

TABLE 1. Acreage Summary, Quay County,
Projected 2005.

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 2005.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.65
Purchased Inputs:		
Seed:		
Alfalfa	\$/pound	\$2.88
Grain Sorghum	\$/pound	\$1.23
Wheat	\$/pound	\$0.24
Energy:		
Diesel fuel	\$/gallon	\$2.10
Gasoline	\$/gallon	\$2.00
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	7.00%
Land Interest Rate	percent	7.00%
Equipment Interest Rate	percent	7.00%
Real Interest Rate	percent	3.00%
Land Taxes	\$38.00 /acre (full value)	\$0.33
Personal Property Tax Rate	-NR \$/ \$1,000 (Assessed Value)	\$25.67
	- R	\$24.63
Supervision Factor	\$/labor hour	\$1.00
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for the San Jon-Nara Visa area, Quay County,
Projected 2005.

Item		
Electricity (Domestic & Shop)	\$215.00 per month	\$2,580
Telephone	\$115.00 per month	\$1,380
Accounting & Legal		\$1,525
Misc. Supplies & Hand Tools		\$1,430
Pickup and Auto		
miles	20,019 @	\$0.365 per mile
Insurance		
- general liability (non-employee)		\$1,710
- fire/theft		\$1,525
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$0
Building repairs and maintenance		\$6,010
Dues, fees, publications		\$1,290
Farmstead Equipment		\$405
	Total	\$25,162
	Total per planted acre	\$31.45

TABLE 4. Equipment summary for an 800 acre dryland farm, San Jon-Nara Visa, Quay County, Projected 2005.

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	96 HP	277	1	\$9,473	\$3,548	\$575	\$12.79	\$2.07	\$1,152	\$148	\$4.68
TRACTOR	165 HP	183	1	\$39,492	\$3,453	\$988	\$18.83	\$5.39	\$5,985	\$384	\$34.73
COMBINE	145 HP	104	1	\$53,537	\$1,817	\$276	\$17.54	\$2.66	\$8,866	\$569	\$91.07
GRAIN HEAD	22 FT	104	1	\$3,600		\$16		\$0.15	\$501	\$32	\$5.15
SWATHER	14 FT SP	29	1	\$3,900	\$226	\$17	\$7.86	\$0.58	\$1,450	\$124	\$54.66
TRUCK	2 TON	104	1	\$22,000	\$1,382	\$638	\$13.34	\$6.16	\$4,400	\$188	\$44.29
ROD WEED	23 FT	87	1	\$625		\$67		\$0.78	\$83	\$5	\$1.02
ROLLING CULTIVATOR	6 ROW	104	1	\$2,000		\$258		\$2.48	\$267	\$17	\$2.73
DRILL 13 FT	13 FT	31	1	\$2,150		\$32		\$1.03	\$430	\$18	\$14.40
LISTER/PLANTER	6 ROW	72	1	\$3,400		\$118		\$1.63	\$680	\$29	\$9.85
BALER PTO	2 WIRE	38	1	\$1,400		\$5		\$0.12	\$150	\$13	\$4.31
SWEEP	19 FT	129	1	\$2,500		\$400		\$3.10	\$333	\$21	\$2.75
				\$134,604	\$10,427	\$3,388	\$70	\$26	\$24,298	\$1,550	

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 2005
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
ALFALFA SEED	\$2.88	10 LBS	\$28.80					\$28.80
WHEAT SEED	\$0.24	30 LBS	\$7.20					\$7.20
SUBTOTAL			\$36.00					\$36.00
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.75	\$1.88	\$0.85	\$3.75	\$7.22
RODWEEDER	96 HP	0.08 HR		\$0.60	\$1.02	\$0.23	\$0.46	\$2.30
DRILL WHEAT	96 HP	0.09 HR		\$0.67	\$1.15	\$0.28	\$1.72	\$3.82
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.01	\$4.06	\$1.36	\$5.92	\$17.85
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.07 HR		\$0.50				\$0.50
EMPLOYEE BENEFITS				\$0.36				\$0.36
INSURANCE			\$0.04					\$0.04
SUPERVISION AND MANAGEMENT				\$4.11				\$4.11
SUBTOTAL		0.07 HR	\$0.04	\$4.97				\$5.01
<u>TOTAL OPERATING EXPENSES</u>		0.34 HR	\$40.54	\$6.98	\$4.06	\$1.36	\$5.92	\$58.86

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 2005.
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALF/FA HAY	\$120.00	1.50 TONS (IN FIELD)	\$180.00
GRAZING	\$12.00	1.00 ACRE	\$12.00
TOTAL			\$192.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	\$2.20	13 LBS	\$28.28		\$28.28
: Interest		6 YEARS		\$9.81	\$9.81
				\$2.28	\$2.28
SUBTOTAL			\$28.28	\$12.09	\$40.37

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	14 FT SP	0.48 HR		\$3.58	\$3.77	\$0.28	\$26.23	\$33.86
BALER (3X)	96 HP	0.63 HR		\$4.69	\$8.06	\$1.38	\$5.66	\$19.80
SUBTOTAL		1.11 HR		\$8.27	\$11.83	\$1.66	\$31.90	\$53.66

OVERHEAD EXPENSES								
DOWNTIME		0.28 HR		\$2.07				\$2.07
EMPLOYEE BENEFITS				\$1.49				\$1.49
INSURANCE			\$0.17					\$0.17
LAND TAXES							\$0.33	\$0.33
SUPERVISION AND MANAGEMENT				\$14.55				\$14.55
OTHER EXPENSES			\$31.45					\$31.45
SUBTOTAL		0.28 HR	\$31.62	\$18.11			\$0.33	\$50.05

TOTAL OPERATING EXPENSES		1.39 HR	\$59.90	\$26.38	\$11.83	\$1.66	\$44.32	\$144.08
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NET OPERATING PROFIT								\$47.92
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INTEREST ON OPERATING CAPITAL	(\$15.26	@	7.00%)			\$1.07
INTEREST ON EQUIPMENT INVESTMENT								\$24.48

RETURN TO LAND AND RISK								\$22.37
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BUDGET SUMMARY			
GROSS RETURN		\$192.00	
VARIABLE OPERATING EXPENSES	\$73.39		
RETURN OVER VARIABLE EXPENSES		\$118.61	(GROSS MARGIN)
FIXED EXPENSES	\$44.32		
NET FARM INCOME		\$74.29	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$26.38		
NET OPERATING PROFIT		\$47.92	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$25.55		
RETURN TO LAND AND RISK		\$22.37	

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 2005.
 Planting dates: June 1 - July 4
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$3.70	16.00 CWT		\$59.14
DIRECT PAYMENT	\$0.00	16.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$5.00	1.00 ACRE		\$5.00
TOTAL				\$64.14

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.23	3 LBS	\$3.08		\$3.08
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
SUBTOTAL			\$18.27		\$18.27

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.75	\$1.88	\$0.85	\$3.75	\$7.22
ROD WEED	96 HP	0.08 HR		\$0.60	\$1.02	\$0.23	\$0.46	\$2.30
LISTER/PLANTER	96 HP	0.18 HR		\$1.34	\$2.30	\$0.67	\$2.62	\$6.93
CULTIVATOR (2X)	96 HP	0.26 HR		\$1.94	\$3.32	\$1.18	\$1.93	\$8.37
SUBTOTAL		0.62 HR		\$4.62	\$8.53	\$2.93	\$8.75	\$24.83

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.04	\$2.46	\$0.39	\$12.77	\$16.66
HAUL	2 TON	0.14 HR		\$1.04	\$1.87	\$0.86	\$6.20	\$9.97
SUBTOTAL		0.28 HR		\$2.09	\$4.32	\$1.26	\$18.97	\$26.64

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.23 HR		\$1.68				\$1.68
EMPLOYEE BENEFITS			\$1.51				\$1.51
INSURANCE		\$0.13					\$0.13
LAND TAXES						\$0.33	\$0.33
SUPERVISION AND MANAGEMENT			\$5.39				\$5.39
OTHER EXPENSES		\$31.45					\$31.45
SUBTOTAL	0.23 HR	\$31.59	\$8.57			\$0.33	\$40.49

TOTAL OPERATING EXPENSES 1.35 HR \$34.66 \$15.28 \$12.86 \$4.18 \$28.04 \$95.02

NET OPERATING PROFIT (\$30.88)

INTEREST ON OPERATING CAPITAL (\$12.46 @ 7.00%) \$0.87
 INTEREST ON EQUIPMENT INVESTMENT \$13.83

RETURN TO LAND AND RISK (\$45.58)

BUDGET SUMMARY

GROSS RETURN		\$64.14	
VARIABLE OPERATING EXPENSES	\$51.70		
RETURN OVER VARIABLE EXPENSES		\$12.44	(GROSS MARGIN)
FIXED EXPENSES	\$28.04		
NET FARM INCOME		(\$15.60)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$15.28		
NET OPERATING PROFIT		(\$30.88)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$14.70		
RETURN TO LAND AND RISK		(\$45.58)	

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 2005
 Planting dates: September 1 - September 15
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$3.75	14.00 BUSHELS		\$52.50
DIRECT PAYMENT	\$0.00	14.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$2.00	1.00 ACRE		\$2.00
TOTAL				\$54.50

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.24	25 LBS	\$6.00		\$6.00
CROP INSURANCE	\$0.15		\$0.15		\$0.15
SUBTOTAL			\$6.15		\$6.15

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$1.94	\$4.90	\$2.21	\$9.74	\$18.78
RODWEED	145 HP	0.16 HR		\$1.19	\$3.01	\$0.99	\$5.72	\$10.91
DRILL	96 HP	0.09 HR		\$0.67	\$1.15	\$0.28	\$1.72	\$3.82
SUBTOTAL		0.51 HR		\$3.80	\$9.06	\$3.47	\$17.18	\$33.51

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.04	\$2.46	\$0.39	\$13.47	\$17.36
HAUL	2 TON	0.14 HR		\$1.04	\$1.87	\$0.86	\$6.20	\$9.97
SUBTOTAL		0.28 HR		\$2.09	\$4.32	\$1.26	\$19.67	\$27.34

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.20 HR		\$0.74				\$0.74
EMPLOYEE BENEFITS			\$0.88				\$0.88
INSURANCE		\$0.12					\$0.12
LAND TAXES						\$0.33	\$0.33
SUPERVISION AND MANAGEMENT			\$2.73				\$2.73
OTHER EXPENSES		\$31.45					\$31.45
SUBTOTAL	0.20 HR	\$31.57	\$4.35			\$0.33	\$36.24

TOTAL OPERATING EXPENSES 0.99 HR \$37.57 \$10.23 \$13.38 \$4.73 \$37.18 \$103.09

NET OPERATING PROFIT (\$48.59)

INTEREST ON OPERATING CAPITAL (\$6.67 @ 7.00%) \$0.47
 INTEREST ON EQUIPMENT INVESTMENT \$17.18

RETURN TO LAND AND RISK (\$66.24)

BUDGET SUMMARY

GROSS RETURN	\$54.50		
VARIABLE OPERATING EXPENSES	\$55.68		
RETURN OVER VARIABLE EXPENSES		(\$1.18)	(GROSS MARGIN)
FIXED EXPENSES	\$37.18		
NET FARM INCOME		(\$38.36)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$10.23		
NET OPERATING PROFIT		(\$48.59)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$17.65		
RETURN TO LAND AND RISK		(\$66.24)	

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County, Projected 2005.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$120.00	\$3.70	\$3.75
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$192.00	\$64.14	\$54.50
CASH OPERATING EXPENSES				
SEED	\$28.80		\$3.08	\$6.00
FERTILIZER	\$7.20			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.04	\$28.45	\$0.13	\$0.12
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$4.06	\$11.83	\$12.86	\$13.38
FUEL-IRRIGATION				
REPAIRS	\$1.36	\$1.66	\$4.18	\$4.73
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.33	\$0.33	\$0.33
OTHER EXPENSES		\$31.45	\$31.45	\$31.45
TOTAL CASH EXPENSES	\$45.95	\$73.71	\$52.15	\$56.15
RETURN OVER CASH EXPENSES	(\$45.95)	\$118.29	\$11.99	(\$1.65)
FIXED EXPENSES	\$5.92	\$43.99	\$27.72	\$36.85
TOTAL EXPENSES	\$51.87	\$117.71	\$79.87	\$93.01
NET FARM INCOME	(\$51.87)	\$74.29	(\$15.73)	(\$38.51)
LABOR AND MANAGEMENT COSTS	\$6.98	\$26.38	\$15.28	\$10.23
NET OPERATING PROFIT	(\$58.86)	\$47.92	(\$31.01)	(\$48.74)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.07	\$0.87	\$0.47
INTEREST ON EQUIPMENT INVESTMENT		\$24.48	\$13.83	\$17.18
TOTAL CAPITAL COSTS	\$0.00	\$25.55	\$14.70	\$17.65
RETURN TO LAND AND RISK	(\$58.86)	\$22.37	(\$45.71)	(\$66.39)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,
Projected 2005.

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$10,800
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$23,657
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$17,850
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$55,707</u>
CASH OPERATING EXPENSES		
SEED		\$3,443
FERTILIZER		\$43
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$1,801
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$10,427
FUEL-IRRIGATION		\$0
REPAIRS		\$3,388
CUSTOM CHARGES		\$27
LAND TAXES		\$260
OTHER EXPENSES		\$25,162
TOTAL CASH EXPENSES		<u>\$44,651</u>
RETURN OVER CASH EXPENSES		\$11,056
FIXED EXPENSES		\$25,704
TOTAL EXPENSES		\$70,355
NET FARM INCOME		(\$14,648)
LABOR AND MANAGEMENT COSTS		\$11,215
NET OPERATING PROFIT		(\$25,863)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$572
INTEREST ON EQUIPMENT INVESTMENT		\$12,842
TOTAL CAPITAL COSTS		<u>\$13,414</u>
RETURN TO LAND AND RISK		<u>(\$39,277)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$42,877)	-10.16%
\$300 /ACRE	(\$46,477)	-6.90%
\$450 /ACRE	(\$50,077)	-5.23%
\$600 /ACRE	(\$53,677)	-4.21%
\$750 /ACRE	(\$57,277)	-3.52%
\$900 /ACRE	(\$60,877)	-3.03%

* 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)