

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

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 2005.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.45
General & Irrigators	\$/hour		\$6.65
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.40
Phosphate (P205)	\$/pound		\$0.31
Seed:			
Wheat	\$/pound		\$0.24
Corn	\$/bag		\$85.00
Alfalfa	\$/pound		\$2.88
Peanuts	\$/pound		\$0.40
Energy:			
Natural gas (Gas NM)	\$/MCF		\$3.27
Diesel fuel	\$/gallon		\$2.10
Gasoline	\$/gallon		\$2.00
Electricity (SWPS)	cents/KwHr		7.37
LP Gas	\$/gallon		\$1.70
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	\$89.00 /acre (full value)		\$0.53
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$18.03
	- R		\$13.80
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 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	20,022	@ \$0.365 per mile	\$7,308
Insurance			
- general liability (non-employee)			\$1,710
- fire/theft			\$1,525
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,290
Dues, fees, publications			\$405
Farmstead Equipment			\$185
Total			\$25,348
Total Per Planted Acre			\$33.80

TABLE 4. Pumping costs and data for irrigation wells, Blackwater Draw area, Roosevelt County
Projected 2005.

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	7.37 CENTS/Kwhr
NATURAL GAS	\$3.27 \$/MCF
LP GAS	\$1.70 \$/GAL
DIESEL	\$2.10 \$/GAL

PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR	\$6.27
COST PER ACRE INCH	\$3.34
NATURAL GAS:	
COST PER HOUR	\$3.56
COST PER ACRE INCH	\$1.90
LP GAS WELL:	
COST PER HOUR	\$18.28
COST PER ACRE INCH	\$9.73
DIESEL WELL:	
COST PER HOUR	\$14.20
COST PER ACRE INCH	\$7.56

TABLE 5. Equipment summary for a 960 acre, sprinkler-irrigated farm with above average management, Blackwater Draw area:
Projected 2005.

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	\$19,725	\$7,986	\$2,117	\$16.41	\$4.35	\$4,834	\$218	\$10.38
TRACTOR	185 HP, M4WD	766	1	\$44,016	\$16,657	\$4,430	\$21.75	\$5.79	\$6,428	\$290	\$8.77
PLANTER	8 ROW	50	1	\$5,500		\$131		\$2.64	\$1,100	\$33	\$22.89
ROLL-PACKER	12 FT	43	1	\$1,000		\$2		\$0.04	\$133	\$6	\$3.28
CULTIVATOR	8 ROW	131	1	\$4,000		\$651		\$4.96	\$533	\$24	\$4.25
DISC	21 FT	129	1	\$6,000		\$958		\$7.44	\$800	\$36	\$6.49
CHISEL	21 FT	83	1	\$1,650		\$169		\$2.05	\$220	\$10	\$2.79
FLOAT	12 FT	5	1	\$500		\$0		\$0.02	\$53	\$2	\$11.73
DRILL	21 FT	24	1	\$3,600		\$41		\$1.73	\$720	\$22	\$31.23
LISTER	8 ROW	111	1	\$3,200		\$442		\$3.97	\$427	\$19	\$4.00
PLOW (MOLDBOARD)	5-14 IN	127	1	\$5,100		\$802		\$6.32	\$680	\$31	\$5.60
RAKE		50	1	\$3,400		\$48		\$0.95	\$340	\$20	\$7.21
FERT SPREADER DLR FRN		0	0	\$0		\$0		\$0.00	\$0	\$0	\$0.00
SPRAYER (MTD)		60	1	\$1,250		\$3		\$0.05	\$167	\$8	\$2.90
DIG AND INVERT	4 ROW	13	1	\$625		\$10		\$0.78	\$83	\$4	\$6.70
ROD WEEDER	8 ROW	100	1	\$3,900	\$786	\$58	\$7.86	\$0.58	\$1,450	\$87	\$15.37
SWATHER	14 FT SP	44	1	\$41,720		\$76		\$1.74	\$5,812	\$262	\$138.83
BALER	1 TON	156	1	\$2,550		\$494		\$3.16	\$255	\$15	\$1.73
FRONT END LOADER (MTD)		200	1	\$29,000		\$232		\$1.16	\$3,867	\$174	\$20.20
PEANUT THRASHER		93	1	\$3,500		\$13		\$0.14	\$467	\$21	\$5.27
PEANUT TRAILER		9,677	2	\$30,000		\$0		\$0.00	\$4,000	\$180	\$0.43
CENTER PIVOT SPRINKLER		9,677	388	\$5,664,800	\$60,709	\$241,924	\$6.27	\$25.00	\$453,184	\$34,045	\$50.35
ELECTRIC WELL											
				\$5,875,035	\$86,139	\$252,600			\$485,553	\$35,508	

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Roosevelt County, Projected 2005.

Planting Dates: August 15 - August 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	\$2.88	20 LBS		\$57.60				\$57.60
NITROGEN (N)	\$0.40	40 LBS		\$16.00				\$16.00
PHOSPHATE (P2O5)	\$0.31	60 LBS		\$18.60				\$18.60
PUMP WATER*		9 AC. IN.						
SUBTOTAL				\$92.20				\$92.20
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.09 HR		\$0.67	\$1.96	\$1.19	\$1.37	\$5.19
PLOW	185 HP	0.29 HR		\$2.16	\$6.31	\$3.51	\$4.17	\$16.15
FLOAT	140 HP	0.19 HR		\$1.42	\$3.12	\$0.83	\$4.20	\$9.57
FERT SPREADER	140 HP	0.05 HR		\$0.37	\$0.82	\$0.22	\$0.52	\$1.93
DISC	185 HP	0.09 HR		\$0.67	\$1.96	\$1.19	\$1.37	\$5.19
PRE-IRRIGATE		0.10 HR		\$0.67	\$10.02	\$39.93	\$81.11	\$131.73
DRILL	140 HP	0.10 HR		\$0.75	\$1.64	\$0.61	\$4.16	\$7.15
IRRIGATE (2X)		0.20 HR		\$1.33	\$20.04	\$79.86	\$162.23	\$263.46
SUBTOTAL		1.11 HR		\$8.03	\$45.87	\$127.34	\$259.14	\$440.38
OVERHEAD EXPENSES								
DOWNTIME		0.19 HR		\$1.42				\$1.42
EMPLOYEE BENEFITS				\$1.45				\$1.45
INSURANCE			\$0.16					\$0.16
SUPERVISION AND MANAGEMENT				\$7.16				\$7.16
SUBTOTAL		0.19 HR	\$0.16	\$10.02				\$10.18
TOTAL OPERATING EXPENSES		1.30 HR	\$92.36	\$18.05	\$45.87	\$127.34	\$259.14	\$542.76

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 2005.
Harvest Dates: May 20 - October 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
HAY	\$130.00	6.00 TONS (STACKED)	\$780.00
GRAZING	\$50.00	1.00 ACRE	\$50.00
TOTAL			\$830.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
PHOSPHATE (P2O5)	\$0.31	150 LBS	\$46.50		\$46.50
PLASTIC TWINE	\$19.15	1,020 FT	\$4.88		\$4.88
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		\$108.55	\$108.55
: Interest				\$12.45	\$12.45
PUMP WATER*		30 AC. IN.			
SUBTOTAL			\$88.35	\$121.00	\$209.35

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE		1.00 HR		\$6.65	\$100.21	\$399.32	\$811.13	\$1,317.31
FERT SPREADER	140 HP	0.05 HR		\$0.37	\$0.82	\$0.22	\$0.52	\$1.93
SUBTOTAL		1.05 HR		\$7.02	\$101.03	\$399.54	\$811.65	\$1,319.24

HARVEST OPERATIONS								
SWATHER (5X)	S.P.	0.80 HR		\$5.96	\$6.29	\$0.46	\$12.30	\$25.01
RAKE (5X)	140 HP	0.40 HR		\$2.98	\$6.56	\$2.12	\$7.04	\$18.70
BALER (5X)	185 HP	0.35 HR		\$2.61	\$7.61	\$2.64	\$51.66	\$64.52
FRONT END LOADER (5X)	140 HP	1.25 HR		\$9.31	\$20.51	\$9.39	\$15.14	\$54.36
SUBTOTAL		2.80 HR	\$0.00	\$20.86	\$40.98	\$14.61	\$86.13	\$162.59

OVERHEAD EXPENSES								
DOWNTIME		0.70 HR		\$5.22				\$5.22
EMPLOYEE BENEFITS				\$5.02				\$5.02
INSURANCE			\$0.14					\$0.14
LAND TAXES							\$0.53	\$0.53
SUPERVISION AND MANAGEMENT				\$60.53				\$60.53
OTHER EXPENSES			\$33.80					\$33.80
SUBTOTAL		0.70 HR	\$33.94	\$70.76			\$0.53	\$105.23

TOTAL OPERATING EXPENSES 4.55 HR \$122.29 \$98.64 \$142.01 \$414.15 ##### \$1,796.41

NET OPERATING PROFIT (\$966.41)

INTEREST ON OPERATING CAPITAL (\$173.95 @ 7.00%) \$12.18
INTEREST ON EQUIPMENT INVESTMENT \$49.69

RETURN TO LAND AND RISK (\$1,028.27)

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

BUDGET SUMMARY

GROSS RETURN		\$830.00	
VARIABLE OPERATING EXPENSES	\$678.45		
RETURN OVER VARIABLE EXPENSES		\$151.55	(GROSS MARGIN)
FIXED EXPENSES	\$1,019.32		
NET FARM INCOME		(\$867.77)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$98.64		
NET OPERATING PROFIT		(\$966.41)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$61.87		
RETURN TO LAND AND RISK		(\$1,028.27)	

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, Projected 2005.
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$3.75	60.00 BUSHELS		\$225.00
DIRECT PAYMENT	\$0.00	60.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$0.00	1.00 ACRE		\$0.00
TOTAL				\$225.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.24	120 LBS	\$28.80		\$28.80
NITROGEN (N)	\$0.40	120 LBS	\$48.00		\$48.00
PHOSPHATE (P2O5)	\$0.31	40 LBS	\$12.40		\$12.40
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			\$109.44		\$109.44

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
BROADCAST (CUSTOM) IRRIGATE (17X)		0.85 HR	\$4.00	\$5.65	\$60.12	\$239.59	\$486.68	\$792.05
SUBTOTAL		0.85 HR	\$4.00	\$5.65	\$60.12	\$239.59	\$486.68	\$796.05

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE (CUSTOM)			\$5.97					\$5.97
HAUL (CUSTOM)			\$9.60					\$9.60
SUBTOTAL			\$15.57					\$15.57

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$1.02				\$1.02
INSURANCE			\$0.11					\$0.11
LAND TAXES							\$0.53	\$0.53
SUPERVISION AND MANAGEMENT				\$16.60				\$16.60
OTHER EXPENSES			\$33.80					\$33.80
SUBTOTAL		0.00 HR	\$33.91	\$17.62			\$0.53	\$52.06

TOTAL OPERATING EXPENSES		0.85 HR	\$162.92	\$23.27	\$60.12	\$239.59	\$487.21	\$973.12
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NET OPERATING PROFIT								(\$748.12)
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INTEREST ON OPERATING CAPITAL	(\$130.95	@	7.00%)			\$9.17
INTEREST ON EQUIPMENT INVESTMENT								\$3.63

RETURN TO LAND AND RISK								(\$760.92)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$225.00	
VARIABLE OPERATING EXPENSES	\$462.64		
RETURN OVER VARIABLE EXPENSES		(\$237.64)	(GROSS MARGIN)
FIXED EXPENSES	\$487.21		
NET FARM INCOME		(\$724.85)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$23.27		
NET OPERATING PROFIT		(\$748.12)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.80		
RETURN TO LAND AND RISK		(\$760.92)	

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 2005
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
CORN FOR GRAIN	\$4.02	100.00 CWT						\$401.79	
DIRECT PAYMENT	\$0.00	100.00 CWT	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT						\$0.00	
GRAZING	\$15.00	1.00 ACRE						\$15.00	
TOTAL								\$416.79	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$1.06	24 000	\$25.50						\$25.50
NITROGEN (N)	\$0.40	250 LBS	\$100.00						\$100.00
PHOSPHATE (P205)	\$0.31	80 LBS	\$24.80						\$24.80
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			\$216.86						\$216.86
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC (2X)	185 HP	0.18 HR		\$1.34	\$3.92	\$2.38	\$2.75	\$10.39	
PLOW	185 HP	0.29 HR		\$2.16	\$6.31	\$3.51	\$4.17	\$16.15	
CHISEL (2X)	185 HP	0.20 HR		\$1.49	\$4.35	\$2.42	\$2.87	\$11.14	
FERT SPREADER	140 HP	0.05 HR		\$0.37	\$0.82	\$0.22	\$0.52	\$1.93	
PRE-IRRIGATE (3X)		0.30 HR		\$2.00	\$20.04	\$79.86	\$162.23	\$264.13	
LISTER (3X)	185 HP	0.27 HR		\$2.01	\$5.87	\$2.63	\$3.45	\$13.97	
ROD WEED	185 HP	0.08 HR		\$0.60	\$1.74	\$0.52	\$1.24	\$4.10	
PLANTER	185 HP	0.12 HR		\$0.89	\$2.61	\$1.01	\$3.80	\$8.31	
SAND FURROW (5X)	140 HP	0.50 HR		\$3.73	\$8.21	\$4.66	\$7.31	\$23.90	
IRRIGATE (12X)		1.20 HR		\$7.98	\$80.17	\$319.46	\$648.90	\$1,056.51	
SUBTOTAL		3.19 HR		\$22.57	\$134.03	\$416.68	\$837.24	\$1,410.52	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			\$35.00					\$35.00	
HAUL (CUSTOM)			\$18.00					\$18.00	
SUBTOTAL			\$53.00					\$53.00	
OVERHEAD EXPENSES									
DOWNTIME		0.41 HR		\$3.05				\$3.05	
EMPLOYEE BENEF	ITS			\$4.06				\$4.06	
INSURANCE			\$0.45					\$0.45	
LAND TAXES							\$0.53	\$0.53	
SUPERVISION AND MANAGEMENT				\$31.52				\$31.52	
OTHER EXPENSES			\$33.80					\$33.80	
SUBTOTAL		0.41 HR		\$34.25	\$38.64		\$0.53	\$73.42	
TOTAL OPERATING EXPENSES		3.60 HR		\$304.10	\$61.20	\$134.03	\$416.68	\$837.78	
NET OPERATING PROFIT								(\$1,337.01)	
INTEREST ON OPERATING CAPITAL		(\$250.52 @	7.00%)				\$17.54	
INTEREST ON EQUIPMENT INVESTMENT								\$15.81	
RETURN TO LAND AND RISK								(\$1,370.35)	

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

BUDGET SUMMARY

GROSS RETURN		\$416.79	
VARIABLE OPERATING EXPENSES	\$854.82		
RETURN OVER VARIABLE EXPENSES		(\$438.03)	(GROSS MARGIN)
FIXED EXPENSES	\$837.78		
NET FARM INCOME		(\$1,275.81)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$61.20		
NET OPERATING PROFIT		(\$1,337.01)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.34		
RETURN TO LAND AND RISK		(\$1,370.35)	

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 2005.
 Planting Dates: May 10 - June 10
 Harvest Dates: October 10 - November 10

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
PEANUTS	\$0.30	2,600.00 LBS	\$780.00
TOTAL			\$780.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED (PEANUT)	\$0.40	100 LB	\$40.00		\$40.00
NITROGEN (N)	\$0.40	70 LB	\$28.00		\$28.00
PHOSPHATE (P205)	\$0.31	80 LB	\$24.80		\$24.80
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			\$285.70		\$285.70

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	185 HP	0.18 HR		\$1.34	\$3.92	\$2.38	\$2.75	\$10.39
PLOW	185 HP	0.29 HR		\$2.16	\$6.31	\$3.51	\$4.17	\$16.15
CHISEL (2X)	185 HP	0.20 HR		\$1.49	\$4.35	\$2.42	\$2.87	\$11.14
FERT SPREADER	140 HP	0.05 HR		\$0.37	\$0.82	\$0.22	\$0.52	\$1.93
SPRAY & DISC	185 HP	0.00 HR		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PRE-IRRIGATE		0.30 HR		\$2.00	\$28.06	\$87.85	\$178.45	\$296.35
LISTER	185 HP	0.27 HR		\$2.01	\$5.87	\$2.63	\$3.45	\$13.97
PLANTER	185 HP	0.12 HR		\$0.89	\$2.61	\$1.01	\$3.80	\$8.31
APPLY FUNGICIDE (CUSTOM)			\$27.00					\$27.00
CULTIVATOR (2X)	140 HP	0.20 HR		\$1.49	\$3.28	\$1.86	\$2.93	\$9.56
HAND HOE (CUSTOM)			\$10.00					\$10.00
IRRIGATE (7X)		0.70 HR		\$4.66	\$65.47	\$204.99	\$416.38	\$691.49
SUBTOTAL		2.31 HR	\$37.00	\$16.41	\$120.69	\$306.88	\$615.31	\$1,096.29
HARVEST OPERATIONS								
DIG AND INVERT	185 HP	0.24 HR		\$1.79	\$5.22	\$14.00	\$2.80	\$23.82
COMBINE PEANUTS	185 HP	0.80 HR		\$5.96	\$17.40	\$5.56	\$23.18	\$52.10
HAUL	140 HP	0.37 HR		\$2.76	\$6.07	\$1.66	\$5.79	\$16.28
SUBTOTAL		1.41 HR	\$0.00	\$10.50	\$28.70	\$21.22	\$31.78	\$92.20
OVERHEAD EXPENSES								
DOWNTIME		0.68 HR		\$5.07				\$5.07
EMPLOYEE BENEFITS				\$4.84				\$4.84
INSURANCE			\$0.54					\$0.54
LAND TAXES							\$0.53	\$0.53
SUPERVISION AND MANAGEMENT				\$56.96				\$56.96
OTHER EXPENSES			\$33.80					\$33.80
SUBTOTAL		0.68 HR	\$34.34	\$66.87			\$0.53	\$101.74
TOTAL OPERATING EXPENSES		4.40 HR	\$357.03	\$93.78	\$149.38	\$328.10	\$647.63	\$1,575.92
NET OPERATING PROFIT								(\$795.92)
INTEREST ON OPERATING CAPITAL		(\$253.90 @ 7.00%)						\$17.77
INTEREST ON EQUIPMENT INVESTMENT								\$29.65
RETURN TO LAND AND RISK								(\$843.35)

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

BUDGET SUMMARY

GROSS RETURN		\$780.00	
VARIABLE OPERATING EXPENSES	\$834.51		
RETURN OVER VARIABLE EXPENSES		(\$54.51)	(GROSS MARGIN)
FIXED EXPENSES	\$647.63		
NET FARM INCOME		(\$702.14)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$93.78		
NET OPERATING PROFIT		(\$795.92)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$47.42		
RETURN TO LAND AND RISK		(\$843.35)	

TABLE 11. Summary of per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt Cour Projected 2005.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	CORN	PEANUTS
		TONS	BU	CWT	LBS
PRIMARY YIELD		6.00	60.00	100.00	2,600.00
PRIMARY PRICE		\$130.00	\$3.75	\$4.02	\$0.30
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME		\$50.00	\$0.00	\$15.00	\$0.00
GROSS RETURN		\$830.00	\$225.00	\$416.79	\$780.00
CASH OPERATING EXPENSES					
SEED	\$57.60		\$28.80	\$25.50	\$40.00
FERTILIZER	\$34.60	\$46.50	\$60.40	\$145.16	\$56.85
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	\$15.80	\$41.80	\$0.00	\$33.82	\$55.86
FUEL-IRRIGATION	\$30.06	\$100.21	\$60.12	\$100.21	\$93.53
REPAIRS	\$127.34	\$414.15	\$239.59	\$416.68	\$328.10
CUSTOM CHARGES			\$19.57	\$53.00	\$37.00
LAND TAXES	\$0.00	\$0.53	\$0.53	\$0.53	\$0.53
OTHER EXPENSES	\$0.16	\$33.94	\$33.91	\$34.25	\$34.34
TOTAL CASH EXPENSES	\$265.57	\$674.10	\$463.18	\$855.35	\$835.05
RETURN OVER CASH EXPENSES	(\$265.57)	\$155.90	(\$238.18)	(\$438.57)	(\$55.05)
FIXED EXPENSES	\$259.14	\$1,018.78	\$486.68	\$837.24	\$647.09
TOTAL EXPENSES	\$524.71	\$1,692.88	\$949.85	\$1,692.59	\$1,482.14
NET FARM INCOME	(\$524.71)	(\$862.88)	(\$724.85)	(\$1,275.81)	(\$702.14)
LABOR AND MANAGEMENT COSTS	\$18.05	\$98.64	\$23.27	\$61.20	\$93.78
NET OPERATING PROFIT	(\$542.76)	(\$961.52)	(\$748.12)	(\$1,337.01)	(\$795.92)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$0.00	\$12.18	\$9.17	\$17.54	\$17.77
INTEREST ON EQUIPMENT INVESTMENT	\$0.00	\$49.69	\$3.63	\$15.81	\$29.65
TOTAL CAPITAL COSTS	\$0.00	\$61.87	\$12.80	\$33.34	\$47.42
RETURN TO RISK	(\$542.76)	(\$1,023.39)	(\$760.92)	(\$1,370.35)	(\$843.35)

TABLE 12. Whole farm summary, Blackwater Draw area, Roosevelt County,
Projected 2005.

GROSS RETURNS		
ALFALFA HAY	125.00 ACRES	
CROP		\$97,500
GRAZING		\$6,250
WHEAT	212.50 ACRES	
CROP		\$47,813
GRAZING		\$0
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	162.50 ACRES	
CROP		\$65,290
GRAZING		\$2,438
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
PEANUTS	250.00 ACRES	
CROP		\$195,000
GROSS RETURN		<u>\$414,290</u>
CASH OPERATING EXPENSES		
SEED		\$21,704
FERTILIZER		\$57,314
CHEMICALS		\$53,257
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$10,284
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$25,081
FUEL-IRRIGATION		\$65,719
REPAIRS		\$255,601
CUSTOM CHARGES		\$22,021
LAND TAXES		\$401
OTHER EXPENSES		\$25,602
TOTAL CASH EXPENSES		<u>\$537,083</u>
RETURN OVER CASH EXPENSES		(\$122,793)
FIXED EXPENSES		\$521,501
TOTAL EXPENSES		\$1,058,584
NET FARM INCOME		(\$644,294)
LABOR AND MANAGEMENT COSTS		\$51,118
NET OPERATING PROFIT		(\$695,412)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$10,763
INTEREST ON EQUIPMENT INVESTMENT		\$16,965
TOTAL CAPITAL COSTS		<u>\$27,728</u>
RETURN TO RISK		<u>(\$723,139)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$737,539)	-10.94%
\$750 /ACRE	(\$744,739)	-10.54%
\$1,000 /ACRE	(\$751,939)	-10.17%
\$1,250 /ACRE	(\$759,139)	-9.83%
\$1,500 /ACRE	(\$766,339)	-9.51%
\$1,750 /ACRE	(\$773,539)	-9.20%
\$2,000 /ACRE	(\$780,739)	-8.92%

* 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)