

TABLE 1. Acreage Summary, Quay County, Projected 2006.

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 2006.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.65
Purchased Inputs:		
Seed:		
Alfalfa	\$/pound	\$3.20
Grain Sorghum	\$/pound	\$1.22
Wheat	\$/pound	\$0.28
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	8.00%
Land Interest Rate	percent	8.00%
Equipment Interest Rate	percent	8.00%
Real Interest Rate	percent	3.00%
Land Taxes	\$38.00 /acre (full value)	\$0.35
Personal Property Tax Rate	-NR - R	\$/ \$1,000 (Assessed Value) \$27.67 \$20.64
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 2006.

Item		
Electricity (Domestic & Shop)	\$196.10 per month	\$2,353
Telephone	\$116.60 per month	\$1,399
Accounting & Legal		\$1,341
Misc. Supplies & Hand Tools		\$1,956
Pickup and Auto		
miles	21,836 @ \$0.415 per mile	\$9,062
Insurance		
- general liability (non-employee)		\$1,277
- fire/theft		\$1,076
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$0
Building repairs and maintenance		\$6,010
Dues, fees, publications		\$848
Farmstead Equipment		\$403
Total		\$25,725
Total per planted acre		\$32.16

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 600 acre farm, Arch Hurley Conservancy District, Quay County
Projected 2006.

Planting dates: August 1 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASE INPUTS								
SEED	\$3.20	16 LBS	\$51.20					\$51.20
OAT SEED	\$0.23	40 LBS	\$9.20					\$9.20
NITROGEN (N)	\$0.52	30 LBS	\$15.60					\$15.60
PHOSPHATE (P205)	\$0.40	60 LBS	\$24.00					\$24.00
CANAL WATER	\$6.00	6 AC. IN.	\$3.00					\$3.00
SUBTOTAL			\$103.00					\$103.00
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	145 HP	0.08 HR		\$0.60	\$1.51	\$0.86	\$2.64	\$5.61
DISC	145 HP	0.14 HR		\$1.04	\$2.64	\$1.27	\$2.58	\$7.53
FLOAT	145 HP	0.19 HR		\$1.42	\$3.58	\$1.03	\$2.96	\$8.98
FERT SPREADER	70 HP	0.05 HR		\$0.37	\$0.64	\$0.15	\$0.73	\$1.89
DRILL	70 HP	0.18 HR		\$1.34	\$2.30	\$0.56	\$3.06	\$7.26
IRRIGATE (3X)		0.30 HR		\$2.00	\$5.67	\$0.00	\$1.33	\$9.00
SUBTOTAL		0.94 HR	\$0.00	\$6.76	\$16.33	\$3.87	\$13.32	\$40.29
OVERHEAD EXPENSES								
DOWNTIME		0.24 HR		\$1.75				\$1.75
EMPLOYEE BENEFITS				\$1.22				\$1.22
INSURANCE			\$0.02					\$0.02
SUPERVISION AND MANAGEMENT				\$10.62				\$10.62
SUBTOTAL		0.24 HR	\$0.02	\$13.59				\$13.61
TOTAL OPERATING EXPENSES		1.18 HR	\$103.02	\$20.35	\$16.33	\$3.87	\$13.32	\$156.89

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 600 acre farm with above average management, Arch Hurley Conservancy District, Quay Coun
 Projected 2006.
 Harvesting dates: May 25 - October 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$130.00	4.50 TONS (STACKED)	\$585.00
GRAZING	\$48.00	1.00 ACRE	\$48.00
TOTAL			\$633.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
PHOSPHATE (P205)	\$0.40	60 LBS	\$24.00		\$24.00
WIRE	\$0.50	39 LBS	\$19.28		\$19.28
ESTABLISHMENT: Principal		8 YEARS		\$19.61	\$19.61
: Interest				\$7.04	\$7.04
CANAL WATER: Assessment	\$6.00	1 ACRE	\$6.00		\$6.00
Water	\$6.00	24 AC. IN.	\$12.00		\$12.00
SUBTOTAL			\$61.28	\$26.65	\$87.93

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	70 HP	0.05 HR		\$0.37	\$0.64	\$0.15	\$0.73	\$1.89
IRRIGATE		1.20 HR		\$7.98	\$22.69	\$0.00	\$5.34	\$36.01
SUBTOTAL		1.25 HR		\$8.35	\$23.33	\$0.15	\$6.07	\$37.90

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (4X)	16 FT	0.44 HR		\$3.28	\$3.46	\$0.64	\$19.56	\$26.94
BALER (4X)	70 HP	0.84 HR		\$6.26	\$10.74	\$1.87	\$5.65	\$24.53
BALE WAGON, PTO (4X)	145 HP	0.80 HR		\$5.96	\$15.06	\$5.33	\$16.30	\$42.65
SUBTOTAL		2.08 HR	\$0.00	\$15.50	\$29.27	\$7.84	\$41.51	\$94.11

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.83 HR		\$6.20				\$6.20
EMPLOYEE BENEFITS			\$5.41				\$5.41
INSURANCE			\$0.08				\$0.08
LAND TAXES						\$0.77	\$0.77
SUPERVISION AND MANAGEMENT			\$46.39				\$46.39
OTHER EXPENSES			\$46.04				\$46.04
SUBTOTAL	0.83 HR	\$46.12	\$58.00			\$0.77	\$104.90

TOTAL OPERATING EXPENSES 4.16 HR \$107.40 \$81.85 \$52.59 \$7.99 \$75.00 \$324.84

NET OPERATING PROFIT \$308.16

INTEREST ON OPERATING CAPITAL (\$39.60 @ 8.00%) \$3.17
 INTEREST ON EQUIPMENT INVESTMENT \$33.36

RETURN TO LAND AND RISK \$271.62

BUDGET SUMMARY

GROSS RETURN	\$633.00	
VARIABLE OPERATING EXPENSES	\$167.99	
RETURN OVER VARIABLE EXPENSES	\$465.01	(GROSS MARGIN)
FIXED EXPENSES	\$75.00	
NET FARM INCOME	\$390.01	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$81.85	
NET OPERATING PROFIT	\$308.16	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$36.53	
RETURN TO LAND AND RISK	\$271.62	

TABLE 8. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 600 acre farm with above average management, Arch Hurley Conservancy District, Quay Cc Projected 2006.

Planting dates: May 15 - July 1

Harvesting dates: October 15 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$3.70	50.00 CWT		\$184.82
DIRECT PAYMENT	\$0.00	50.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$48.00	1.00 ACRE		\$48.00
TOTAL				\$232.82

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.22	7.00 LBS	\$8.54		\$8.54
NITROGEN (N)	\$0.52	80.00 LBS	\$41.60		\$41.60
PHOSPHATE (P205)	\$0.40	20.00 LBS	\$8.00		\$8.00
HERBICIDE (CUSTOM)	\$15.07	1.00 ACRE	\$15.07		\$15.07
CANAL WATER: Assessment	\$6.00	1.00 ACRE	\$6.00		\$6.00
Water	\$6.00	18.00 AC. IN.	\$9.00		\$9.00
CROP INSURANCE	\$0.22		\$0.22		\$0.22
SUBTOTAL			\$88.42		\$88.42

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.08 HR		\$0.60	\$1.51	\$0.86	\$2.64	\$5.61
DISC	145 HP	0.14 HR		\$1.04	\$2.64	\$1.27	\$2.58	\$7.53
FLOAT	145 HP	0.19 HR		\$1.42	\$3.58	\$1.03	\$2.96	\$8.98
DISC & SPRAY	145 HP	0.17 HR		\$1.27	\$3.20	\$1.66	\$3.99	\$10.12
FERT SPREADER	70 HP	0.05 HR		\$0.37	\$0.64	\$0.15	\$0.73	\$1.89
ROD WEED	145 HP	0.08 HR		\$0.60	\$1.51	\$0.49	\$1.58	\$4.18
PLANTER	70 HP	0.17 HR		\$1.27	\$2.17	\$0.70	\$4.57	\$8.71
CULTIVATOR	70 HP	0.13 HR		\$0.97	\$1.66	\$0.67	\$2.09	\$5.39
IRRIGATE (12X)		1.20 HR		\$7.98	\$17.02	\$0.00	\$4.00	\$29.00
SUBTOTAL		2.21 HR		\$15.50	\$33.92	\$6.84	\$25.16	\$81.42
HARVEST OPERATIONS								
COMBINE	18 FT	0.19 HR		\$1.42	\$4.72	\$0.42	\$10.30	\$16.85
HAUL	2T	0.19 HR		\$1.42	\$2.53	\$1.17	\$11.44	\$16.56
SUBTOTAL		0.38 HR		\$2.83	\$7.26	\$1.59	\$21.74	\$33.42
OVERHEAD EXPENSES								
DOWNTIME		0.65 HR		\$4.82				\$4.82
EMPLOYEE BENEFITS				\$4.17				\$4.17
INSURANCE			\$0.08					\$0.08
LAND TAXES							\$0.77	\$0.77
SUPERVISION AND MANAGEMENT				\$18.24				\$18.24
OTHER EXPENSES			\$46.04					\$46.04
SUBTOTAL		0.65 HR	\$46.11	\$27.23			\$0.77	\$74.12
TOTAL OPERATING EXPENSES		3.89 HR	\$134.54	\$45.57	\$41.18	\$8.43	\$47.68	\$277.38
NET OPERATING PROFIT								(\$44.56)
INTEREST ON OPERATING CAPITAL		(\$55.14 @	8.00%)				\$4.41
INTEREST ON EQUIPMENT INVESTMENT								\$29.61
RETURN TO LAND AND RISK								(\$78.58)

BUDGET SUMMARY			
GROSS RETURN		\$232.82	
VARIABLE OPERATING EXPENSES	\$184.14		
RETURN OVER VARIABLE EXPENSES		\$48.68	(GROSS MARGIN)
FIXED EXPENSES	\$47.68		
NET FARM INCOME		\$1.01	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$45.57		
NET OPERATING PROFIT		(\$44.56)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$34.02		
RETURN TO LAND AND RISK		(\$78.58)	

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TABLE 9. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 600 acre farm with above average management, Arch Hurley Conservancy District, Quay Count Projected 2006.
 Planting dates: August 15 - September 15
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE						TOTAL	
GROSS RETURNS										
WHEAT	\$3.75	20.00 BUSHELS							\$75.00	
DIRECT PAYMENT	\$0.00	20.00 BUSHELS	0.85						\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00	
GRAZING	\$48.00	1.00 ACRE							\$48.00	
TOTAL									\$123.00	
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						FIXED COST	TOTAL
SEED	\$0.28	60.00 LBS	\$16.80						\$16.80	
NITROGEN (N)	\$0.52	80.00 LBS	\$41.60						\$41.60	
PHOSPHATE (P205)	\$0.40	20.00 LBS	\$8.00						\$8.00	
HERBICIDE	\$15.07	1.00 ACRE	\$15.07						\$15.07	
CANAL WATER: Assessment	\$6.00	1.00 ACRE	\$6.00						\$6.00	
Water	\$6.00	12.00 AC. IN.	\$6.00						\$6.00	
CROP INSURANCE	\$0.29		\$0.29						\$0.29	
SUBTOTAL			\$93.76						\$93.76	
PREHARVEST OPERATIONS										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
CHISEL	145 HP	0.08 HR		\$0.60	\$1.51	\$0.86	\$2.64	\$5.61		
DISC (2X)	145 HP	0.28 HR		\$2.09	\$5.27	\$2.55	\$5.16	\$15.07		
FLOAT	145 HP	0.24 HR		\$1.79	\$4.52	\$1.30	\$3.74	\$11.35		
FERT SPREADER	70 HP	0.05 HR		\$0.37	\$0.64	\$0.15	\$0.73	\$1.89		
DRILL	70 HP	0.18 HR		\$1.34	\$2.30	\$0.56	\$3.06	\$7.26		
IRRIGATE (8X)		0.80 HR		\$5.32	\$11.34	\$0.00	\$2.67	\$19.33		
SUBTOTAL		1.63 HR		\$11.50	\$25.58	\$5.42	\$18.01	\$60.52		
HARVEST OPERATIONS										
COMBINE	18 FT	0.19 HR		\$1.42	\$4.72	\$0.42	\$10.30	\$16.85		
HAUL	2T	0.19 HR		\$1.42	\$2.53	\$1.17	\$11.44	\$16.56		
SUBTOTAL		0.38 HR		\$2.83	\$7.26	\$1.59	\$21.74	\$33.42		
OVERHEAD EXPENSES										
DOWNTIME		0.50 HR		\$1.88				\$1.88		
EMPLOYEE BENEFITS				\$2.15				\$2.15		
INSURANCE			\$0.05					\$0.05		
LAND TAXES							\$0.77	\$0.77		
SUPERVISION AND MANAGEMENT				\$6.15				\$6.15		
OTHER EXPENSES			\$46.04					\$46.04		
SUBTOTAL		0.50 HR	\$46.09	\$10.18			\$0.77	\$57.04		
TOTAL OPERATING EXPENSES		2.51 HR	\$139.85	\$24.51	\$32.84	\$7.00	\$40.53	\$244.73		
NET OPERATING PROFIT								(\$121.73)		
INTEREST ON OPERATING CAPITAL		(\$55.37 @ 8.00%)						\$4.43		
INTEREST ON EQUIPMENT INVESTMENT								\$25.59		
RETURN TO LAND AND RISK								(\$151.75)		

BUDGET SUMMARY			
GROSS RETURN	\$123.00		
VARIABLE OPERATING EXPENSES	\$179.69		
RETURN OVER VARIABLE EXPENSES	(\$56.69)	(GROSS MARGIN)	
FIXED EXPENSES	\$40.53		
NET FARM INCOME	(\$97.22)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$24.51		
NET OPERATING PROFIT	(\$121.73)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$30.02		
RETURN TO LAND AND RISK	(\$151.75)		

TABLE 10. Summary of per acre costs and returns for a 600 acre farm, Arch Hurley Conservancy District, Quay County, Projected 2006.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		4.50	50.00	20.00
PRIMARY PRICE		\$130.00	\$3.70	\$3.75
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$48.00	\$48.00	\$48.00
GROSS RETURN		\$633.00	\$232.82	\$123.00
CASH OPERATING EXPENSES				
SEED	\$60.40		\$8.54	\$16.80
FERTILIZER	\$39.60	\$24.00	\$49.60	\$49.60
CHEMICALS			\$15.07	\$15.07
CROP INSURANCE			\$0.22	\$0.29
OTHER PURCHASED INPUTS		\$19.37	\$0.08	\$0.05
CANAL WATER	\$3.00	\$18.00	\$15.00	\$12.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$10.66	\$29.90	\$24.16	\$21.49
FUEL-IRRIGATION	\$5.67	\$22.69	\$17.02	\$11.34
REPAIRS	\$3.87	\$7.99	\$8.43	\$7.00
CUSTOM CHARGES		\$0.00		
LAND TAXES		\$0.77	\$0.77	\$0.77
OTHER EXPENSES	\$0.02	\$46.04	\$46.04	\$46.04
TOTAL CASH EXPENSES	\$123.23	\$168.76	\$184.91	\$180.46
RETURN OVER CASH EXPENSES	-\$123.23	\$464.24	\$47.91	-\$57.46
FIXED EXPENSES	\$13.32	\$74.23	\$46.90	\$39.75
TOTAL EXPENSES	\$136.55	\$242.99	\$231.82	\$220.22
NET FARM INCOME	-\$136.55	\$390.01	\$1.01	-\$97.22
LABOR AND MANAGEMENT COSTS	\$20.35	\$81.85	\$45.57	\$24.51
NET OPERATING PROFIT	-\$156.89	\$308.16	-\$44.56	-\$121.73
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$3.17	\$4.41	\$4.43
INTEREST ON EQUIPMENT INVESTMENT		\$33.36	\$29.61	\$25.59
TOTAL CAPITAL COSTS	\$0.00	\$36.53	\$34.02	\$30.02
RETURN TO LAND AND RISK	-\$156.89	\$271.62	-\$78.58	-\$151.75

TABLE 11. Whole farm summary, Arch Hurley Conservancy District, Quay County, Projected 2006.

GROSS RETURNS		
ALFALFA HAY	200.00 ACRES	
CROP		\$117,000
GRAZING		\$9,600
GRAIN SORGHUM	230.00 ACRES	
CROP		\$42,509
GRAZING		\$11,040
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHEAT	170.00 ACRES	
CROP		\$12,750
GRAZING		\$8,160
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$201,059</u>
CASH OPERATING EXPENSES		
SEED		\$6,330
FERTILIZER		\$25,630
CHEMICALS		\$6,026
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$3,900
CANAL WATER		\$9,165
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$15,458
FUEL-IRRIGATION		\$10,522
REPAIRS		\$4,823
CUSTOM CHARGES		\$0
LAND TAXES		\$464
OTHER EXPENSES		\$27,623
TOTAL CASH EXPENSES		<u>\$110,042</u>
RETURN OVER CASH EXPENSES		\$91,017
FIXED EXPENSES		\$28,802
TOTAL EXPENSES		\$138,844
NET FARM INCOME		\$62,215
LABOR AND MANAGEMENT COSTS		\$31,527
NET OPERATING PROFIT		\$30,688
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,401
INTEREST ON EQUIPMENT INVESTMENT		\$17,834
TOTAL CAPITAL COSTS		<u>\$20,235</u>
RETURN TO LAND AND RISK		<u>\$10,453</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$200 /ACRE	\$6,853	10.89%
\$400 /ACRE	\$3,253	7.64%
\$600 /ACRE	(\$347)	5.88%
\$800 /ACRE	(\$3,947)	4.78%
\$1,000 /ACRE	(\$7,547)	4.03%
\$1,200 /ACRE	(\$11,147)	3.48%

* 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)