

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... SAN JON-NARA VISA AREA, QUAY COUNTY,
FARM SIZE..... 800.00 ACRES Projected 2009.
IRRIGATION TYPE..... DRYLAND
NUMBER OF CROPS..... 3

VERSION 1.0

COPYRIGHT (C) 1984 by NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS

New Mexico State University is an equal opportunity employer. All programs are available to everyone regardless of race, color, religion, sex, age, handicap, or national origin. New Mexico State University and the U.S. Department of Agriculture Cooperating.

* YOU MAY ENTER DATA IN ANY INPUT TABLE WITH
HIGHLIGHTED CELLS OR YOU MAY STRIKE
[ENTER] AND RETURN TO THE MENU

** BE SURE PRINTER IS ON AND PAPER IS ALIGNED
BEFORE YOU PRINT

TABLE 1. Acreage Summary, Quay County,
Projected 2009.

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 2009.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.25
Purchased Inputs:			
Seed:			
Alfalfa		\$/pound	\$4.00
Grain Sorghum		\$/pound	\$1.69
Wheat		\$/pound	\$0.26
Energy:			
Diesel fuel		\$/gallon	\$2.80
Gasoline		\$/gallon	\$2.50
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	7.50%
Land Interest Rate		percent	7.25%
Equipment Interest Rate		percent	7.50%
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)	\$27.84 \$21.54
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 2009.

Item			
Electricity (Domestic & Shop)		\$214.60 per month	\$2,575
Telephone		\$127.60 per month	\$1,531
Accounting & Legal			\$1,467
Misc. Supplies & Hand Tools			\$2,140
Pickup and Auto			
miles	23,896	@ \$0.415 per mile	\$9,917
Insurance			
- general liability (non-employee)			\$1,398
- fire/theft			\$1,177
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$0
Building repairs and maintenance			\$6,010
Dues, fees, publications			\$928
Farmstead Equipment			\$441
Total			\$27,585
Total per planted acre			\$34.48

TABLE 4. Equipment summary for an 800 acre dryland farm, San Jon-Nara Visa, Quay County, Projected 2009.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS			TOTAL PER HR.
				FUEL, OIL, LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES		
TRACTOR 96 HP	277	1	\$17,030	\$4,730	\$575	\$17.05	\$2.07	\$1,152	\$160	\$4.73	
TRACTOR 165 HP	183	1	\$50,147	\$4,624	\$986	\$25.11	\$5.39	\$2,985	\$417	\$34.00	
COMBINE 145 HP	104	1	\$77,074	\$2,423	\$275	\$23.38	\$2.66	\$8,864	\$917	\$91.51	
GRAIN HEAD 22 FT	104	1	\$3,600	\$16	\$16	\$0.15	\$0.15	\$501	\$35	\$5.18	
SWATHER 14 FT SP	28	1	\$3,900	\$302	\$17	\$10.48	\$0.58	\$1,460	\$135	\$50.62	
TRUCK 2 TON	104	1	\$22,000	\$1,843	\$638	\$17.79	\$6.16	\$4,400	\$204	\$44.44	
ROD WEEED 23 FT	87	1	\$625	\$67	\$67	\$0.78	\$0.78	\$63	\$6	\$1.63	
ROLLING CULTIVATOR 6 ROW	104	1	\$2,000	\$258	\$248	\$2.48	\$2.48	\$267	\$19	\$2.74	
DRILL 13 FT	31	1	\$2,150	\$32	\$32	\$1.03	\$1.03	\$430	\$20	\$14.46	
LISTER/PLANTER 6 ROW	72	1	\$3,400	\$115	\$115	\$1.63	\$1.63	\$691	\$32	\$9.88	
BALER/PTO 2 WRE	38	1	\$1,400	\$85	\$85	\$0.12	\$0.12	\$150	\$14	\$4.34	
SWEEP 19 FT	109	1	\$2,200	\$400	\$400	\$3.10	\$3.10	\$333	\$23	\$2.76	
			\$148,795	\$13,902	\$3,388	\$84	\$28	\$24,298	\$1,680		

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL UNITS/HR	LUBE COSP	ACCLM HOURS	INTEREST AGE
TRACTOR 96 HP	34850.00	17020.00	30.00	1.00	800.00	5.54	0.10	2380.66	23.00
TRACTOR 165 HP	89775.00	50146.50	15.00	1.00	800.00	8.15	0.10	2017.40	11.00
COMBINE 145 HP	132955.00	57073.50	15.00	2.00	300.00	6.96	0.20	1346.80	13.00
GRAIN HEAD 22 FT	7520.00	3600.00	15.00	2.00	300.00	0.15	0.10	2017.40	11.00
SWATHER 14 FT SP	29000.00	3900.00	20.00	2.00	800.00	3.12	0.20	403.20	14.00
TRUCK 2 TON	46000.00	22000.00	10.00	6.00	800.00	6.06	0.06	1346.80	13.00
ROD WEEED 23 FT	1250.00	625.00	15.00	3.00	300.00	15.00	46.88	1303.20	15.00
ROLLING CULTIVATOR 6 ROW	4000.00	2000.00	15.00	3.00	300.00	16.64	150.00	1664.00	16.00
DRILL 13 FT	4300.00	2150.00	10.00	8.00	100.00	404.82	13.00	161.25	0.09
LISTER/PLANTER 6 ROW	6800.00	3400.00	10.00	9.00	100.00	906.10	13.00	295.00	0.00
BALER/PTO 2 WRE	3000.00	1400.00	20.00	5.00	500.00	680.40	18.00	112.50	0.00
SWEEP 19 FT	5000.00	2500.00	15.00	3.00	300.00	2064.00	16.00	187.50	0.10

ALFALFA EST	ALFALFA HAY	GRAIN SORGHUM	WHEAT	PER ACRE TOTALS
0.17	0.63	0.32	0.09	1.21
0.10	0.00	0.10	0.42	0.62
0.00	0.00	0.14	0.14	0.28
0.00	0.00	0.14	0.14	0.28
0.00	0.48	0.00	0.00	0.48
0.00	0.00	0.25	0.00	0.25
0.08	0.00	0.08	0.16	0.32
0.00	0.00	0.18	0.00	0.18
0.09	0.00	0.00	0.09	0.18
0.00	0.00	0.00	0.00	0.00
0.00	0.83	0.00	0.00	0.83
0.10	0.00	0.10	0.26	0.46

EQUIPMENT INTEREST EXPENSE

ALFALFA	GRAIN SORGHUM	WHEAT
3.74	2.43	0.42
1.84	1.84	7.71
0.00	6.74	6.74
0.00	0.38	0.38
18.13	0.00	0.00
0.00	2.23	2.23
0.04	0.04	0.09
0.00	0.38	0.00
0.47	0.00	0.47
0.00	0.84	0.00
1.88	0.00	0.00
0.15	0.15	0.38
28.23	14.81	18.47

ALFALFA ESTABLISHMENT	ACRES:	6	PUMP WATER:	0.00
			ACCOMPLISHMENT	
MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL CUSTOM
SWEEP	145 HP	1.00	0.10	0.10
ROD WEEED	96 HP	1.00	0.08	0.08
LISTER/PLANTER	96 HP	1.00	0.09	0.09
FLY ON ALFALFA SEED	96 HP	1.00	0.09	0.09

ALFALFA HAY	ACRES:	60	PUMP WATER:	0.00
			ACCOMPLISHMENT	
MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL CUSTOM
SWATHER (X)	14 FT SP	3.00	0.16	0.48
BALER (X)	96 HP	3.00	0.21	0.83

GRAIN SORGHUM	ACRES:	400	PUMP WATER:	0.00
			ACCOMPLISHMENT	
MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL CUSTOM
SWEEP	145 HP	1.00	0.10	0.10
ROD WEEED	96 HP	1.00	0.08	0.08
LISTER/PLANTER	96 HP	1.00	0.18	0.18
CULTIVATOR (X)	96 HP	2.00	0.13	0.26

COMBINE	22 FT	1.00	0.14	0.14
HAUL	2 TON	1.00	0.14	0.14

WHEAT	ACRES:	340	PUMP WATER:	0.00
			ACCOMPLISHMENT	
MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL CUSTOM
SWEEP (X)	145 HP	2.00	0.13	0.26
ROD WEEED	145 HP	2.00	0.08	0.16
DRILL	96 HP	1.00	0.09	0.09

COMBINE	22 FT	1.00	0.14	0.14
HAUL	2 TON	1.00	0.14	0.14

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	1	2	3	4	5	6	7	8	9
0	0.000000	0.000020	0.000020	0.000020	0.000090	0.000140	0.000040	0.000240	0.000200
50	0.000060	0.000020	0.000020	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
100	0.000060	0.000020	0.000020	0.000020	0.000140	0.000220	0.000160	0.000280	0.000300
200	0.000030	0.000030	0.000430	0.000040	0.000180	0.000260	0.000110	0.000510	0.000280
300	0.000030	0.000050	0.000390	0.000060	0.000230	0.000140	0.000140	0.000630	0.000460
400	0.000030	0.000060	0.000370	0.000060	0.000260	0.000340	0.000170	0.000660	0.000460
500	0.000030	0.000070	0.000360	0.000100	0.000280	0.000370	0.000170	0.000680	0.000630
600	0.000030	0.000080	0.000340	0.000120	0.000310	0.000390	0.000180	0.000690	0.000630
700	0.000030	0.000100	0.000340	0.000130	0.000330	0.000410	0.000200	0.000910	0.000660
800	0.000030	0.000110	0.000320	0.000150	0.000360	0.000430	0.000210	0.000900	0.000660
900	0.000030	0.000120	0.000320	0.000160	0.000370	0.000450	0.000220	0.001020	0.000660
1000	0.000060	0.000130	0.000310	0.000180	0.000380	0.000460	0.000230	0.001070	0.000630
1200	0.000045	0.000145	0.000305	0.000205	0.000405	0.000480	0.000245	0.001135	0.000710
1400	0.000045	0.000170	0.000305	0.000225	0.000435	0.000510	0.000260	0.001260	0.000765
1600	0.000150	0.000170	0.000300	0.000230	0.000435	0.000510	0.000260	0.001260	0.000765
1800	0.000150	0.000190	0.000285	0.000255	0.000465	0.000525	0.000275	0.001235	0.000805
2000	0.000075	0.000170	0.000285	0.000285	0.000465	0.000550	0.000285	0.001235	0.000805
2000	0.000110	0.000265	0.000280	0.000305	0.000505	0.000565	0.000310		
2500	0.000066								
3000	0.000070								
3500	0.000082								
4000	0.000096								
4500	0.000106								
5000	0.000148								
5500	0.000162								
6000	0.000176								
6500	0.000188								
7000	0.000204								

- * Based on unpublished data of D. R. Hunt, Department of Agricultural Engineering, University of Illinois.
 - ** Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1983.
- Codes
- 1 tractors
 - 2 balers, combines, forage harvesters, windrowers, pickups
 - 3 rotary hoe, disks, moldboard plows, chisels, field cultivators
 - 4 harrows, wagons, floats, roto buck, drag, roller, water furlow, bed shaper
 - 5 balerwagons, cotton pickers, cotton strippers, corn pickers
 - 6 hoes, cutbar mowers
 - 7 baler w/ engine, manure spreader
 - 8 planters, drills, seeding equipment, mounted sprayers
 - 9 herbicide distributing equipment

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 2009.
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$4.00	10 LBS	\$40.00					\$40.00
WHEAT SEED	\$0.26	30 LBS	\$7.80					\$7.80
SUBTOTAL			\$47.80					\$47.80
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.51	\$0.85	\$3.77	\$7.98
RODWEEDER	96 HP	0.08 HR		\$0.68	\$1.36	\$0.23	\$0.46	\$2.74
DRILL WHEAT	96 HP	0.09 HR		\$0.77	\$1.53	\$0.28	\$1.73	\$4.31
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.31	\$5.41	\$1.36	\$5.95	\$19.53
OVERHEAD EXPENSES								
DOWNTIME		0.07 HR		\$0.58				\$0.58
EMPLOYEE BENEFITS				\$0.42				\$0.42
INSURANCE			\$0.05					\$0.05
SUPERVISION AND MANAGEMENT				\$5.05				\$5.05
SUBTOTAL		0.07 HR	\$0.05	\$6.04				\$6.09
TOTAL OPERATING EXPENSES		0.34 HR	\$52.35	\$8.35	\$5.41	\$1.36	\$5.95	\$73.42

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 2009.
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
ALFALFA HAY	\$130.00	1.50 TONS (IN FIELD)						\$195.00	
GRAZING	\$12.00	1.00 ACRE						\$12.00	
TOTAL								\$207.00	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
WIRE ESTABLISHMENT: Principal	\$3.55	13 LBS	\$45.64					\$45.64	
: Interest		6 YEARS					\$12.24	\$12.24	
							\$3.13	\$3.13	
SUBTOTAL			\$45.64				\$15.36	\$61.00	
HARVEST OPERATIONS									
HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWATHER (3X)	14 FT SP	0.48 HR		\$4.10	\$5.03	\$0.28	\$26.41	\$35.82	
BALER (3X)	96 HP	0.63 HR		\$5.39	\$10.74	\$1.38	\$5.71	\$23.22	
SUBTOTAL		1.11 HR		\$9.49	\$15.77	\$1.66	\$32.12	\$59.05	
OVERHEAD EXPENSES									
DOWNTIME		0.28 HR		\$2.37				\$2.37	
EMPLOYEE BENEFITS				\$1.71				\$1.71	
INSURANCE			\$0.19					\$0.19	
LAND TAXES							\$0.35	\$0.35	
SUPERVISION AND MANAGEMENT				\$15.60				\$15.60	
OTHER EXPENSES			\$34.48					\$34.48	
SUBTOTAL		0.28 HR	\$34.67	\$19.68				\$0.35	\$54.70
TOTAL OPERATING EXPENSES		1.39 HR	\$80.31	\$29.17	\$15.77	\$1.66	\$47.84	\$174.75	
NET OPERATING PROFIT								\$32.25	
INTEREST ON OPERATING CAPITAL		(\$24.27 @	7.50%)				\$1.82	
INTEREST ON EQUIPMENT INVESTMENT								\$26.23	
RETURN TO LAND AND RISK								\$4.20	
BUDGET SUMMARY									
GROSS RETURN			\$207.00						
VARIABLE OPERATING EXPENSES	\$97.74								
RETURN OVER VARIABLE EXPENSES		\$109.26	(GROSS MARGIN)						
FIXED EXPENSES	\$47.84								
NET FARM INCOME		\$61.42	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$29.17								
NET OPERATING PROFIT		\$32.25	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$28.05								
RETURN TO LAND AND RISK			\$4.20						

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 2009.
 Planting dates: June 1 - July 4
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$7.70	16.00 CWT		\$123.20
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				\$128.20

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.69	3 LBS	\$4.23		\$4.23
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
SUBTOTAL			\$19.42		\$19.42

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.51	\$0.85	\$3.77	\$7.98
ROD WEED	96 HP	0.08 HR		\$0.68	\$1.36	\$0.23	\$0.46	\$2.74
LISTER/PLANTER	96 HP	0.18 HR		\$1.54	\$3.07	\$0.67	\$2.63	\$7.91
CULTIVATOR (2X)	96 HP	0.26 HR		\$2.22	\$4.43	\$1.18	\$1.94	\$9.78
SUBTOTAL		0.62 HR		\$5.30	\$11.38	\$2.93	\$8.80	\$28.41

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$3.27	\$0.39	\$12.83	\$17.70
HAUL	2 TON	0.14 HR		\$1.20	\$2.49	\$0.86	\$6.22	\$10.77
SUBTOTAL		0.28 HR		\$2.39	\$5.76	\$1.26	\$19.05	\$28.47

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.23 HR		\$1.92				\$1.92
EMPLOYEE BENEFITS			\$1.73				\$1.73
INSURANCE		\$0.15					\$0.15
LAND TAXES						\$0.35	\$0.35
SUPERVISION AND MANAGEMENT			\$9.87				\$9.87
OTHER EXPENSES			\$34.48				\$34.48
SUBTOTAL	0.23 HR	\$34.63	\$13.53			\$0.35	\$48.52

TOTAL OPERATING EXPENSES	1.35 HR	\$38.86	\$21.22	\$17.14	\$4.18	\$28.21	\$109.62
---------------------------------	----------------	----------------	----------------	----------------	---------------	----------------	-----------------

NET OPERATING PROFIT							\$18.58
-----------------------------	--	--	--	--	--	--	----------------

INTEREST ON OPERATING CAPITAL	(\$13.87	@	7.50%)		\$1.04
INTEREST ON EQUIPMENT INVESTMENT							\$14.81

RETURN TO LAND AND RISK							\$2.73
--------------------------------	--	--	--	--	--	--	---------------

BUDGET SUMMARY

GROSS RETURN		\$128.20	
VARIABLE OPERATING EXPENSES	\$60.18		
RETURN OVER VARIABLE EXPENSES		\$68.02	(GROSS MARGIN)
FIXED EXPENSES	\$28.21		
NET FARM INCOME		\$39.81	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$21.22		
NET OPERATING PROFIT		\$18.58	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$15.85		
RETURN TO LAND AND RISK		\$2.73	

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 2009.
 Planting dates: September 1 - September 15
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$6.00	14.00 BUSHELS		\$84.00
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				\$86.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.26	25 LBS	\$6.50		\$6.50
CROP INSURANCE	\$0.15		\$0.15		\$0.15
SUBTOTAL			\$6.65		\$6.65

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$2.22	\$6.53	\$2.21	\$9.79	\$20.75
RODWEED	145 HP	0.16 HR		\$1.37	\$4.02	\$0.99	\$5.75	\$12.12
DRILL	96 HP	0.09 HR		\$0.77	\$1.53	\$0.28	\$1.73	\$4.31
SUBTOTAL		0.51 HR		\$4.36	\$12.08	\$3.47	\$17.27	\$37.18

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$3.27	\$0.39	\$13.54	\$18.40
HAUL	2 TON	0.14 HR		\$1.20	\$2.49	\$0.86	\$6.22	\$10.77
SUBTOTAL		0.28 HR		\$2.39	\$5.76	\$1.26	\$19.76	\$29.17

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.20 HR		\$0.74				\$0.74
EMPLOYEE BENEFITS			\$1.01				\$1.01
INSURANCE		\$0.14					\$0.14
LAND TAXES						\$0.35	\$0.35
SUPERVISION AND MANAGEMENT			\$4.30				\$4.30
OTHER EXPENSES		\$34.48					\$34.48
SUBTOTAL	0.20 HR	\$34.62	\$6.05			\$0.35	\$41.02

TOTAL OPERATING EXPENSES	0.99 HR	\$41.12	\$12.81	\$17.84	\$4.73	\$37.38	\$113.87
---------------------------------	----------------	----------------	----------------	----------------	---------------	----------------	-----------------

NET OPERATING PROFIT (\$27.87)

INTEREST ON OPERATING CAPITAL (\$7.80 @ 7.50%) \$0.58
 INTEREST ON EQUIPMENT INVESTMENT \$18.41

RETURN TO LAND AND RISK (\$46.87)

BUDGET SUMMARY

GROSS RETURN		\$86.00	
VARIABLE OPERATING EXPENSES	\$63.69		
RETURN OVER VARIABLE EXPENSES		\$22.31	(GROSS MARGIN)
FIXED EXPENSES	\$37.38		
NET FARM INCOME		(\$15.07)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$12.81		
NET OPERATING PROFIT		(\$27.87)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.99		
RETURN TO LAND AND RISK		(\$46.87)	

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County, Projected 2009.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$130.00	\$7.70	\$6.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$207.00	\$128.20	\$86.00
CASH OPERATING EXPENSES				
SEED	\$40.00		\$4.23	\$6.50
FERTILIZER	\$7.80			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.05	\$45.83	\$0.15	\$0.14
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.41	\$15.77	\$17.14	\$17.84
FUEL-IRRIGATION				
REPAIRS	\$1.36	\$1.66	\$4.18	\$4.73
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.35	\$0.35	\$0.35
OTHER EXPENSES		\$34.48	\$34.48	\$34.48
TOTAL CASH EXPENSES	\$59.11	\$98.09	\$60.66	\$64.19
RETURN OVER CASH EXPENSES	(\$59.11)	\$108.91	\$67.54	\$21.81
FIXED EXPENSES	\$5.95	\$47.49	\$27.85	\$37.03
TOTAL EXPENSES	\$65.06	\$145.58	\$88.52	\$101.21
NET FARM INCOME	(\$65.06)	\$61.42	\$39.68	(\$15.21)
LABOR AND MANAGEMENT COSTS	\$8.35	\$29.17	\$21.22	\$12.81
NET OPERATING PROFIT	(\$73.42)	\$32.25	\$18.46	(\$28.02)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.82	\$1.04	\$0.58
INTEREST ON EQUIPMENT INVESTMENT		\$26.23	\$14.81	\$18.41
TOTAL CAPITAL COSTS	\$0.00	\$28.05	\$15.85	\$18.99
RETURN TO LAND AND RISK	(\$73.42)	\$4.20	\$2.61	(\$47.01)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,
Projected 2009.

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$11,700
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$49,280
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$28,560
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$92,940</u>
CASH OPERATING EXPENSES		
SEED		\$4,140
FERTILIZER		\$47
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,857
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$13,902
FUEL-IRRIGATION		\$0
REPAIRS		\$3,388
CUSTOM CHARGES		\$27
LAND TAXES		\$282
OTHER EXPENSES		\$27,585
TOTAL CASH EXPENSES		<u>\$52,328</u>
RETURN OVER CASH EXPENSES		\$40,612
FIXED EXPENSES		\$25,882
TOTAL EXPENSES		\$78,210
NET FARM INCOME		\$14,730
LABOR AND MANAGEMENT COSTS		\$14,644
NET OPERATING PROFIT		\$86
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$724
INTEREST ON EQUIPMENT INVESTMENT		\$13,758
TOTAL CAPITAL COSTS		<u>\$14,482</u>
RETURN TO LAND AND RISK		<u>(\$14,396)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$17,996)	0.03%
\$300 /ACRE	(\$21,596)	0.02%
\$450 /ACRE	(\$25,196)	0.02%
\$600 /ACRE	(\$28,796)	0.01%
\$750 /ACRE	(\$32,396)	0.01%
\$900 /ACRE	(\$35,996)	0.01%

* 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)