

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

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

ACREAGE SUMMARY:	LAND USE (ACRES)
ALFALFA ESTABLISHMENT	6.00 *
ALFALFA	60.00
GRAIN SORGHUM	289.00
ARP	0.00
FLEX IN GRAIN SORGHUM	51.00
WHEAT	340.00
ARP	0.00
FLEX IN GRAIN SORGHUM	60.00
TOTAL	800.00

* DOUBLE-CROPPED

TABLE 2. Basic cost information for the San Jon-Nara Visa area, Quay County, Projected 2004.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Purchased Inputs:			
Seed:			
Alfalfa		\$/pound	\$2.80
Grain Sorghum		\$/pound	\$1.30
Wheat		\$/pound	\$0.18
Energy:			
Diesel fuel		\$/gallon	\$1.50
Gasoline		\$/gallon	\$1.45
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		\$38.00 /acre (full value)	\$0.31
Personal Property Tax Rate	-NR - R	\$/ \$1,000 (Assessed Value)	\$24.51 \$22.84
Supervision Factor		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for the San Jon-Nara Visa area, Quay County, Projected 2004.

Item			
Electricity (Domestic & Shop)		\$205.00 per month	\$2,460
Telephone		\$130.00 per month	\$1,560
Accounting & Legal			\$1,425
Misc. Supplies & Hand Tools			\$2,075
Pickup and Auto			
miles	20,600	@ \$0.365 per mile	\$7,519
Insurance			
- general liability (non-employee)			\$1,355
- fire/theft			\$1,145
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$545
Building repairs and maintenance			\$900
Dues, fees, publications			\$425
Farmstead Equipment			\$185
		Total	\$19,594
		Total per planted acre	\$24.49

TABLE 4. Equipment summary for an 800 acre dryland farm, San Jon-Nara Visa, Quay 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	95 HP	277	1	\$19,045	\$2,957	\$976	\$10.66	\$3.52	\$1,430	\$175	\$5.79
TRACTOR	165 HP	183	1	\$25,350	\$2,484	\$1,408	\$13.55	\$7.68	\$4,652	\$285	\$26.92
COMBINE	145 HP	104	1	\$35,240	\$1,298	\$2,244	\$12.53	\$21.66	\$7,600	\$466	\$77.86
GRAIN HEAD	22 FT	104	1	\$3,600		\$148	\$0.00	\$1.43	\$501	\$31	\$5.14
SWATHER	14 FT SP	29	1	\$3,900	\$162	\$50	\$5.62	\$1.74	\$1,450	\$118	\$54.46
TRUCK	2 TON	104	1	\$22,000	\$987	\$866	\$9.53	\$8.36	\$4,400	\$180	\$44.21
ROD WEED	23 FT	87	1	\$625		\$47	\$0.00	\$0.54	\$83	\$5	\$1.02
ROLLING CULTIVATOR	6 ROW	104	1	\$3,000		\$178	\$0.00	\$1.71	\$400	\$25	\$4.08
DRILL 13 FT	13 FT	31	1	\$2,150		\$95	\$0.00	\$3.05	\$430	\$18	\$14.37
LISTER/PLANTER	6 ROW	72	1	\$5,000		\$770	\$0.00	\$10.70	\$1,000	\$41	\$14.46
BALER PTO	2 WIRE	38	1	\$1,600		\$26	\$0.00	\$0.69	\$385	\$31	\$11.02
SWEEP	19 FT	129	1	\$2,500		\$181	\$0.00	\$1.40	\$333	\$20	\$2.74
				\$124,010	\$7,888	\$6,990			\$22,666	\$1,395	

TABLE 5. 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, Projected 2004.
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$2.80	10 LBS	\$28.00					\$28.00
WHEAT SEED	\$0.18	30 LBS	\$5.40					\$5.40
SUBTOTAL			\$33.40					\$33.40
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.76	\$1.35	\$0.91	\$2.97	\$5.98
RODWEEDER	96 HP	0.08 HR		\$0.60	\$0.85	\$0.32	\$0.54	\$2.33
DRILL WHEAT	96 HP	0.09 HR		\$0.68	\$0.96	\$0.59	\$1.81	\$4.04
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.04	\$3.17	\$1.82	\$5.33	\$16.85
OVERHEAD EXPENSES								
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	\$4.56				\$4.60
TOTAL OPERATING EXPENSES		0.34 HR	\$37.94	\$6.60	\$3.17	\$1.82	\$5.33	\$54.86

TABLE 6. 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, Projected 2004.
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALF/FA HAY	\$120.00	3.00 TONS (IN FIELD)						\$360.00
GRAZING	\$12.00	1.00 ACRE						\$12.00
TOTAL								\$372.00
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE	\$0.36	26 LBS	\$9.26					\$9.26
ESTABLISHMENT: Principal		6 YEARS					\$9.14	\$9.14
: Interest							\$1.98	\$1.98
SUBTOTAL			\$9.26				\$11.12	\$20.38
HARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	14 FT SP	0.48 HR		\$3.62	\$2.70	\$0.84	\$26.14	\$33.30
BALER (3X)	96 HP	0.63 HR		\$4.76	\$6.72	\$2.65	\$10.59	\$24.71
SUBTOTAL		1.11 HR		\$8.38	\$9.41	\$3.49	\$36.73	\$58.01
OVERHEAD EXPENSES								
DOWNTIME		0.28 HR		\$2.10				\$2.10
EMPLOYEE BENEFITS				\$1.51				\$1.51
INSURANCE			\$0.17					\$0.17
LAND TAXES							\$0.31	\$0.31
SUPERVISION AND MANAGEMENT				\$26.60				\$26.60
OTHER EXPENSES			\$24.49					\$24.49
SUBTOTAL		0.28 HR		\$24.66	\$30.20		\$0.31	\$55.17
TOTAL OPERATING EXPENSES		1.39 HR		\$33.92	\$38.58	\$9.41	\$48.16	\$133.55
NET OPERATING PROFIT								\$238.45
INTEREST ON OPERATING CAPITAL		(\$5.70 @	6.50%)				\$0.37
INTEREST ON EQUIPMENT INVESTMENT								\$25.70
RETURN TO LAND AND RISK								\$212.37
BUDGET SUMMARY								
GROSS RETURN		\$372.00						
VARIABLE OPERATING EXPENSES	\$46.82							
RETURN OVER VARIABLE EXPENSES	\$325.18	(GROSS MARGIN)						
FIXED EXPENSES	\$48.16							
NET FARM INCOME	\$277.03	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$38.58							
NET OPERATING PROFIT	\$238.45	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$26.08							
RETURN TO LAND AND RISK		\$212.37						

TABLE 7. 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, Projected 2004.
 Planting dates: June 1 - July 4
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$4.03	15.00 CWT		\$60.45
DIRECT PAYMENT	\$0.35	15.00 CWT	0.85	\$4.46
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$5.00	1.00 ACRE		\$5.00
TOTAL				\$69.91

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.30	3 LBS	\$3.25		\$3.25
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
SUBTOTAL			\$18.44		\$18.44

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.76	\$1.35	\$0.91	\$2.97	\$5.98
ROD WEED	96 HP	0.08 HR		\$0.60	\$0.85	\$0.32	\$0.54	\$2.33
LISTER/PLANTER	96 HP	0.18 HR		\$1.36	\$1.92	\$2.56	\$3.64	\$9.48
CULTIVATOR (2X)	96 HP	0.26 HR		\$1.96	\$2.77	\$1.36	\$2.57	\$8.66
SUBTOTAL		0.62 HR		\$4.68	\$6.90	\$5.15	\$9.72	\$26.45

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.06	\$1.75	\$3.23	\$11.10	\$17.14
HAUL	2 TON	0.14 HR		\$1.06	\$1.33	\$1.17	\$6.19	\$9.75
SUBTOTAL		0.28 HR		\$2.11	\$3.09	\$4.40	\$17.29	\$26.89

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.23 HR		\$1.70				\$1.70
EMPLOYEE BENEFITS				\$1.53				\$1.53
INSURANCE			\$0.14					\$0.14
LAND TAXES							\$0.31	\$0.31
SUPERVISION AND MANAGEMENT				\$5.34				\$5.34
OTHER EXPENSES			\$24.49					\$24.49
SUBTOTAL		0.23 HR	\$24.63	\$8.57			\$0.31	\$33.51

TOTAL OPERATING EXPENSES 1.35 HR \$27.88 \$15.37 \$9.99 \$9.55 \$27.32 \$90.10

NET OPERATING PROFIT (\$20.19)

INTEREST ON OPERATING CAPITAL (\$12.86 @ 6.50%) \$0.84
 INTEREST ON EQUIPMENT INVESTMENT \$12.58

RETURN TO LAND AND RISK (\$33.61)

BUDGET SUMMARY

GROSS RETURN		\$69.91	
VARIABLE OPERATING EXPENSES	\$47.42		
RETURN OVER VARIABLE EXPENSES	\$22.49	(GROSS MARGIN)	
FIXED EXPENSES	\$27.32		
NET FARM INCOME		(\$4.83)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$15.37		
NET OPERATING PROFIT		(\$20.19)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.42		
RETURN TO LAND AND RISK		(\$33.61)	

TABLE 8. Wheat, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2004.
 Planting dates: September 1 - September 15
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
WHEAT	\$3.75	14.00	BUSHEL					\$52.50	
DIRECT PAYMENT	\$0.52	14.00	BUSHEL	0.85				\$6.19	
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00	
GRAZING	\$2.00	1.00	ACRE					\$2.00	
TOTAL								\$60.69	
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST		TOTAL		
SEED	\$0.18	25	LBS	\$4.50				\$4.50	
CROP INSURANCE	\$0.15			\$0.15				\$0.15	
SUBTOTAL				\$4.65				\$4.65	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEP (2X)	145 HP	0.26	HR		\$1.96	\$3.52	\$2.36	\$7.71	
RODWEED	145 HP	0.16	HR		\$1.21	\$2.17	\$1.32	\$4.47	
DRILL	96 HP	0.09	HR		\$0.68	\$0.96	\$0.59	\$1.81	
SUBTOTAL					\$3.85	\$6.65	\$4.27	\$14.00	\$28.76
HARVEST OPERATIONS									
COMBINE	22 FT	0.14	HR		\$1.06	\$1.75	\$3.23	\$11.62	
HAUL	2 TON	0.14	HR		\$1.06	\$1.33	\$1.17	\$6.19	
SUBTOTAL					\$2.11	\$3.09	\$4.40	\$17.81	\$27.41
OVERHEAD EXPENSES									
DOWNTIME		0.20	HR		\$0.74			\$0.74	
EMPLOYEE BENEFITS					\$0.89			\$0.89	
INSURANCE				\$0.12				\$0.12	
LAND TAXES							\$0.31	\$0.31	
SUPERVISION AND MANAGEMENT				\$3.03				\$3.03	
OTHER EXPENSES				\$24.49				\$24.49	
SUBTOTAL					\$24.61	\$4.67	\$0.31	\$29.59	
TOTAL OPERATING EXPENSES			0.99	HR	\$29.11	\$10.63	\$9.74	\$8.67	\$32.12
NET OPERATING PROFIT								(\$29.58)	
INTEREST ON OPERATING CAPITAL		(\$5.68	@	6.50%)		\$0.37	
INTEREST ON EQUIPMENT INVESTMENT								\$13.72	
RETURN TO LAND AND RISK								(\$43.67)	
BUDGET SUMMARY									
GROSS RETURN								\$60.69	
VARIABLE OPERATING EXPENSES	\$47.52								
RETURN OVER VARIABLE EXPENSES		\$13.17	(GROSS MARGIN)						
FIXED EXPENSES	\$32.12								
NET FARM INCOME		(\$18.95)	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$10.63								
NET OPERATING PROFIT		(\$29.58)	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$14.09								
RETURN TO LAND AND RISK		(\$43.67)							

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County, Projected 2004.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		3.00	15.00	14.00
PRIMARY PRICE		\$120.00	\$4.03	\$3.75
GOVERNMENT PAYMENTS		\$0.00	\$4.46	\$6.19
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$372.00	\$69.91	\$60.69
CASH OPERATING EXPENSES				
SEED	\$28.00		\$3.25	\$4.50
FERTILIZER	\$5.40			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.04	\$9.42	\$0.14	\$0.12
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$3.17	\$9.41	\$9.99	\$9.74
FUEL-IRRIGATION				
REPAIRS	\$1.82	\$3.49	\$9.55	\$8.67
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.31	\$0.31	\$0.31
OTHER EXPENSES		\$24.49	\$24.49	\$24.49
TOTAL CASH EXPENSES	\$42.93	\$47.13	\$47.85	\$47.98
RETURN OVER CASH EXPENSES	(\$42.93)	\$324.87	\$22.06	\$12.71
FIXED EXPENSES	\$5.33	\$47.85	\$27.01	\$31.81
TOTAL EXPENSES	\$48.26	\$94.97	\$74.86	\$79.78
NET FARM INCOME	(\$48.26)	\$277.03	(\$4.95)	(\$19.09)
LABOR AND MANAGEMENT COSTS	\$6.60	\$38.58	\$15.37	\$10.63
NET OPERATING PROFIT	(\$54.86)	\$238.45	(\$20.32)	(\$29.73)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$0.37	\$0.84	\$0.37
INTEREST ON EQUIPMENT INVESTMENT		\$25.70	\$12.58	\$13.72
TOTAL CAPITAL COSTS	\$0.00	\$26.08	\$13.42	\$14.09
RETURN TO LAND AND RISK	(\$54.86)	\$212.37	(\$33.74)	(\$43.82)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,
Projected 2004.

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$21,600
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$24,180
GRAZING		\$2,000
DIRECT PAYMENT		\$1,290
WHEAT	340.00 ACRES	
CROP		\$17,850
GRAZING		\$680
DIRECT PAYMENT		\$2,104
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$70,424</u>
CASH OPERATING EXPENSES		
SEED		\$2,998
FERTILIZER		\$32
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$661
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,888
FUEL-IRRIGATION		\$0
REPAIRS		\$6,990
CUSTOM CHARGES		\$27
LAND TAXES		\$248
OTHER EXPENSES		\$19,594
TOTAL CASH EXPENSES		<u>\$38,538</u>
RETURN OVER CASH EXPENSES		\$31,885
FIXED EXPENSES		\$23,972
TOTAL EXPENSES		<u>\$62,510</u>
NET FARM INCOME		\$7,913
LABOR AND MANAGEMENT COSTS		\$12,116
NET OPERATING PROFIT		(\$4,202)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$482
INTEREST ON EQUIPMENT INVESTMENT		\$11,241
TOTAL CAPITAL COSTS		<u>\$11,723</u>
RETURN TO LAND AND RISK		<u>(\$15,926)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$20,726)	-1.72%
\$300 /ACRE	(\$25,526)	-1.15%
\$450 /ACRE	(\$30,326)	-0.87%
\$600 /ACRE	(\$35,126)	-0.70%
\$750 /ACRE	(\$39,926)	-0.58%
\$900 /ACRE	(\$44,726)	-0.50%

* 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)