

TABLE 1. Acreage Summary, Otero County, Projected 2004.

| BUDGET AREA..... DELL CITY AREA, OTERO COUNTY | |
|---|----------------|
| FARM SIZE..... | 640 ACRES |
| IRRIGATION TYPE..... | SIDEROLL/FLOOD |
| NUMBER OF CROPS... | 5 |

| ACREAGE SUMMARY: | WATER USE | | |
|------------------------------------|------------------|----------------|---------------|
| | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN. |
| ALFALFA ESTABLISHMENT | 56.00 * | 6 | 336 |
| ALFALFA | 280.00 | 40 | 11,200 |
| WHEAT | 170.00 | 25 | 4,250 |
| ARP | 0.00 | | |
| FLEX IN COTTON | 30.00 | 30 | 900 |
| WHITE CORN | 50.00 | 48 | 2,400 |
| COTTON | 42.50 | 30 | 1,275 |
| ARP | 0.00 | | |
| FLEX IN COTTON | 7.50 | 30 | 225 |
| GRAIN SORGHUM | 25.50 | 36 | 918 |
| ARP | 0.00 | | |
| FLEX IN COTTON | 4.50 | 30 | 135 |
| ROADS, DITCHES, HOMESTEAD | 30.00 | | |
| TOTAL | 640.00 | | 21,639 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 2.82 |

* DOUBLE-CROPPED

TABLE 2. Basic cost information for Dell City area, Otero County, Projected 2004.

| Item | | | |
|---------------------------------|----------|------------------------------|----------|
| Labor Wage Rate: | | | |
| Equipment operators | | \$/hour | \$7.50 |
| General & Irrigators | | \$/hour | \$6.75 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | | \$/pound | \$0.29 |
| Phosphate (P205) | | \$/pound | \$0.20 |
| Anhydrous Ammonia (NH3) | | \$/ton | \$450.00 |
| Seed: | | | |
| Alfalfa | | \$/pound | \$2.80 |
| Wheat | | \$/pound | \$0.18 |
| White Corn | | \$/bag | \$85.00 |
| Cotton | | \$/pound | \$0.68 |
| Diesel fuel | | \$/gallon | \$1.50 |
| Gasoline | | \$/gallon | \$1.45 |
| Electricity (Rio Grande Elec) | | cents/KwHr | 5.09 |
| LP Gas | | \$/gallon | \$1.23 |
| Baling Wire | | \$/pound | \$0.38 |
| 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 | 6.50% |
| Land Interest Rate | | percent | 6.00% |
| Equipment Interest Rate | | percent | 6.50% |
| Real Interest Rate | | percent | 4.00% |
| Land Taxes | \$300.00 | /acre (full value) | \$3.01 |
| Personal Property Tax Rate | - NR | \$/ \$1,000 (Assessed Value) | \$30.07 |
| | - R | | \$23.85 |
| 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 Dell City area, Otero County, Projected 2004.

| Item | | | |
|------------------------------------|--------|--------------------|-----------------|
| Electricity (Domestic & Shop) | | \$220.00 per month | \$2,640 |
| Telephone | | \$215.00 per month | \$2,580 |
| Accounting & Legal | | | \$1,650 |
| Misc. Supplies & Hand Tools | | | \$5,110 |
| Pickup and Auto | | | |
| miles | 51,500 | @ \$0.365 per mile | \$18,798 |
| Insurance | | | |
| - general liability (non-employee) | | | \$1,775 |
| - fire/theft | | | \$1,410 |
| Property Taxes | | | |
| - non-planted land | | | \$176 |
| - other than land & machinery | | | \$630 |
| Building repairs and maintenance | | | \$1,350 |
| Dues, fees, publications | | | \$400 |
| Farmstead Equipment | | | \$180 |
| Total | | | \$36,699 |
| Total per planted acre | | | \$60.16 |

TABLE 4. Pumping costs and data for irrigation wells, Otero County,
Projected 2004.

| INPUT DATA | | | |
|--------------------------|--------|------------------------|-----|
| DELIVERY PSI: | | | |
| SPRINKLER | 40 | DEPTH CHARACTERISTICS: | |
| | | STATIC..... | 75 |
| | | DRAW DOWN..... | 50 |
| | | TOTAL HEAD..... | 125 |
| | | CASING..... | 350 |
| GALLONS PER MINUTE (GPM) | 1,100 | | |
| WORK HORSEPOWER | 60 | | |
| EFFICIENCY FACTOR: | | | |
| ELECTRICITY | 0.540 | | |
| LP GAS | 0.140 | | |
| DIESEL | 0.180 | | |
| FUEL COST PER UNIT: | | | |
| ELECTRICITY | 5.09 | CENTS/K | wHr |
| LP GAS | \$1.23 | \$/GAL | |
| DIESEL | \$1.50 | \$/GAL | |
| FUEL PUMPING COSTS | | | |
| ELECTRIC WELL: | | | |
| COST PER HOUR | | \$4.28 | |
| COST PER ACRE INCH | | \$1.76 | |
| LP GAS WELL: | | | |
| COST PER HOUR | | \$14.73 | |
| COST PER ACRE INCH | | \$6.06 | |
| DIESEL WELL: | | | |
| COST PER HOUR | | \$9.07 | |
| COST PER ACRE INCH | | \$3.73 | |

TABLE 5. Equipment summary for a 1,280 acre sprinkler-irrigated farm with above average management, Otero County,
Projected 2004.

| EQUIPMENT | | ANNUAL HOURS OF USE | NUMBER | TOTAL VALUE | VARIABLE COSTS | | | | FIXED COSTS | | |
|--------------------|-------------------------|---------------------------|--------|----------------|----------------|---------------------|------------------|--------------|-------------|-----------------|---------|
| ITEM & SIZE | FUEL, OIL, LUBRICANT | | | | REPAIR | FUEL, OIL PER HR | REPAIR PER HR | DEPRECIATION | TAXES | TOTAL PER HR | |
| TRACTOR | 93 HP | 857 | 1 | \$19,045 | \$8,835 | \$7,506 | \$10.30 | \$8.75 | \$1,226 | \$215 | \$1.68 |
| TRACTOR | 155 HP | 329 | 1 | \$14,420 | \$4,684 | \$967 | \$14.24 | \$2.94 | \$3,500 | \$263 | \$11.44 |
| COTTON STRIPPER | 2 ROW | 52 | 1 | \$2,950 | | \$187 | | \$3.57 | \$767 | \$58 | \$15.73 |
| SWATHER | 16 FT | 154 | 1 | \$21,350 | \$836 | \$1,338 | \$5.43 | \$8.69 | \$3,621 | \$363 | \$25.87 |
| BALER | | 238 | 3 | \$11,700 | | \$288 | | \$1.21 | \$1,650 | \$165 | \$7.63 |
| BALE WAGON | | 280 | 1 | \$9,890 | | \$5,992 | | \$21.40 | \$2,250 | \$226 | \$8.84 |
| PLANTER | 6 ROW | 27 | 1 | \$4,250 | | \$164 | | \$6.04 | \$850 | \$43 | \$32.82 |
| CHISEL | 7 SHANK | 26 | 1 | \$1,200 | | \$6 | | \$0.22 | \$160 | \$12 | \$6.54 |
| ROLLING CULTIVATOR | 6 ROW | 73 | 1 | \$3,000 | | \$134 | | \$1.83 | \$400 | \$30 | \$5.86 |
| DISC | 14 FT | 132 | 1 | \$3,000 | | \$221 | | \$1.68 | \$400 | \$30 | \$3.27 |
| PLOW | 4 BTM | 67 | 1 | \$4,000 | | \$167 | | \$2.48 | \$533 | \$40 | \$8.50 |
| DRAG | 14 FT | 59 | 1 | \$250 | | \$5 | | \$0.08 | \$33 | \$3 | \$0.61 |
| FLOAT | 14 FT | 27 | 1 | \$600 | | \$2 | | \$0.08 | \$60 | \$5 | \$2.39 |
| DRILL | 20 FT | 27 | 1 | \$3,600 | | \$139 | | \$5.11 | \$720 | \$36 | \$27.88 |
| LISTER | 4 ROW | 19 | 1 | \$1,600 | | \$24 | | \$1.25 | \$213 | \$16 | \$11.95 |
| SPRAYER | 30 FT | 14 | 1 | \$1,500 | | \$22 | | \$1.53 | \$200 | \$15 | \$14.99 |
| SHREDDER | 2 ROW | 25 | 1 | \$1,250 | | \$14 | | \$0.58 | \$167 | \$13 | \$7.31 |
| COTTON TRAILER | 8 BALE | 85 | 2 | \$2,400 | | \$26 | | \$0.31 | \$320 | \$24 | \$4.07 |
| SIDEROLL SPRINKLER | | 4,746 | 8 | \$20,000 | \$0 | \$223 | \$0.00 | \$0.05 | \$2,667 | \$200 | \$0.60 |
| ELECTRIC WELL | | 8,903 | 5 | \$97,500 | \$38,088 | \$868 | \$4.28 | \$0.10 | \$10,263 | \$977 | \$1.26 |
| | | | | \$223,505 | \$52,443 | \$18,293 | | | \$30,000 | \$2,733 | |

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County Projected 2004.

Planting dates: August 1 - September 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
|---------------------------------|---------------|------------------------|---------------------|---------|----------------|---------|---------------|----------|
| <u>PURCHASED INPUTS</u> | | | | | | | | |
| SEED | \$2.80 | 30 LBS | \$84.00 | | | | | \$84.00 |
| PUMP WATER* | | 6 AC. IN. | | | | | | |
| SUBTOTAL | | | \$84.00 | | | | | \$84.00 |
| <u>PREHARVEST OPERATIONS</u> | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 155 HP | 0.14 HR | | \$1.05 | \$1.99 | \$0.65 | \$2.06 | \$5.75 |
| CHISEL | 155 HP | 0.20 HR | | \$1.50 | \$2.85 | \$0.63 | \$3.60 | \$8.57 |
| PLOW | 155 HP | 0.48 HR | | \$3.60 | \$6.83 | \$2.60 | \$9.57 | \$22.61 |
| DISC (2X) | 155 HP | 0.28 HR | | \$2.10 | \$3.99 | \$1.29 | \$4.12 | \$11.50 |
| DRAG (2X) | 155 HP | 0.30 HR | | \$2.25 | \$4.27 | \$0.91 | \$3.61 | \$11.04 |
| DRILL | 93 HP | 0.12 HR | | \$0.90 | \$1.24 | \$1.66 | \$3.55 | \$7.35 |
| IRRIGATE (3X) | | 0.75 HR | | \$5.06 | \$10.56 | \$0.36 | \$4.61 | \$20.59 |
| SUBTOTAL | | 2.27 HR | | \$16.46 | \$31.73 | \$8.10 | \$31.11 | \$87.40 |
| <u>OVERHEAD EXPENSES</u> | | | | | | | | |
| DOWNTIME | | 0.12 HR | | \$0.86 | | | | \$0.86 |
| EMPLOYEE BENEFITS | | | | \$2.96 | | | | \$2.96 |
| INSURANCE | | | \$0.33 | | | | | \$0.33 |
| SUPERVISION AND MANAGEMENT | | | | \$12.98 | | | | \$12.98 |
| SUBTOTAL | | 0.12 | \$0.33 | \$16.80 | | | | \$17.13 |
| <u>TOTAL OPERATING EXPENSES</u> | | 2.39 HR | \$84.33 | \$33.27 | \$31.73 | \$8.10 | \$31.11 | \$188.53 |

TABLE 7. Alfalfa hay, sideroll sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2004.

Harvesting dates: June 1 - October 10

| ITEM | PRICE | YIELD | TOTAL |
|----------------------|----------|---------------------|-----------------|
| GROSS RETURNS | | | |
| ALFALFA HAY | \$130.00 | 5.00 TONS (STACKED) | \$650.00 |
| GRAZING | \$15.00 | 1.00 ACRE | \$15.00 |
| TOTAL | | | \$665.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|--------------------------|---------|------------|------------------|----------------|-----------------|
| NITROGEN (N) | \$0.29 | 75 LBS | \$21.75 | | \$21.75 |
| PHOSPHATE (P2O5) | \$0.20 | 200 LBS | \$40.00 | | \$40.00 |
| INSECTICIDE | \$16.03 | 2 X/ACRE | \$32.05 | | \$32.05 |
| ESTABLISHMENT: Principal | | 5 YEARS | | \$37.71 | \$37.71 |
| : Interest | | | | \$6.40 | \$6.40 |
| BALING TWINE | \$0.38 | 43 LBS | \$0.16 | | \$0.16 |
| PUMP WATER* | | 40 AC. IN. | | | |
| SUBTOTAL | | | \$93.97 | \$44.10 | \$138.07 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| DRAG | 93 HP | 0.15 HR | | \$1.13 | \$1.55 | \$1.33 | \$0.34 | \$4.34 |
| IRRIGATE (11X) | | 2.75 HR | | \$18.56 | \$70.41 | \$2.38 | \$30.72 | \$122.07 |
| SUBTOTAL | | 2.90 HR | | \$19.69 | \$71.95 | \$3.70 | \$31.06 | \$126.40 |

HARVEST OPERATIONS

| | | | | | | | | |
|-----------------|-------|----------------|--|----------------|----------------|----------------|----------------|-----------------|
| SWATHER (5X) | 16 FT | 0.55 HR | | \$4.13 | \$2.99 | \$4.78 | \$14.23 | \$26.12 |
| BALER (5X) | 93 HP | 0.85 HR | | \$6.38 | \$8.76 | \$8.47 | \$7.91 | \$31.51 |
| LOAD (5X) | 93 HP | 1.00 HR | | \$7.50 | \$10.30 | \$25.89 | \$10.52 | \$54.22 |
| SUBTOTAL | | 2.40 HR | | \$18.00 | \$22.05 | \$39.14 | \$32.66 | \$111.85 |

OVERHEAD EXPENSES

| | | | | | | | | |
|----------------------------|--|----------------|----------------|----------------|--|--|---------------|-----------------|
| DOWNTIME | | 0.60 HR | | \$4.50 | | | | \$4.50 |
| EMPLOYEE BENEFITS | | | | \$6.78 | | | | \$6.78 |
| INSURANCE | | | \$0.75 | | | | | \$0.75 |
| LAND TAXES | | | | | | | \$3.01 | \$3.01 |
| SUPERVISION AND MANAGEMENT | | | | \$50.50 | | | | \$50.50 |
| OTHER EXPENSES | | | \$60.16 | | | | | \$60.16 |
| SUBTOTAL | | 0.60 HR | \$60.92 | \$61.78 | | | \$3.01 | \$125.71 |

TOTAL OPERATING EXPENSES 5.90 HR \$154.88 \$99.47 \$94.00 \$42.84 \$110.83 \$502.03

NET OPERATING PROFIT \$162.97

INTEREST ON OPERATING CAPITAL (\$70.99 @ 6.50%) \$4.61

INTEREST ON EQUIPMENT INVESTMENT \$21.11

RETURN TO LAND AND RISK \$137.25

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|---|--|
| GROSS RETURN | | \$665.00 | |
| VARIABLE OPERATING EXPENSES | \$291.72 | | |
| RETURN OVER VARIABLE EXPENSES | \$373.28 | (GROSS MARGIN) | |
| FIXED EXPENSES | \$110.83 | | |
| NET FARM INCOME | \$262.45 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$99.47 | | |
| NET OPERATING PROFIT | \$162.97 | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$25.72 | | |
| RETURN TO LAND AND RISK | \$137.25 | | |

TABLE 8. Wheat, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2004.

Planting dates: August 15 - September 15

Harvesting dates: July 15 - July 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| WHEAT | \$6.25 | 20.00 CWT | | \$125.00 |
| DIRECT PAYMENT | \$0.52 | 20.00 CWT | 0.85 | \$8.84 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | \$0.00 |
| GRAZING | \$25.00 | 1.00 ACRE | | \$25.00 |
| TOTAL | | | | \$158.84 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-----------------------|--------|------------|------------------|---------------|----------------|
| SEED | \$0.18 | 150 LBS | \$27.00 | | \$27.00 |
| ANHYDROUS (NH3) | \$0.23 | 125 LBS | \$28.13 | | \$28.13 |
| LIVESTOCK FAC & EQUIP | | | | \$5.00 | \$5.00 |
| PUMP WATER* | | 25 AC. IN. | | | \$0.00 |
| CROP INSURANCE | \$0.29 | | | | \$0.29 |
| SUBTOTAL | | | \$55.13 | \$5.00 | \$60.42 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| DISC | 155 HP | 0.14 HR | | \$1.05 | \$1.99 | \$0.65 | \$2.06 | \$5.75 |
| ANHYDROUS APPL | 155 HP | 0.20 HR | \$7.00 | \$1.50 | \$2.85 | \$0.59 | \$2.29 | \$14.22 |
| DISC | 155 HP | 0.14 HR | | \$1.05 | \$1.99 | \$0.65 | \$2.06 | \$5.75 |
| DRILL | 93 HP | 0.12 HR | | \$0.90 | \$1.24 | \$1.66 | \$3.55 | \$7.35 |
| IRRIGATE (5X) | | 2.50 HR | | \$16.88 | \$44.00 | \$1.00 | \$12.99 | \$74.87 |
| SUBTOTAL | | 3.10 HR | \$7.00 | \$21.38 | \$52.07 | \$4.55 | \$22.94 | \$107.93 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|----------------|---------------|---------------|---------------|---------------|----------------|
| COMBINE (CUSTOM) | | | \$26.00 | | | | | \$26.00 |
| SUBTOTAL | | | \$26.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$26.00 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|----------------|----------------|--|--|---------------|----------------|
| DOWNTIME | | 0.15 HR | | \$1.13 | | | | \$1.13 |
| EMPLOYEE BENEFITS | | | | \$3.85 | | | | \$3.85 |
| INSURANCE | | | \$0.43 | | | | | \$0.43 |
| LAND TAXES | | | | | | | \$3.01 | \$3.01 |
| SUPERVISION AND MANAGEMENT | | | | \$13.92 | | | | \$13.92 |
| OTHER EXPENSES | | | \$60.16 | | | | | \$60.16 |
| SUBTOTAL | | 0.15 HR | \$60.59 | \$18.89 | | | \$3.01 | \$82.49 |

| | | | | | | | | |
|---------------------------------|--|----------------|-----------------|----------------|----------------|---------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | | 3.25 HR | \$148.71 | \$40.27 | \$52.07 | \$4.55 | \$30.95 | \$276.84 |
|---------------------------------|--|----------------|-----------------|----------------|----------------|---------------|----------------|-----------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|-------------------|
| NET OPERATING PROFIT | | | | | | | | (\$118.00) |
|-----------------------------|--|--|--|--|--|--|--|-------------------|

| | | | | | | | | |
|----------------------------------|---|---------|---|-------|---|--|--|--------|
| INTEREST ON OPERATING CAPITAL | (| \$41.86 | @ | 6.50% |) | | | \$2.72 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$5.60 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | | (\$126.32) |
|--------------------------------|--|--|--|--|--|--|--|-------------------|

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

BUDGET SUMMARY

| | | | | |
|-------------------------------|----------|------------|---|--|
| GROSS RETURN | | \$158.84 | | |
| VARIABLE OPERATING EXPENSES | \$205.34 | | | |
| RETURN OVER VARIABLE EXPENSES | | (\$46.50) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$30.95 | | | |
| NET FARM INCOME | | (\$77.44) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$40.27 | | | |
| NET OPERATING PROFIT | | (\$117.71) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$8.32 | | | |
| RETURN TO LAND AND RISK | | (\$126.03) | | |

TABLE 9. White corn, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County
Projected 2004.

Planting dates: April 15 - May 15

Harvesting dates: October 1 - November 15

| ITEM | PRICE | YIELD | TOTAL |
|----------------------|---------|-----------|-----------------|
| GROSS RETURNS | | | |
| CORN | \$7.50 | 70.00 CWT | \$525.00 |
| GRAZING | \$20.00 | 1.00 ACRE | \$20.00 |
| TOTAL | | | \$545.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-----------------------|---------|------------|------------------|---------------|-----------------|
| SEED | \$0.85 | 25 000 | \$21.25 | | \$21.25 |
| NITROGEN (N) | \$0.29 | 30 LBS | \$8.70 | | \$8.70 |
| PHOSPHATE (P2O5) | \$0.20 | 70 LBS | \$14.00 | | \$14.00 |
| TRACE ELEMENTS | \$0.15 | 65 LBS | \$9.75 | | \$9.75 |
| ANHYDROUS (NH3) | \$0.23 | 175 LBS | \$39.38 | | \$39.38 |
| INSECTICIDE (CUSTOM) | \$16.03 | 3 ACRE | \$48.08 | | \$48.08 |
| HERBICIDE | \$9.45 | 1 ACRE | \$9.45 | | \$9.45 |
| LIVESTOCK FAC & EQUIP | | | | \$5.00 | \$5.00 |
| PUMP WATER* | | 48 AC. IN. | | | \$0.00 |
| SUBTOTAL | | | \$150.60 | \$5.00 | \$155.60 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC | 155 HP | 0.14 HR | | \$1.05 | \$1.99 | \$0.65 | \$2.06 | \$5.75 |
| CHISEL | 155 HP | 0.20 HR | | \$1.50 | \$2.85 | \$0.63 | \$3.60 | \$8.57 |
| ANHYDROUS APPL | 155 HP | 0.20 HR | \$7.00 | \$1.50 | \$2.85 | \$0.59 | \$2.29 | \$14.22 |
| DISC & SPRAY | 155 HP | 0.19 HR | | \$1.43 | \$2.70 | \$1.17 | \$5.64 | \$10.94 |
| LISTER | 155 HP | 0.12 HR | | \$0.90 | \$1.71 | \$0.50 | \$2.81 | \$5.92 |
| PLANTER | 93 HP | 0.17 HR | | \$1.28 | \$1.75 | \$2.51 | \$5.86 | \$11.41 |
| ROLLING CULT (3X) | 93 HP | 0.39 HR | | \$2.93 | \$4.02 | \$4.13 | \$2.94 | \$14.01 |
| IRRIGATE (8X) | | 4.00 HR | | \$27.00 | \$84.49 | \$1.93 | \$24.93 | \$138.35 |
| SUBTOTAL | | 5.41 HR | \$7.00 | \$37.58 | \$102.36 | \$12.10 | \$50.13 | \$209.16 |

| | | | | | | | | |
|---------------------------|--|--|----------------|---------------|---------------|---------------|---------------|----------------|
| HARVEST OPERATIONS | | | | | | | | |
| COMBINE (CUSTOM) | | | \$23.25 | | | | | \$23.25 |
| HAUL (CUSTOM) | | | \$14.00 | | | | | \$14.00 |
| SUBTOTAL | | | \$37.25 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$37.25 |

| | | | | | | | | |
|----------------------------|--|----------------|----------------|----------------|--|--|---------------|-----------------|
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.27 HR | | \$2.04 | | | | \$2.04 |
| EMPLOYEE BENEFITS | | | | \$6.76 | | | | \$6.76 |
| INSURANCE | | | \$0.75 | | | | | \$0.75 |
| LAND TAXES | | | | | | | \$3.01 | \$3.01 |
| SUPERVISION AND MANAGEMENT | | | | \$44.27 | | | | \$44.27 |
| OTHER EXPENSES | | | \$60.16 | | | | | \$60.16 |
| SUBTOTAL | | 0.27 HR | \$60.91 | \$53.07 | | | \$3.01 | \$116.99 |

| | | | | | | | | |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | | 5.68 HR | \$255.76 | \$90.65 | \$102.36 | \$12.10 | \$58.14 | \$519.01 |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|----------------|
| NET OPERATING PROFIT | | | | | | | | \$25.99 |
|-----------------------------|--|--|--|--|--|--|--|----------------|

| | | | | | | | | |
|----------------------------------|---|----------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$103.91 | @ | 6.50% |) | | | \$6.75 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$13.92 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|---------------|
| RETURN TO LAND AND RISK | | | | | | | | \$5.32 |
|--------------------------------|--|--|--|--|--|--|--|---------------|

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

BUDGET SUMMARY

| | | | |
|--------------------------------|----------|---------------|---|
| GROSS RETURN | | \$545.00 | |
| VARIABLE OPERATING EXPENSES | \$370.22 | | |
| RETURN OVER VARIABLE EXPENSES | | \$174.78 | (GROSS MARGIN) |
| FIXED EXPENSES | \$58.14 | | |
| NET FARM INCOME | | \$116.64 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$90.65 | | |
| NET OPERATING PROFIT | | \$25.99 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$20.67 | | |
| RETURN TO LAND AND RISK | | \$5.32 | |

TABLE 10. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County
 Projected 2004.
 Planting dates: April 15 - May 15
 Harvesting dates: November 1 - January 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|----------|--------------|------|-----------------|
| GROSS RETURNS | | | | |
| COTTON LINT | \$0.50 | 720.00 LBS | | \$360.00 |
| COTTON SEED | \$0.08 | 1,152.00 LBS | | \$86.40 |
| DIRECT PAYMENT | \$0.0667 | 720.00 LBS | 0.85 | \$40.82 |
| COUNTER CYCLICAL PAYMENT | \$0.1373 | 720.00 LBS | 0.85 | \$84.03 |
| TOTAL | | | | \$571.25 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$0.68 | 25 LBS | \$17.00 | | \$17.00 |
| NITROGEN (N) | \$0.29 | 72 LBS | \$20.88 | | \$20.88 |
| PHOSPHATE (P2O5) | \$0.20 | 184 LBS | \$36.80 | | \$36.80 |
| HERBICIDE (CUSTOM) | \$19.93 | 1 X/ACRE | \$19.93 | | \$19.93 |
| INSECTICIDE (CUSTOM) | \$18.91 | 1 X/ACRE | \$18.91 | | \$18.91 |
| CROP INSURANCE | | FCIC | \$0.59 | | \$0.59 |
| PUMP WATER* | | 30 AC. IN. | | | |
| SUBTOTAL | | | \$114.11 | | \$114.11 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC | 155 HP | 0.14 HR | | \$1.05 | \$1.99 | \$0.65 | \$2.06 | \$5.75 |
| PLOW | 155 HP | 0.48 HR | | \$3.60 | \$6.83 | \$2.60 | \$9.57 | \$22.61 |
| DISC (2X) | 155 HP | 0.28 HR | | \$2.10 | \$3.99 | \$1.29 | \$4.12 | \$11.50 |
| FLOAT (2X) | 93 HP | 0.32 HR | | \$2.40 | \$3.30 | \$2.83 | \$1.30 | \$9.83 |
| LISTER | 155 HP | 0.12 HR | | \$0.90 | \$1.71 | \$0.50 | \$2.81 | \$5.92 |
| PLANTER | 155 HP | 0.17 HR | | \$1.28 | \$2.42 | \$1.53 | \$7.52 | \$12.74 |
| ROLLING CULT. (4X) | 93 HP | 0.52 HR | | \$3.90 | \$5.36 | \$5.50 | \$3.92 | \$18.68 |
| HAND HOE (CUSTOM) | | | \$25.00 | | | | | \$25.00 |
| IRRIGATE (6X) | | 3.00 HR | | \$20.25 | \$52.80 | \$1.20 | \$15.58 | \$89.84 |
| SUBTOTAL | | 5.03 HR | \$25.00 | \$35.48 | \$78.40 | \$16.10 | \$46.88 | \$201.86 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|---------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| COTTON STRIPPER | 93 HP | 0.62 HR | | \$4.65 | \$6.39 | \$7.64 | \$10.80 | \$29.47 |
| HAUL | 93 HP | 1.00 HR | | \$7.50 | \$10.30 | \$9.07 | \$5.75 | \$32.62 |
| GIN COTTON (CUSTOM) | | | \$147.17 | | | | | \$147.17 |
| SUBTOTAL | | 1.62 HR | \$147.17 | \$12.15 | \$16.69 | \$16.70 | \$16.55 | \$209.26 |

| POST HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-------------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| SHREDDER | 93 HP | 0.29 HR | | \$2.18 | \$2.99 | \$2.71 | \$2.61 | \$10.48 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|----------------|-------------|---------|---------------|-----------------|
| DOWNTIME | 0.91 HR | | \$6.79 | | | | \$6.79 |
| EMPLOYEE BENEFITS | | | \$8.57 | | | | \$8.57 |
| INSURANCE | | \$0.95 | | | | | \$0.95 |
| LAND TAXES | | | | | | \$3.01 | \$3.01 |
| SUPERVISION AND MANAGEMENT | | | \$46.07 | | | | \$46.07 |
| OTHER EXPENSES | | \$60.16 | | | | | \$60.16 |
| SUBTOTAL | 0.91 HR | \$61.11 | \$61.43 | | | \$3.01 | \$125.55 |

| | | | | | | | |
|---------------------------------|----------------|-----------------|-----------------|----------------|----------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | 7.85 HR | \$347.39 | \$111.23 | \$98.08 | \$35.51 | \$69.05 | \$661.26 |
|---------------------------------|----------------|-----------------|-----------------|----------------|----------------|----------------|-----------------|

| | | | | | | | |
|-----------------------------|--|--|--|--|--|--|------------------|
| NET OPERATING PROFIT | | | | | | | (\$90.01) |
|-----------------------------|--|--|--|--|--|--|------------------|

| | | | | | | | |
|----------------------------------|---------------------|--|--|--|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (\$83.46 @ 6.50%) | | | | | | \$5.43 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$25.29 |

| | | | | | | | |
|--------------------------------|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | (\$120.72) |
|--------------------------------|--|--|--|--|--|--|-------------------|

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

| | | | |
|--------------------------------|----------|-------------------|---|
| GROSS RETURN | | \$571.25 | |
| VARIABLE OPERATING EXPENSES | \$480.98 | | |
| RETURN OVER VARIABLE EXPENSES | | \$90.27 | (GROSS MARGIN) |
| FIXED EXPENSES | \$69.05 | | |
| NET FARM INCOME | | \$21.22 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$111.23 | | |
| NET OPERATING PROFIT | | (\$90.01) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$30.71 | | |
| RETURN TO LAND AND RISK | | (\$120.72) | |

TABLE 11. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County Projected 2004.

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$4.03 | 50.00 CWT | | \$201.50 |
| DIRECT PAYMENT | \$0.35 | 50.00 CWT | 0.85 | \$14.88 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$13.00 | 1.00 ACRE | | \$13.00 |
| TOTAL | | | | \$229.38 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-----------------------|---------|------------|------------------|---------------|----------------|
| SEED | \$1.04 | 12 LBS | \$12.48 | | \$12.48 |
| ANHYDROUS (NH3) | \$0.23 | 150 LBS | \$33.75 | | \$33.75 |
| NITROGEN (N) | \$0.29 | 18 LBS | \$5.22 | | \$5.22 |
| PHOSPHATE (P2O5) | \$0.20 | 46 LBS | \$9.20 | | \$9.20 |
| INSECTICIDE | \$15.07 | 1 ACRE | \$15.07 | | \$15.07 |
| HERBICIDE | \$12.26 | 1 ACRE | \$12.26 | | \$12.26 |
| LIVESTOCK FAC & EQUIP | | | | \$5.00 | \$5.00 |
| PUMP WATER | | 36 AC. IN. | \$0.00 | | \$0.00 |
| CROP INSURANCE | \$1.96 | | | | \$1.96 |
| SUBTOTAL | | | \$87.98 | \$5.00 | \$94.94 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC | 155 HP | 0.14 HR | | \$1.05 | \$1.99 | \$0.65 | \$2.06 | \$5.75 |
| CHISEL | 155 HP | 0.20 HR | | \$1.50 | \$2.85 | \$0.63 | \$3.60 | \$8.57 |
| ANHYDROUS APPL | 155 HP | 0.20 HR | \$7.00 | \$1.50 | \$2.85 | \$0.59 | \$2.29 | \$14.22 |
| DISC & SPRAY | 155 HP | 0.19 HR | | \$1.43 | \$2.70 | \$1.17 | \$5.64 | \$10.94 |
| LISTER | 155 HP | 0.12 HR | | \$0.90 | \$1.71 | \$0.50 | \$2.81 | \$5.92 |
| PLANTER | 155 HP | 0.17 HR | | \$1.28 | \$2.42 | \$1.53 | \$7.52 | \$12.74 |
| ROLLING CULT (3X) | 93 HP | 0.39 HR | | \$2.93 | \$4.02 | \$4.13 | \$2.94 | \$14.01 |
| IRRIGATE (6X) | | 3.00 HR | | \$22.50 | \$63.37 | \$1.44 | \$18.70 | \$106.01 |
| SUBTOTAL | | 4.41 HR | \$7.00 | \$33.08 | \$81.90 | \$10.63 | \$45.55 | \$178.17 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|------------|---------------------|------------------|---------------|---------------|---------------|---------------|----------------|
| COMBINE (CUSTOM) | 14 FT SP | | \$15.00 | | | | | \$15.00 |
| SUBTOTAL | | 0.00 HR | \$15.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$15.00 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|----------------|-------------|---------|---------------|----------------|
| DOWNTIME | 1.10 HR | | \$8.27 | | | | \$8.27 |
| EMPLOYEE BENEFITS | | | \$5.95 | | | | \$5.95 |
| INSURANCE | | \$0.66 | | | | | \$0.66 |
| LAND TAXES | | | | | | \$3.01 | \$3.01 |
| SUPERVISION AND MANAGEMENT | | | \$18.26 | | | | \$18.26 |
| OTHER EXPENSES | | \$60.16 | | | | | \$60.16 |
| SUBTOTAL | 1.10 HR | \$60.82 | \$32.48 | | | \$3.01 | \$96.31 |

| | | | | | | | |
|---------------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | 5.51 HR | \$170.80 | \$65.56 | \$81.90 | \$10.63 | \$53.56 | \$384.42 |
|---------------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|

| | | | | | | | |
|-----------------------------|--|--|--|--|--|--|-------------------|
| NET OPERATING PROFIT | | | | | | | (\$155.04) |
|-----------------------------|--|--|--|--|--|--|-------------------|

| | | | | | | | |
|----------------------------------|---|---------|---|-------|---|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$70.60 | @ | 6.50% |) | | \$4.59 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$13.82 |

| | | | | | | | |
|--------------------------------|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | (\$173.45) |
|--------------------------------|--|--|--|--|--|--|-------------------|

BUDGET SUMMARY

| | | | |
|--------------------------------|----------|-------------------|---|
| GROSS RETURN | | \$229.38 | |
| VARIABLE OPERATING EXPENSES | \$263.34 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$33.96) | (GROSS MARGIN) |
| FIXED EXPENSES | \$53.56 | | |
| NET FARM INCOME | | (\$87.52) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$65.56 | | |
| NET OPERATING PROFIT | | (\$153.08) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$18.41 | | |
| RETURN TO LAND AND RISK | | (\$171.49) | |

TABLE 12. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2004.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | WHEAT | WHITE CORN | STRIPPER COTTON | GRAIN SORGHUM |
|----------------------------------|--------------------------|----------------|------------|---------------|--------------------|------------------|
| | | TONS | CWT | CWT | LBS | CWT |
| PRIMARY YIELD | | 5.00 | 20.00 | 70.00 | 720.00 | 50.00 |
| PRIMARY PRICE | | \$130.00 | \$6.25 | \$7.50 | \$0.50 | \$4.03 |
| GOVERNMENT PAYMENTS | | \$0.00 | \$8.84 | \$0.00 | \$124.85 | \$14.88 |
| SECOND INCOME | | \$15.00 | \$25.00 | \$20.00 | \$86.40 | \$13.00 |
| GROSS RETURN | | \$665.00 | \$158.84 | \$545.00 | \$571.25 | \$229.38 |
| CASH OPERATING EXPENSES | | | | | | |
| SEED | \$84.00 | | \$27.00 | \$21.25 | \$17.00 | \$12.48 |
| FERTILIZER | | \$93.80 | \$28.13 | \$71.83 | \$20.88 | \$48.17 |
| CHEMICALS | | | | \$57.52 | \$38.84 | \$27.33 |
| CROP INSURANCE | | | \$0.29 | | \$0.59 | \$1.96 |
| OTHER PURCHASED INPUTS | | \$0.16 | | | \$36.80 | |
| CANAL WATER | | | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$21.17 | \$23.59 | \$8.07 | \$17.87 | \$45.28 | \$18.54 |
| FUEL-IRRIGATION | \$10.56 | \$70.41 | \$44.00 | \$84.49 | \$52.80 | \$63.37 |
| REPAIRS | \$8.10 | \$42.84 | \$4.55 | \$12.10 | \$35.51 | \$10.63 |
| CUSTOM CHARGES | | | \$33.00 | \$44.25 | \$172.17 | \$22.00 |
| LAND TAXES | | \$3.01 | \$3.01 | \$3.01 | \$3.01 | \$3.01 |
| OTHER EXPENSES | \$0.33 | \$60.92 | \$60.59 | \$60.91 | \$61.11 | \$60.82 |
| TOTAL CASH EXPENSES | \$124.16 | \$294.73 | \$208.64 | \$373.23 | \$483.99 | \$268.31 |
| RETURN OVER CASH EXPENSES | (\$124.16) | \$370.27 | (\$49.80) | \$171.77 | \$87.26 | (\$38.93) |
| FIXED EXPENSES | \$31.11 | \$107.83 | \$27.94 | \$55.13 | \$66.04 | \$50.55 |
| TOTAL EXPENSES | \$155.27 | \$402.55 | \$236.57 | \$428.36 | \$550.03 | \$318.86 |
| NET FARM INCOME | (\$155.27) | \$262.45 | (\$77.73) | \$116.64 | \$21.22 | (\$89.49) |
| LABOR AND MANAGEMENT COSTS | \$33.27 | \$99.47 | \$40.27 | \$90.65 | \$111.23 | \$65.56 |
| NET OPERATING PROFIT | (\$188.53) | \$162.97 | (\$118.00) | \$25.99 | (\$90.01) | (\$155.04) |
| CAPITAL COSTS | | | | | | |
| INTEREST ON OPERATING CAPITAL | | \$4.61 | \$2.72 | \$6.75 | \$5.43 | \$4.59 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$21.11 | \$5.60 | \$13.92 | \$25.29 | \$13.82 |
| TOTAL CAPITAL COSTS | \$0.00 | \$25.72 | \$8.32 | \$20.67 | \$30.71 | \$18.41 |
| RETURN TO LAND AND RISK | (\$188.53) | \$137.25 | (\$126.32) | \$5.32 | (\$120.72) | (\$173.45) |

TABLE 13. Whole farm summary, Dell City area, Otero County,
Projected 2004.

| | | |
|----------------------------------|--------------|------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 280.00 ACRES | |
| CROP | | \$186,200 |
| WHEAT | 170.00 ACRES | |
| CROP | | \$21,250 |
| GRAZING | | \$4,250 |
| DIRECT PAYMENT | | \$1,503 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| WHITE CORN | 50.00 ACRES | |
| CROP | | \$26,250 |
| GRAZING | | \$1,000 |
| COTTON | 84.50 ACRES | |
| LINT | | \$30,420 |
| SEED | | \$7,301 |
| DIRECT PAYMENT | | \$1,735 |
| COUNTER CYCLICAL PAYMENT | | \$7,100 |
| GRAIN SORGHUM | 25.50 ACRES | |
| CROP | | \$5,138 |
| DIRECT PAYMENT | | \$379 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GRAZING | | \$332 |
| GROSS RETURN | | <u>\$292,858</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$12,111 |
| FERTILIZER | | \$37,630 |
| CHEMICALS | | \$6,855 |
| CROP INSURANCE | | \$150 |
| OTHER PURCHASED INPUTS | | \$3,155 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$14,355 |
| FUEL-IRRIGATION | | \$38,088 |
| REPAIRS | | \$17,100 |
| CUSTOM CHARGES | | \$22,932 |
| LAND TAXES | | \$1,834 |
| OTHER EXPENSES | | \$37,136 |
| TOTAL CASH EXPENSES | | <u>\$191,345</u> |
| RETURN OVER CASH EXPENSES | | \$101,513 |
| FIXED EXPENSES | | \$35,751 |
| TOTAL EXPENSES | | \$227,096 |
| NET FARM INCOME | | \$65,762 |
| LABOR AND MANAGEMENT COSTS | | \$52,163 |
| NET OPERATING PROFIT | | \$13,598 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$2,668 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$10,046 |
| TOTAL CAPITAL COSTS | | <u>\$12,714</u> |
| RETURN TO LAND AND RISK | | <u>\$884</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | (\$11,916) | 2.50% |
| \$750 /ACRE | (\$18,316) | 1.93% |
| \$1,000 /ACRE | (\$24,716) | 1.57% |
| \$1,250 /ACRE | (\$31,116) | 1.33% |
| \$1,500 /ACRE | (\$37,516) | 1.15% |

* 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)