

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

BUDGET AREA..... BLACKWATER DRAW AREA, ROOSEVELT COUNTY			
FARM SIZE..... 960 ACRES			
IRRIGATION TYPE..... SPRINKLER			
NUMBER OF CROPS... 4			
		WATER USE	
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	25.00 *	9	225
ALFALFA	125.00	30	3,750
WHEAT	212.50	18	3,825
ARP	0.00		
FLEX IN CORN	37.50	30	1,125
CORN	106.25	30	3,188
ARP	0.00		
FLEX IN CORN	18.75	30	563
PEANUTS	250.00	22	5,500
CORNERS, HOMESTEAD	210.00		
TOTAL	960.00		18,175
ACRE FEET PER ACRE OF WATER RIGHTS			1.58

* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Blackwater Draw area, Roosevelt County, Projected 2004.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.75
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.29
Phosphate (P205)	\$/pound	\$0.20
Seed:		
Wheat	\$/pound	\$0.18
Corn	\$/bag	\$85.00
Alfalfa	\$/pound	\$2.80
Peanuts	\$/pound	\$0.85
Energy:		
Natural gas (Gas NM)	\$/MCF	\$3.28
Diesel fuel	\$/gallon	\$1.50
Gasoline	\$/gallon	\$1.45
Electricity (SWPS)	cents/KwHr	6.32
LP Gas	\$/gallon	\$1.21
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	\$89.00 /acre (full value)	\$0.66
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$22.31 \$18.21
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 Blackwater Draw area, Roosevelt County, Projected 2004.

Item		
Electricity (Domestic & Shop)		\$360.00 per month \$4,320
Telephone		\$160.00 per month \$1,920
Accounting & Legal		\$2,480
Misc. Supplies & Hand Tools		\$3,400
Pickup and Auto		
miles	25,750 @	\$0.365 per mile \$9,399
Insurance		
- general liability (non-employee)		\$2,215
- fire/theft		\$1,775
Property Taxes		
- non-planted land		\$10
- other than land & machinery		\$880
Building repairs and maintenance		\$1,355
Dues, fees, publications		\$400
Farmstead Equipment		\$260
Total		\$28,414
Total Per Planted Acre		\$37.89

TABLE 4. Pumping costs and data for irrigation wells, Blackwater Draw area, Roosevelt County
Projected 2004.

INPUT DATA	
DELIVERY PSI:	
SPRINKLER	40
	DEPTH CHARACTERISTICS:
	STATIC.....
	DRAW DOWN.....
	TOTAL HEAD.....
	CASING.....
GALLONS PER MINUTE (GPM)	850
WORK HORSEPOWER	49
EFFICIENCY FACTOR:	
ELECTRICITY	0.430
NATURAL GAS	0.126
LP GAS	0.126
DIESEL	0.130
FUEL COST PER HOUR:	
ELECTRICITY	6.32 CENTS/Kwhr
NATURAL GAS	\$3.28 \$/MCF
LP GAS	\$1.21 \$/GAL
DIESEL	\$1.50 \$/GAL

PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR	\$5.38
COST PER ACRE INCH	\$2.87
NATURAL GAS:	
COST PER HOUR	\$3.58
COST PER ACRE INCH	\$1.90
LP GAS WELL:	
COST PER HOUR	\$13.02
COST PER ACRE INCH	\$6.93
DIESEL WELL:	
COST PER HOUR	\$10.15
COST PER ACRE INCH	\$5.41

TABLE 5. Equipment summary for a 960 acre, sprinkler-irrigated farm with above average management, Blackwater Draw area:
Projected 2004.

EQUIPMENT	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS			
				FUEL, OIL, LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR	140 HP, M4WD	487	1	\$13,188	\$5,733	\$4,794	\$11.78	\$9.85	\$3,493	\$195	\$7.58
TRACTOR	185 HP, M4WD	766	1	\$38,035	\$11,921	\$7,436	\$15.57	\$9.71	\$5,995	\$334	\$8.27
PLANTER	8 ROW	50	1	\$5,500		\$495		\$10.01	\$1,100	\$41	\$23.05
ROLL-PACKER	12 FT	43	1	\$1,000		\$11		\$0.26	\$143	\$7	\$3.54
CULTIVATOR	8 ROW	131	1	\$3,200		\$235		\$1.79	\$427	\$24	\$3.43
DISC	21 FT	129	1	\$6,000		\$433		\$3.36	\$800	\$45	\$6.56
CHISEL	21 FT	83	1	\$1,650		\$82		\$0.99	\$220	\$12	\$2.82
FLOAT	12 FT	5	1	\$500		\$0		\$0.02	\$53	\$3	\$11.85
DRILL	21 FT	24	1	\$4,500		\$135		\$5.67	\$900	\$33	\$39.30
LISTER	8 ROW	111	1	\$3,200		\$203		\$1.82	\$427	\$24	\$4.04
PLOW (MOLDBOARD)	5-14 IN	127	1	\$5,100		\$362		\$2.86	\$680	\$38	\$5.66
RAKE		50	1	\$3,400		\$139		\$2.79	\$340	\$25	\$7.31
FERT SPREADER DLR FRN		0	0	\$0		\$0		\$0.00	\$0	\$0	\$0.00
SPRAYER (MTD)		60	1	\$7,500		\$162		\$2.70	\$2,500	\$56	\$42.60
DIG AND INVERT	4 ROW	13	1	\$625		\$7		\$0.54	\$83	\$5	\$6.77
ROD WEEDER	8 ROW	100	1	\$3,900	\$562	\$493	\$5.62	\$4.93	\$1,450	\$108	\$15.58
SWATHER	14 FT SP	44	1	\$41,720		\$76		\$1.74	\$5,812	\$324	\$140.25
BALER	1 TON	156	1	\$2,550		\$0		\$0.00	\$255	\$19	\$1.75
FRONT END LOADER (MTD)		200	1	\$15,000		\$0		\$0.00	\$2,000	\$112	\$10.56
PEANUT THRASHER		93	4	\$6,000		\$17		\$0.18	\$800	\$45	\$9.13
PEANUT TRAILER		9,677	7	\$105,000	\$306	\$8,758	\$0.03	\$0.91	\$14,000	\$781	\$1.53
CENTER PIVOT SPRINKLER		9,677	6	\$94,500	\$52,101	\$876	\$5.38	\$0.09	\$9,450	\$703	\$1.05
ELECTRIC WELL											
				\$362,068	\$70,623	\$24,714			\$50,928	\$2,933	

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Roosevelt County
 Projected 2004.
 Planting Dates: August 15 - August 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	\$2.80	20 LBS		\$56.00				\$56.00
NITROGEN (N)	\$0.29	40 LBS		\$11.60				\$11.60
PHOSPHATE (P2O5)	\$0.20	60 LBS		\$12.00				\$12.00
PUMP WATER*		9 AC. IN.						
SUBTOTAL				\$79.60				\$79.60
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.09 HR		\$0.68	\$1.40	\$1.18	\$1.33	\$4.59
PLOW	185 HP	0.29 HR		\$2.19	\$4.51	\$3.64	\$4.04	\$14.39
FLOAT	140 HP	0.19 HR		\$1.43	\$2.24	\$1.87	\$3.69	\$9.24
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.59	\$0.49	\$0.38	\$1.84
DISC	185 HP	0.09 HR		\$0.68	\$1.40	\$1.18	\$1.33	\$4.59
PRE-IRRIGATE		0.10 HR		\$0.68	\$8.65	\$1.59	\$4.12	\$15.03
DRILL	140 HP	0.10 HR		\$0.76	\$1.18	\$1.55	\$4.69	\$8.17
IRRIGATE (2X)		0.20 HR		\$1.35	\$17.30	\$3.18	\$8.23	\$30.06
SUBTOTAL		1.11 HR		\$8.14	\$37.27	\$14.69	\$27.81	\$87.91
OVERHEAD EXPENSES								
DOWNTIME		0.19 HR		\$1.43				\$1.43
EMPLOYEE BENEFITS				\$1.47				\$1.47
INSURANCE			\$0.16					\$0.16
SUPERVISION AND MANAGEMENT				\$6.28				\$6.28
SUBTOTAL		0.19 HR	\$0.16	\$9.18				\$9.34
TOTAL OPERATING EXPENSES		1.30 HR	\$79.76	\$17.32	\$37.27	\$14.69	\$27.81	\$176.85

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County Projected 2004.

Harvest Dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
HAY	\$130.00	7.00 TONS (STACKED)						\$910.00	
GRAZING	\$50.00	1.00 ACRE						\$50.00	
TOTAL								\$960.00	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
PHOSPHATE (P2O5)	\$0.20	150 LBS	\$30.00					\$30.00	
PLASTIC TWINE	\$19.15	1,190 FT	\$5.70					\$5.70	
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01					\$20.01	
HERBICIDE (CUSTOM)	\$16.96	1 X/ACRE	\$16.96					\$16.96	
ESTABLISHMENT: Principal		5 YEARS					\$35.37	\$35.37	
ESTABLISHMENT: Interest							\$6.06	\$6.06	
PUMP WATER*		30 AC. IN.							
SUBTOTAL			\$72.66				\$41.43	\$114.09	
PREHARVEST OPERATIONS									
PURCHASED INPUTS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE		1.00 HR		\$6.75	\$86.50	\$15.90	\$41.16	\$150.31	
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.59	\$0.49	\$0.38	\$1.84	
SUBTOTAL			1.05 HR	\$7.13	\$87.09	\$16.39	\$41.53	\$152.15	
HARVEST OPERATIONS									
SWATHER (5X)	S.P.	0.80 HR		\$6.04	\$4.49	\$3.94	\$12.46	\$26.94	
RAKE (5X)	140 HP	0.40 HR		\$3.02	\$4.71	\$5.06	\$5.95	\$18.74	
BALER (5X)	185 HP	0.35 HR		\$2.64	\$5.45	\$4.01	\$51.98	\$64.08	
FRONT END LOADER (5X)	140 HP	1.25 HR		\$9.44	\$14.73	\$12.31	\$11.67	\$48.14	
SUBTOTAL			2.80 HR	\$0.00	\$21.14	\$29.38	\$25.32	\$82.06	\$157.90
OVERHEAD EXPENSES									
DOWNTIME		0.70 HR		\$5.29				\$5.29	
EMPLOYEE BENEFITS				\$5.09				\$5.09	
INSURANCE			\$0.14					\$0.14	
LAND TAXES							\$0.66	\$0.66	
SUPERVISION AND MANAGEMENT				\$69.63				\$69.63	
OTHER EXPENSES			\$37.89					\$37.89	
SUBTOTAL			0.70 HR	\$38.03	\$80.00			\$0.66	\$118.69
TOTAL OPERATING EXPENSES		4.55 HR	\$110.69	\$108.27	\$116.47	\$41.72	\$165.69	\$542.83	
NET OPERATING PROFIT								\$417.17	
INTEREST ON OPERATING CAPITAL		(\$66.76	@	6.50%)			
INTEREST ON EQUIPMENT INVESTMENT								\$43.88	
RETURN TO LAND AND RISK								\$368.95	

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

BUDGET SUMMARY

GROSS RETURN		\$960.00	
VARIABLE OPERATING EXPENSES	\$268.88		
RETURN OVER VARIABLE EXPENSES	\$691.12	(GROSS MARGIN)	
FIXED EXPENSES	\$165.69		
NET FARM INCOME	\$525.43	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$108.27		
NET OPERATING PROFIT	\$417.17	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$48.22		
RETURN TO LAND AND RISK	\$368.95		

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt Count
 Projected 2004.
 Planting Dates: August 20 - September 1st
 Harvest Dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$3.75	40.00 BUSHEL		\$150.00
DIRECT PAYMENT	\$0.52	40.00 BUSHEL	0.85	\$17.68
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$0.00	1.00 ACRE		\$0.00
TOTAL				\$167.68

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.18	120 LBS	\$21.60		\$21.60
NITROGEN (N)	\$0.29	120 LBS	\$34.80		\$34.80
PHOSPHATE (P2O5)	\$0.20	40 LBS	\$8.00		\$8.00
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01		\$20.01
PUMP WATER*		18 AC. IN.			
CROP INSURANCE	\$0.24		\$0.24		\$0.24
SUBTOTAL			\$84.64		\$84.64

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
BROADCAST (CUSTOM)			\$4.00					\$4.00
IRRIGATE (17X)		0.85 HR		\$5.74	\$51.90	\$9.54	\$24.69	\$91.87
SUBTOTAL		0.85 HR	\$4.00	\$5.74	\$51.90	\$9.54	\$24.69	\$95.87

HARVEST OPERATIONS

COMBINE (CUSTOM)			\$2.17					\$2.17
HAUL (CUSTOM)			\$6.40					\$6.40
SUBTOTAL			\$8.57					\$8.57

OVERHEAD EXPENSES

DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$1.03				\$1.03
INSURANCE			\$0.11					\$0.11
LAND TAXES							\$0.66	\$0.66
SUPERVISION AND MANAGEMENT				\$12.59				\$12.59
OTHER EXPENSES			\$37.89					\$37.89
SUBTOTAL		0.00 HR	\$38.00	\$13.62			\$0.66	\$52.28

TOTAL OPERATING EXPENSES 0.85 HR \$135.21 \$19.36 \$51.90 \$9.54 \$25.36 \$241.37

NET OPERATING PROFIT (\$73.69)

INTEREST ON OPERATING CAPITAL	(\$58.40	@	6.50%)			\$3.80
INTEREST ON EQUIPMENT INVESTMENT								\$3.56

RETURN TO LAND AND RISK (\$81.04)

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

BUDGET SUMMARY

GROSS RETURN		\$167.68		
VARIABLE OPERATING EXPENSES	\$196.65			
RETURN OVER VARIABLE EXPENSES		(\$28.97)	(GROSS MARGIN)	
FIXED EXPENSES	\$25.36			
NET FARM INCOME		(\$54.33)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$19.36			
NET OPERATING PROFIT		(\$73.69)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$7.36			
RETURN TO LAND AND RISK		(\$81.04)		

TABLE 9. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County Projected 2004.
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
CORN FOR GRAIN	\$4.38	84.00 CWT		\$367.92
DIRECT PAYMENT	\$0.28	84.00 CWT	0.85	\$19.99
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$15.00	1.00 ACRE		\$15.00
TOTAL				\$402.91

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.06	24 000	\$25.50		\$25.50
NITROGEN (N)	\$0.29	250 LBS	\$72.50		\$72.50
PHOSPHATE (P205)	\$0.20	80 LBS	\$16.00		\$16.00
POTASH (K20)	\$0.13	40 LBS	\$5.00		\$5.00
TRACE ELEMENTS	\$15.36	1 X/ACRE	\$15.36		\$15.36
HERBICIDE	\$21.24	1 X/ACRE	\$21.24		\$21.24
INSECTICIDE (CUSTOM)	\$24.65	1 X/ACRE	\$24.65		\$24.65
PUMP WATER*		30 AC. IN.			
CROP INSURANCE	\$0.31		\$0.31		\$0.31
SUBTOTAL			\$180.56		\$180.56

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	185 HP	0.18 HR		\$1.36	\$2.80	\$2.35	\$2.67	\$9.18
PLOW	185 HP	0.29 HR		\$2.19	\$4.51	\$3.64	\$4.04	\$14.39
CHISEL (2X)	185 HP	0.20 HR		\$1.51	\$3.11	\$2.51	\$2.78	\$9.92
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.59	\$0.49	\$0.38	\$1.84
PRE-IRRIGATE (3X)		0.30 HR		\$2.03	\$17.30	\$3.18	\$8.23	\$30.74
LISTER (3X)	185 HP	0.27 HR		\$2.04	\$4.20	\$3.11	\$3.32	\$12.68
ROD WEED	185 HP	0.08 HR		\$0.60	\$1.25	\$0.82	\$1.20	\$3.87
PLANTER	185 HP	0.12 HR		\$0.91	\$1.87	\$2.37	\$3.76	\$8.90
SAND FURROW (5X)	140 HP	0.50 HR		\$3.78	\$5.89	\$5.82	\$5.51	\$20.99
IRRIGATE (12X)		1.20 HR		\$8.10	\$69.20	\$12.72	\$32.92	\$122.95
SUBTOTAL		3.19 HR		\$22.88	\$110.73	\$37.03	\$64.82	\$235.46

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$29.40				\$29.40
HAUL (CUSTOM)				\$15.12				\$15.12
SUBTOTAL				\$44.52				\$44.52

OVERHEAD EXPENSES								
DOWNTIME		0.41 HR		\$3.10				\$3.10
EMPLOYEE BENEFITS				\$4.12				\$4.12
INSURANCE				\$0.46				\$0.46
LAND TAXES							\$0.66	\$0.66
SUPERVISION AND MANAGEMENT				\$30.55				\$30.55
OTHER EXPENSES				\$37.89				\$37.89
SUBTOTAL		0.41 HR		\$38.34	\$37.76		\$0.66	\$76.77

TOTAL OPERATING EXPENSES		3.60 HR		\$263.42	\$60.65	\$110.73	\$37.03	\$65.48	\$537.30
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NET OPERATING PROFIT									(\$134.39)
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INTEREST ON OPERATING CAPITAL	(\$130.93	@	6.50%)				\$8.51
INTEREST ON EQUIPMENT INVESTMENT									\$13.55

RETURN TO LAND AND RISK									(\$156.45)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$402.91			
VARIABLE OPERATING EXPENSES	\$411.18				
RETURN OVER VARIABLE EXPENSES		(\$8.26)	(GROSS MARGIN)		
FIXED EXPENSES	\$65.48				
NET FARM INCOME		(\$73.74)	(RETURN TO CAPITAL, LABOR, LAND & RISK)		
LABOR AND MANAGEMENT COST	\$60.65				
NET OPERATING PROFIT		(\$134.39)	(RETURN TO CAPITAL, LAND & RISK)		
CAPITAL COSTS	\$22.06				
RETURN TO LAND AND RISK		(\$156.45)			

TABLE 10. Peanuts, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, Projected 2004.

Planting Dates: May 10 - June 10
Harvest Dates: October 10 - November 10

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
PEANUTS	\$0.15	2,800.00 LBS	\$420.00
TOTAL			\$420.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED (PEANUT)	\$0.85	100 LB	\$85.00		\$85.00
NITROGEN (N)	\$0.29	70 LB	\$20.30		\$20.30
PHOSPHATE (P205)	\$0.20	80 LB	\$16.00		\$16.00
POTASH (K2O)	\$0.14	30 LB	\$4.05		\$4.05
TRACE ELEMENTS & MANURE	\$11.14	1 X/ACRE	\$41.14		\$41.14
HERBICIDE	\$21.18	1 X/ACRE	\$21.18		\$21.18
INSECTICIDE (CUSTOM)	\$16.96	1 X/ACRE	\$16.96		\$16.96
FUNGICIDE	\$109.57	1 X/ACRE	\$109.57		\$109.57
PUMP WATER		28 AC. IN.			
SUBTOTAL			\$314.20		\$314.20

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	185 HP	0.18 HR		\$1.36	\$2.80	\$2.35	\$2.67	\$9.18
PLOW	185 HP	0.29 HR		\$2.19	\$4.51	\$3.64	\$4.04	\$14.39
CHISEL (2X)	185 HP	0.20 HR		\$1.51	\$3.11	\$2.51	\$2.78	\$9.92
FERT SPREADER	140 HP	0.05 HR		\$0.38	\$0.59	\$0.49	\$0.38	\$1.84
SPRAY & DISC	185 HP	0.00 HR		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PRE-IRRIGATE		0.30 HR		\$2.03	\$24.19	\$3.50	\$9.05	\$38.77
LISTER	185 HP	0.27 HR		\$2.04	\$4.20	\$3.11	\$3.32	\$12.68
PLANTER	185 HP	0.12 HR		\$0.91	\$1.87	\$2.37	\$3.76	\$8.90
APPLY FUNGICIDE (CUSTOM)			\$27.00					\$27.00
CULTIVATOR (2X)	140 HP	0.20 HR		\$1.51	\$2.36	\$2.33	\$2.20	\$8.40
HAND HOE (CUSTOM)			\$10.00					\$10.00
IRRIGATE (7X)		0.70 HR		\$4.73	\$56.45	\$8.16	\$21.13	\$90.46
SUBTOTAL		2.31 HR	\$37.00	\$16.64	\$100.08	\$28.47	\$49.33	\$231.53
HARVEST OPERATIONS								
DIG AND INVERT	185 HP	0.24 HR		\$1.81	\$3.74	\$29.79	\$12.21	\$47.54
COMBINE PEANUTS	185 HP	0.80 HR		\$6.04	\$12.45	\$7.77	\$15.06	\$41.32
HAUL	140 HP	0.37 HR		\$2.79	\$4.36	\$3.71	\$6.18	\$17.05
SUBTOTAL		1.41 HR	\$0.00	\$10.65	\$20.55	\$41.27	\$33.45	\$105.91
OVERHEAD EXPENSES								
DOWNTIME		0.68 HR		\$5.13				\$5.13
EMPLOYEE BENEFITS				\$4.91				\$4.91
INSURANCE			\$0.55					\$0.55
LAND TAXES						\$0.66		\$0.66
SUPERVISION AND MANAGEMENT				\$31.76				\$31.76
OTHER EXPENSES			\$37.89					\$37.89
SUBTOTAL		0.68 HR	\$38.43	\$41.81		\$0.66		\$80.90
TOTAL OPERATING EXPENSES		4.40 HR	\$389.63	\$69.09	\$120.63	\$69.74	\$83.44	\$732.54
NET OPERATING PROFIT								(\$312.54)
INTEREST ON OPERATING CAPITAL		(\$194.39 @	6.50%)				\$12.64
INTEREST ON EQUIPMENT INVESTMENT								\$23.62
RETURN TO LAND AND RISK								(\$348.79)

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

BUDGET SUMMARY

GROSS RETURN		\$420.00	
VARIABLE OPERATING EXPENSES	\$580.00		
RETURN OVER VARIABLE EXPENSES		(\$160.00)	(GROSS MARGIN)
FIXED EXPENSES	\$83.44		
NET FARM INCOME		(\$243.45)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$69.09		
NET OPERATING PROFIT		(\$312.54)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$36.26		
RETURN TO LAND AND RISK		(\$348.79)	

TABLE 11. Summary of per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County Projected 2004.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	CORN	PEANUTS
		TONS	BU	CWT	LBS
PRIMARY YIELD		7.00	40.00	84.00	2,800.00
PRIMARY PRICE		\$130.00	\$3.75	\$4.38	\$0.15
GOVERNMENT PAYMENTS		\$0.00	\$17.68	\$19.99	\$0.00
SECOND INCOME		\$50.00	\$0.00	\$15.00	\$0.00
GROSS RETURN		\$960.00	\$167.68	\$402.91	\$420.00
CASH OPERATING EXPENSES					
SEED	\$56.00		\$21.60	\$25.50	\$85.00
FERTILIZER	\$23.60	\$30.00	\$42.80	\$108.86	\$40.35
CHEMICALS		\$36.97	\$20.01	\$45.89	\$147.71
CROP INSURANCE			\$0.24	\$0.31	
OTHER PURCHASED INPUTS					\$41.14
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$11.32	\$29.97	\$0.00	\$24.23	\$40.00
FUEL-IRRIGATION	\$25.95	\$86.50	\$51.90	\$86.50	\$80.64
REPAIRS	\$14.69	\$41.72	\$9.54	\$37.03	\$69.74
CUSTOM CHARGES			\$12.57	\$44.52	\$37.00
LAND TAXES	\$0.00	\$0.66	\$0.66	\$0.66	\$0.66
OTHER EXPENSES	\$0.16	\$38.03	\$38.00	\$38.34	\$38.43
TOTAL CASH EXPENSES	\$131.72	\$263.85	\$197.32	\$411.84	\$580.66
RETURN OVER CASH EXPENSES	(\$131.72)	\$696.15	(\$29.64)	(\$8.93)	(\$160.66)
FIXED EXPENSES	\$27.81	\$165.02	\$24.69	\$64.82	\$82.78
TOTAL EXPENSES	\$159.54	\$428.87	\$222.01	\$476.65	\$663.45
NET FARM INCOME	(\$159.54)	\$531.13	(\$54.33)	(\$73.74)	(\$243.45)
LABOR AND MANAGEMENT COSTS	\$17.32	\$108.27	\$19.36	\$60.65	\$69.09
NET OPERATING PROFIT	(\$176.85)	\$422.87	(\$73.69)	(\$134.39)	(\$312.54)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$0.00	\$4.34	\$3.80	\$8.51	\$12.64
INTEREST ON EQUIPMENT INVESTMENT	\$0.00	\$43.88	\$3.56	\$13.55	\$23.62
TOTAL CAPITAL COSTS	\$0.00	\$48.22	\$7.36	\$22.06	\$36.26
RETURN TO RISK	(\$176.85)	\$374.64	(\$81.04)	(\$156.45)	(\$348.79)

Flex Computation

-52.79

-78.08

TABLE 12. Whole farm summary, Blackwater Draw area, Roosevelt County,
Projected 2004.

GROSS RETURNS		
ALFALFA HAY	125.00 ACRES	
CROP		\$113,750
GRAZING		\$6,250
WHEAT	212.50 ACRES	
CROP		\$31,875
GRAZING		\$0
DIRECT PAYMENT		\$3,757
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	162.50 ACRES	
CROP		\$59,787
GRAZING		\$2,438
DIRECT PAYMENT		\$2,124
COUNTER CYCLICAL PAYMENT		\$0
PEANUTS	250.00 ACRES	
CROP		\$105,000
GROSS RETURN		<u>\$324,981</u>
CASH OPERATING EXPENSES		
SEED		\$31,384
FERTILIZER		\$41,212
CHEMICALS		\$53,257
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$10,284
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$17,965
FUEL-IRRIGATION		\$56,707
REPAIRS		\$31,061
CUSTOM CHARGES		\$19,156
LAND TAXES		\$496
OTHER EXPENSES		\$28,671
TOTAL CASH EXPENSES		<u>\$290,293</u>
RETURN OVER CASH EXPENSES		\$34,688
FIXED EXPENSES		\$53,377
TOTAL EXPENSES		\$343,670
NET FARM INCOME		(\$18,690)
LABOR AND MANAGEMENT COSTS		\$45,208
NET OPERATING PROFIT		(\$63,898)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$5,891
INTEREST ON EQUIPMENT INVESTMENT		\$14,349
TOTAL CAPITAL COSTS		<u>\$20,240</u>
RETURN TO RISK		<u>(\$84,138)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$103,338)	-7.59%
\$750 /ACRE	(\$112,938)	-5.91%
\$1,000 /ACRE	(\$122,538)	-4.83%
\$1,250 /ACRE	(\$132,138)	-4.09%
\$1,500 /ACRE	(\$141,738)	-3.55%
\$1,750 /ACRE	(\$151,338)	-3.13%
\$2,000 /ACRE	(\$160,938)	-2.80%

* 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)