.92

RETURN OVER CASH EXPENSES ($12.86) ($55.39)

FIXED EXPENSES $13.81 $27.29

TOTAL EXPENSES $106.17 $153.21

NET FARM INCOME ($26.67) ($82.68)

LABOR AND MANAGEMENT COSTS $7.90 $11.07

NET OPERATING PROFIT ($34.57) ($93.75)

CAPITAL COSTS

<table>
<thead>
<tr>
<th></th>
<th>WHEAT</th>
<th>GRAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEREST ON OPERATING CAPITAL</td>
<td>$0.44</td>
<td>$1.55</td>
</tr>
<tr>
<td>INTEREST ON EQUIPMENT INVESTMENT</td>
<td>$5.88</td>
<td>$11.82</td>
</tr>
</tbody>
</table>

TOTAL CAPITAL COSTS $6.31 $13.37

RETURN TO LAND AND RISK ($40.88) ($107.12)

Flex Computation -21.20 -68.01
TABLE 8.  Whole farm summary, Curry County, Actual 2004

<table>
<thead>
<tr>
<th>GROSS RETURNS</th>
<th>530 acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>WHEAT</td>
<td></td>
</tr>
<tr>
<td>CROP</td>
<td>$35,775</td>
</tr>
<tr>
<td>GRAZING</td>
<td>$6,360</td>
</tr>
<tr>
<td>DIRECT PAYMENT</td>
<td>$0</td>
</tr>
<tr>
<td>COUNTER CYCLICAL PAYMENT</td>
<td>$0</td>
</tr>
<tr>
<td>GRAIN SORGHUM</td>
<td></td>
</tr>
<tr>
<td>CROP</td>
<td>$35,264</td>
</tr>
<tr>
<td>GRAZING</td>
<td>$2,120</td>
</tr>
<tr>
<td>DIRECT PAYMENT</td>
<td>$0</td>
</tr>
<tr>
<td>COUNTER CYCLICAL PAYMENT</td>
<td>$0</td>
</tr>
<tr>
<td>GROSS RETURN</td>
<td>$79,519</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CASH OPERATING EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SEED</td>
<td>$5,220</td>
</tr>
<tr>
<td>FERTILIZER</td>
<td>$4,505</td>
</tr>
<tr>
<td>CHEMICALS</td>
<td>$16,212</td>
</tr>
<tr>
<td>CROP INSURANCE</td>
<td>$100</td>
</tr>
<tr>
<td>OTHER PURCHASED INPUTS</td>
<td>$0</td>
</tr>
<tr>
<td>FUEL, OIL &amp; LUBRICANTS-EQUIPMENT</td>
<td>$9,751</td>
</tr>
<tr>
<td>REPAIRS</td>
<td>$4,256</td>
</tr>
<tr>
<td>CUSTOM CHARGES</td>
<td>$13,290</td>
</tr>
<tr>
<td>LAND TAXES</td>
<td>$42,400</td>
</tr>
<tr>
<td>OTHER EXPENSES</td>
<td>$17,290</td>
</tr>
<tr>
<td>TOTAL CASH EXPENSES</td>
<td>$113,024</td>
</tr>
</tbody>
</table>

RETURN OVER CASH EXPENSES ($33,505)

FIXED EXPENSES $20,710

TOTAL EXPENSES $133,734

NET FARM INCOME ($54,215)

LABOR AND MANAGEMENT COSTS $9,798

NET OPERATING PROFIT ($64,013)

CAPITAL COSTS

<table>
<thead>
<tr>
<th>INTEREST ON OPERATING CAPITAL</th>
<th>$966</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEREST ON EQUIPMENT INVESTMENT</td>
<td>$8,908</td>
</tr>
</tbody>
</table>

TOTAL CAPITAL COSTS $9,874

RETURN TO LAND AND RISK ($73,887)

<table>
<thead>
<tr>
<th>LAND VALUE</th>
<th>RETURN TO RISK*</th>
<th>RETURN ON INVESTMENT**</th>
</tr>
</thead>
<tbody>
<tr>
<td>$150 /ACRE</td>
<td>($81,087)</td>
<td>-16.89%</td>
</tr>
<tr>
<td>$200 /ACRE</td>
<td>($83,487)</td>
<td>-13.95%</td>
</tr>
<tr>
<td>$250 /ACRE</td>
<td>($85,887)</td>
<td>-11.88%</td>
</tr>
<tr>
<td>$300 /ACRE</td>
<td>($88,287)</td>
<td>-10.34%</td>
</tr>
</tbody>
</table>

* 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)