

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... PORTALES VALLEY, ROOSEVELT COUNProjected 2009.
FARM SIZE..... 320.00 ACRES
IRRIGATION TYPE..... FLOOD
NUMBER OF CROPS..... 5

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, Roosevelt County, Projected 2009.

| BUDGET AREA..... PORTALES VALLEY, ROOSEVELT COUNTY | | | |
|--|------------------|----------------|--------------|
| FARM SIZE..... 320 ACRES | | | |
| IRRIGATION TYPE..... FLOOD | | | |
| NUMBER OF CROPS... 5 | | | |
| WATER USE | | | |
| ACREAGE SUMMARY: | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN. |
| WHEAT | 68.00 | 25 | 1,700 |
| ARP | 0.00 | | |
| FLEX IN COTTON | 12.00 | 15 | 180 |
| CORN | 51.00 | 38 | 1,938 |
| ARP | 0.00 | | |
| FLEX IN COTTON | 9.00 | 15 | 135 |
| GRAIN SORGHUM | 51.00 | 20 | 1,020 |
| ARP | 0.00 | | |
| FLEX IN COTTON | 9.00 | 15 | 135 |
| COTTON | 34.00 | 15 | 510 |
| ARP | 0.00 | | |
| FLEX IN COTTON | 6.00 | 15 | 90 |
| PEANUTS | 60.00 | 24 | 1,440 |
| ROADS, HOMESTEAD | 20.00 | | |
| TOTAL | 320.00 | | 7,148 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 1.86 |

TABLE 2. Basic cost information for the Portales Valley, Roosevelt County, Projected 2009.

| Item | | | |
|---------------------------------|----------------------------|------------------------------|----------|
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | \$8.55 |
| General & Irrigators | \$/hour | | \$7.25 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | \$0.62 |
| Phosphate (P205) | \$/pound | | \$0.58 |
| Seed: | | | |
| Wheat | \$/pound | | \$0.26 |
| Corn | \$/bag | | \$220.00 |
| Grain Sorghum | \$/pound | | \$1.69 |
| Cotton | \$/pound | | \$1.86 |
| Peanuts | \$/pound | | \$0.80 |
| Energy: | | | |
| Natural gas (Gas NM) | \$/MCF | | \$5.88 |
| Diesel fuel | \$/gallon | | \$2.80 |
| Gasoline | \$/gallon | | \$2.50 |
| Electricity (SWPS) | cents/KwHr | | 8.52 |
| LP Gas | \$/gallon | | \$2.55 |
| 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 | \$89.00 /acre (full value) | | \$0.66 |
| Personal Property Tax Rate | - NR | \$/ \$1,000 (Assessed Value) | \$22.17 |
| | - R | | \$22.76 |
| 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 the Portales Valley, Roosevelt County, Projected 2009.

| Item | | | |
|------------------------------------|--------------------|------------------|----------|
| Electricity (Domestic & Shop) | \$232.00 per month | | \$2,784 |
| Telephone | \$116.00 per month | | \$1,392 |
| Accounting & Legal | | | \$1,699 |
| Misc. Supplies & Hand Tools | | | \$2,558 |
| Pickup and Auto | | | |
| miles | 23,896 @ | \$0.415 per mile | \$9,917 |
| Insurance | | | |
| - general liability (non-employee) | | | \$1,833 |
| - fire/theft | | | \$1,450 |
| Property Taxes | | | |
| - non-planted land | | | \$0 |
| - other than land & machinery | | | \$6,010 |
| Building repairs and maintenance | | | \$1,392 |
| Dues, fees, publications | | | \$418 |
| Farmstead Equipment | | | \$174 |
| Total | | | \$29,626 |
| Total Per Planted Acre | | | \$98.75 |

TABLE 6. Wheat, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2009.

Planting Dates: August 20 - September 15
Harvest Dates: June 1 - June 25

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|---------------|------|-----------------|
| GROSS RETURNS | | | | |
| WHEAT | \$6.00 | 50.00 BUSHELS | | \$300.00 |
| DIRECT PAYMENT | \$0.00 | 50.00 BUSHELS | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | \$0.00 |
| GRAZING | \$40.00 | 1.00 ACRE | | \$40.00 |
| TOTAL | | | | \$340.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$0.26 | 60 LBS | \$15.60 | | \$15.60 |
| NITROGEN (N) | \$0.62 | 100 LBS | \$62.00 | | \$62.00 |
| PHOSPHATE (P205) | \$0.58 | 40 LBS | \$23.20 | | \$23.20 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE | \$20.01 | | \$20.01 |
| PUMP WATER* | | 25 AC. IN. | | | |
| CROP INSURANCE | \$0.74 | | \$0.74 | | \$0.74 |
| SUBTOTAL | | | \$121.54 | | \$121.54 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| ROD WEEDER | 126 HP | 0.08 HR | | \$0.68 | \$1.65 | \$0.38 | \$0.96 | \$3.68 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$12.05 | \$4.97 | \$9.32 | \$30.44 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.42 | \$2.08 |
| DRILL | 126 HP | 0.18 HR | | \$1.54 | \$3.71 | \$0.90 | \$8.06 | \$14.21 |
| IRRIGATE (5X) | | 2.50 HR | | \$18.13 | \$43.11 | \$0.00 | \$2.57 | \$63.80 |
| SUBTOTAL | | 3.43 HR | | \$26.08 | \$65.07 | \$7.72 | \$24.02 | \$122.89 |

| HARVEST OPERATIONS | | | | | |
|--------------------|--|--|----------------|--|----------------|
| COMBINE (CUSTOM) | | | \$20.20 | | \$20.20 |
| HAUL (CUSTOM) | | | \$8.00 | | \$8.00 |
| SUBTOTAL | | | \$28.20 | | \$28.20 |

| OVERHEAD EXPENSES | | | | | |
|----------------------------|--|----------------|----------------|----------------|---------------|
| DOWNTIME | | 0.23 HR | | \$1.99 | \$1.99 |
| EMPLOYEE BENEFITS | | | | \$4.69 | \$4.69 |
| INSURANCE | | | \$0.52 | | \$0.52 |
| LAND TAXES | | | | | \$0.66 |
| SUPERVISION AND MANAGEMENT | | | | \$26.77 | \$26.77 |
| OTHER EXPENSES | | | \$98.75 | | \$98.75 |
| SUBTOTAL | | 0.23 HR | \$99.28 | \$33.45 | \$0.66 |

| | | | | | | | |
|---------------------------------|----------------|-----------------|----------------|----------------|---------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | 3.66 HR | \$249.02 | \$59.52 | \$65.07 | \$7.72 | \$24.68 | \$406.01 |
|---------------------------------|----------------|-----------------|----------------|----------------|---------------|----------------|-----------------|

| | | | | | | | |
|-----------------------------|--|--|--|--|--|--|------------------|
| NET OPERATING PROFIT | | | | | | | (\$66.01) |
|-----------------------------|--|--|--|--|--|--|------------------|

| | | | | | | | |
|----------------------------------|---|---------|---|-------|---|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$81.32 | @ | 7.50% |) | | \$6.10 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$13.36 |

| | | | | | | | |
|--------------------------------|--|--|--|--|--|--|------------------|
| RETURN TO LAND AND RISK | | | | | | | (\$85.47) |
|--------------------------------|--|--|--|--|--|--|------------------|

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

BUDGET SUMMARY

| | | | |
|--------------------------------|----------|------------------|---|
| GROSS RETURN | | \$340.00 | |
| VARIABLE OPERATING EXPENSES | \$321.80 | | |
| RETURN OVER VARIABLE EXPENSES | | \$18.20 | (GROSS MARGIN) |
| FIXED EXPENSES | \$24.68 | | |
| NET FARM INCOME | | (\$6.49) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$59.52 | | |
| NET OPERATING PROFIT | | (\$66.01) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$19.46 | | |
| RETURN TO LAND AND RISK | | (\$85.47) | |

TABLE 7. Corn for grain, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2009.
 Planting Dates: April 15 - May 15
 Harvest Dates: November 1 - November 30

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| CORN FOR GRAIN | \$7.32 | 65.00 CWT | | \$475.89 |
| DIRECT PAYMENT | \$0.00 | 65.00 CWT | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$15.00 | 1.00 ACRE | | \$15.00 |
| TOTAL | | | | \$490.89 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$2.75 | 28 000 | \$77.00 | | \$77.00 |
| NITROGEN (N) | \$0.62 | 150 LBS | \$93.00 | | \$93.00 |
| PHOSPHATE (P205) | \$0.58 | 60 LBS | \$34.80 | | \$34.80 |
| HERBICIDE | \$15.88 | 1 X/ACRE | \$15.88 | | \$15.88 |
| INSECTICIDE (CUSTOM) | \$16.96 | 2 X/ACRE | \$33.92 | | \$33.92 |
| PUMP WATER* | | 38 AC. IN. | | | |
| CROP INSURANCE | \$0.98 | | \$0.98 | | \$0.98 |
| SUBTOTAL | | | \$255.59 | | \$255.59 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$12.05 | \$4.97 | \$9.32 | \$30.44 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.42 | \$2.08 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.45 | \$4.27 | \$1.66 | \$4.12 | \$11.50 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.47 | \$0.80 | \$2.04 | \$6.34 |
| TRACK | 126 HP | 0.40 HR | | \$3.42 | \$8.25 | \$1.59 | \$3.35 | \$16.60 |
| PRE-IRRIGATE | | 0.75 HR | | \$6.41 | \$10.92 | \$0.00 | \$0.65 | \$17.98 |
| ROD WEED | 185 HP | 0.08 HR | | \$0.68 | \$2.01 | \$0.49 | \$1.53 | \$4.72 |
| PLANTER | 185 HP | 0.17 HR | | \$1.45 | \$4.27 | \$1.26 | \$6.44 | \$13.42 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.36 | \$2.00 | \$4.00 | \$13.58 |
| IRRIGATE (5X) | | 2.50 HR | | \$18.13 | \$54.60 | \$0.00 | \$3.25 | \$75.98 |
| SUBTOTAL | | 5.26 HR | | \$41.72 | \$112.26 | \$15.52 | \$40.49 | \$210.00 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|----------------|--|--|--|--|----------------|
| COMBINE (CUSTOM) | | | \$22.75 | | | | | \$22.75 |
| HAUL (CUSTOM) | | | \$11.70 | | | | | \$11.70 |
| SUBTOTAL | | | \$34.45 | | | | | \$34.45 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|----------------|----------------|--|---------------|--|-----------------|
| DOWNTIME | | 0.36 HR | | \$3.06 | | | | \$3.06 |
| EMPLOYEE BENEFITS | | | | \$7.51 | | | | \$7.51 |
| INSURANCE | | | \$0.83 | | | | | \$0.83 |
| LAND TAXES | | | | | | \$0.66 | | \$0.66 |
| SUPERVISION AND MANAGEMENT | | | | \$37.71 | | | | \$37.71 |
| OTHER EXPENSES | | | \$98.75 | | | | | \$98.75 |
| SUBTOTAL | | 0.36 HR | \$99.59 | \$48.27 | | \$0.66 | | \$148.52 |

| | | | | | | | | |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | | 5.62 HR | \$389.62 | \$90.00 | \$112.26 | \$15.52 | \$41.15 | \$648.55 |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|-------------------|
| NET OPERATING PROFIT | | | | | | | | (\$157.66) |
|-----------------------------|--|--|--|--|--|--|--|-------------------|

| | | | | | | | | |
|----------------------------------|---|----------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$162.61 | @ | 7.50% |) | | | \$12.20 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$24.46 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | | (\$194.31) |
|--------------------------------|--|--|--|--|--|--|--|-------------------|

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

BUDGET SUMMARY

| | | | | |
|--------------------------------|----------|-------------------|---|--|
| GROSS RETURN | | \$490.89 | | |
| VARIABLE OPERATING EXPENSES | \$517.41 | | | |
| RETURN OVER VARIABLE EXPENSES | | (\$26.51) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$41.15 | | | |
| NET FARM INCOME | | (\$67.66) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$90.00 | | | |
| NET OPERATING PROFIT | | (\$157.66) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$36.65 | | | |
| RETURN TO LAND AND RISK | | (\$194.31) | | |

TABLE 8. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2009.
 Planting Dates: May 15 - June 10
 Harvest Dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|--------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$7.70 | 55.00 CWT | | \$423.50 |
| DIRECT PAYMENT | \$0.00 | 55.00 CWT | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$9.00 | 1.00 ACRE | | \$9.00 |
| TOTAL | | | | \$432.50 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$1.69 | 6 LBS | \$10.14 | | \$10.14 |
| NITROGEN (N) | \$0.62 | 100 LBS | \$62.00 | | \$62.00 |
| PHOSPHATE (P205) | \$0.58 | 40 LBS | \$23.20 | | \$23.20 |
| HERBICIDE | \$15.88 | 1 ACRE | \$15.88 | | \$15.88 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 ACRE | \$20.01 | | \$20.01 |
| PUMP WATER* | | 20 AC. IN. | | | |
| CROP INSURANCE | \$0.98 | | \$0.98 | | \$0.98 |
| SUBTOTAL | | | \$132.21 | | \$132.21 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$12.05 | \$4.97 | \$9.32 | \$30.44 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.42 | \$2.08 |
| DISC & SPRAY | 185 HP | 0.17 HR | | \$1.45 | \$4.27 | \$1.66 | \$4.12 | \$11.50 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.47 | \$0.80 | \$2.04 | \$6.34 |
| TRACK | 126 HP | 0.40 HR | | \$3.42 | \$8.25 | \$1.59 | \$3.35 | \$16.60 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.44 | \$8.62 | \$0.00 | \$0.51 | \$14.57 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.68 | \$1.65 | \$0.38 | \$0.96 | \$3.68 |
| PLANTER | 185 HP | 0.17 HR | | \$1.45 | \$4.27 | \$1.26 | \$6.44 | \$13.42 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.36 | \$2.00 | \$4.00 | \$13.58 |
| IRRIGATE (3X) | | 1.50 HR | | \$10.88 | \$25.86 | \$0.00 | \$1.54 | \$38.28 |
| SUBTOTAL | | 4.26 HR | | \$33.50 | \$80.87 | \$15.40 | \$38.07 | \$167.84 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|----------------|--|--|--|--|----------------|
| COMBINE (CUSTOM) | | | \$26.18 | | | | | \$26.18 |
| HAUL (CUSTOM) | | | \$10.45 | | | | | \$10.45 |
| SUBTOTAL | | | \$36.63 | | | | | \$36.63 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|----------------|----------------|--|---------------|--|-----------------|
| DOWNTIME | | 0.66 HR | | \$5.60 | | | | \$5.60 |
| EMPLOYEE BENEFITS | | | | \$6.03 | | | | \$6.03 |
| INSURANCE | | | \$0.67 | | | | | \$0.67 |
| LAND TAXES | | | | | | \$0.66 | | \$0.66 |
| SUPERVISION AND MANAGEMENT | | | | \$33.09 | | | | \$33.09 |
| OTHER EXPENSES | | | \$98.75 | | | | | \$98.75 |
| SUBTOTAL | | 0.66 HR | \$99.42 | \$44.71 | | \$0.66 | | \$144.80 |

| | | | | | | | |
|---------------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | 4.92 HR | \$268.27 | \$78.21 | \$80.87 | \$15.40 | \$38.73 | \$481.48 |
|---------------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|

| | | | | | | | |
|-----------------------------|--|--|--|--|--|--|------------------|
| NET OPERATING PROFIT | | | | | | | (\$48.98) |
|-----------------------------|--|--|--|--|--|--|------------------|

| | | | | | | | |
|----------------------------------|---|---------|---|-------|---|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$93.23 | @ | 7.50% |) | | \$6.99 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$22.78 |

| | | | | | | | |
|--------------------------------|--|--|--|--|--|--|------------------|
| RETURN TO LAND AND RISK | | | | | | | (\$78.76) |
|--------------------------------|--|--|--|--|--|--|------------------|

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

BUDGET SUMMARY

| | | | |
|--------------------------------|-----------|---|--|
| GROSS RETURN | | \$432.50 | |
| VARIABLE OPERATING EXPENSES | \$364.54 | | |
| RETURN OVER VARIABLE EXPENSES | \$67.96 | (GROSS MARGIN) | |
| FIXED EXPENSES | \$38.73 | | |
| NET FARM INCOME | \$29.23 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$78.21 | | |
| NET OPERATING PROFIT | (\$48.98) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$29.78 | | |
| RETURN TO LAND AND RISK | | (\$78.76) | |

TABLE 9. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt Cour
 Projected 2009.
 Planting Dates: May 1 - May 15
 Harvest Dates: November 15 - December 30

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|----------|------------|------|-----------------|
| GROSS RETURNS | | | | |
| LINT | \$0.76 | 500.00 LBS | | \$380.00 |
| SEED | \$0.07 | 800 LBS | | \$56.00 |
| DIRECT PAYMENT | \$0.0000 | 500.00 LBS | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.1373 | 500.00 LBS | 0.85 | \$58.35 |
| TOTAL | | | | \$494.35 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$1.86 | 25 LB | \$46.50 | | \$46.50 |
| NITROGEN (N) | \$0.62 | 80 LB | \$49.60 | | \$49.60 |
| PHOSPHATE (P205) | \$0.58 | 60 LB | \$34.80 | | \$34.80 |
| HERBICIDE | \$15.88 | 1 X/ACRE | \$15.88 | | \$15.88 |
| INSECTICIDE | \$10.28 | 1 X/ACRE | \$10.28 | | \$10.28 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE | \$20.01 | | \$20.01 |
| PUMP WATER* | | 15 AC. IN. | | | |
| CROP INSURANCE | \$0.71 | | \$0.71 | | \$0.71 |
| SUBTOTAL | | | \$177.78 | | \$177.78 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$12.05 | \$4.97 | \$9.32 | \$30.44 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.42 | \$2.08 |
| DISC & SPRAY | 185 HP | 0.17 HR | | \$1.45 | \$4.27 | \$1.66 | \$4.12 | \$11.50 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.47 | \$0.80 | \$2.04 | \$6.34 |
| TRACK | 126 HP | 0.40 HR | | \$3.42 | \$8.25 | \$1.59 | \$3.35 | \$16.60 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.44 | \$8.62 | \$0.00 | \$0.51 | \$14.57 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.68 | \$1.65 | \$0.38 | \$0.96 | \$3.68 |
| PLANTER | 185 HP | 0.17 HR | | \$1.45 | \$4.27 | \$1.26 | \$6.44 | \$13.42 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.36 | \$2.00 | \$4.00 | \$13.58 |
| HAND HOE (CUSTOM) | | | \$10.00 | | | | | \$10.00 |
| IRRIGATE (2X) | | 1.00 HR | | \$7.25 | \$17.24 | \$0.00 | \$1.03 | \$25.52 |
| SUBTOTAL | | 3.76 HR | \$10.00 | \$29.87 | \$72.25 | \$15.40 | \$37.56 | \$165.08 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|---------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| COTTON STRIPPER MTD | 126 HP | 0.62 HR | | \$5.30 | \$15.57 | \$3.91 | \$21.18 | \$45.95 |
| HAUL | 126 HP | 0.75 HR | | \$6.41 | \$15.47 | \$3.01 | \$9.96 | \$34.85 |
| GIN COTTON (CUSTOM) | | | \$82.70 | | | | | \$82.70 |
| SUBTOTAL | | 1.37 HR | \$82.70 | \$11.71 | \$31.03 | \$6.92 | \$31.13 | \$163.50 |

| POSTHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|------------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| SHREDDER | 126 HP | 0.14 HR | | \$1.20 | \$2.89 | \$0.61 | \$6.20 | \$10.89 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|----------------|-------------|---------|---------------|-----------------|
| DOWNTIME | 0.92 HR | | \$7.84 | | | | \$7.84 |
| EMPLOYEE BENEFITS | | | \$7.70 | | | | \$7.70 |
| INSURANCE | | \$0.86 | | | | | \$0.86 |
| LAND TAXES | | | | | | \$0.66 | \$0.66 |
| SUPERVISION AND MANAGEMENT | | | \$37.50 | | | | \$37.50 |
| OTHER EXPENSES | | \$98.75 | | | | | \$98.75 |
| SUBTOTAL | 0.92 HR | \$99.61 | \$53.05 | | | \$0.66 | \$153.31 |

| | | | | | | | |
|---------------------------------|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | 6.19 HR | \$370.09 | \$95.83 | \$106.17 | \$22.94 | \$75.55 | \$670.58 |
|---------------------------------|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|

| | | | | | | | |
|-----------------------------|--|--|--|--|--|--|-------------------|
| NET OPERATING PROFIT | | | | | | | (\$176.23) |
|-----------------------------|--|--|--|--|--|--|-------------------|

| | | | | | | | |
|----------------------------------|---|----------|---|-------|---|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$121.73 | @ | 7.50% |) | | \$9.13 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$43.99 |

| | | | | | | | |
|--------------------------------|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | (\$229.34) |
|--------------------------------|--|--|--|--|--|--|-------------------|

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

BUDGET SUMMARY

| | | | |
|--------------------------------|----------|-------------------|---|
| GROSS RETURN | | \$494.35 | |
| VARIABLE OPERATING EXPENSES | \$499.20 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$4.85) | (GROSS MARGIN) |
| FIXED EXPENSES | \$75.55 | | |
| NET FARM INCOME | | (\$80.40) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$95.83 | | |
| NET OPERATING PROFIT | | (\$176.23) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$53.12 | | |
| RETURN TO LAND AND RISK | | (\$229.34) | |

TABLE 10. Peanuts, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2009.

Planting Dates: May 10 - June 10

Harvest Dates: October 10 - November 10

| ITEM | PRICE | YIELD | TOTAL |
|---------------|--------|--------------|----------|
| GROSS RETURNS | | | |
| PEANUTS | \$0.15 | 2,600.00 LBS | \$393.90 |
| TOTAL | | | \$393.90 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|----------|
| SEED | \$0.80 | 100 LB | \$80.00 | | \$80.00 |
| NITROGEN (N) | \$0.62 | 50 LB | \$31.00 | | \$31.00 |
| PHOSPHATE (P205) | \$0.58 | 80 LB | \$46.40 | | \$46.40 |
| HERBICIDE | \$16.96 | 1 X/ACRE | \$16.96 | | \$16.96 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE | \$20.01 | | \$20.01 |
| FUNGICIDE | \$37.67 | 1 X/ACRE | \$37.67 | | \$37.67 |
| TRACE ELEMENTS | \$11.92 | 1 X/ACRE | \$11.92 | | \$11.92 |
| PUMP WATER* | | 24 AC. IN. | | | |
| SUBTOTAL | | | \$243.95 | | \$243.95 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$12.05 | \$4.97 | \$9.32 | \$30.44 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.51 | \$1.27 | \$2.69 | \$8.68 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.42 | \$2.08 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.45 | \$4.27 | \$1.66 | \$4.12 | \$11.50 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.47 | \$0.80 | \$2.04 | \$6.34 |
| TRACK | 126 HP | 0.40 HR | | \$3.42 | \$8.25 | \$1.59 | \$3.35 | \$16.60 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.44 | \$10.35 | \$0.00 | \$0.62 | \$16.40 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.47 | \$0.80 | \$2.04 | \$6.34 |
| ROD WEEDER | 126 HP | 0.08 HR | | \$0.68 | \$1.65 | \$0.38 | \$0.96 | \$3.68 |
| PLANTER | 185 HP | 0.17 HR | | \$1.45 | \$4.27 | \$1.26 | \$6.44 | \$13.42 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.36 | \$2.00 | \$4.00 | \$13.58 |
| HAND HOE (CUSTOM) | | | \$12.00 | | | | | \$12.00 |
| IRRIGATE (3X) | | 1.50 HR | | \$10.88 | \$31.04 | \$0.00 | \$1.85 | \$43.76 |
| SUBTOTAL | | 4.38 HR | \$12.00 | \$34.52 | \$90.24 | \$16.20 | \$40.52 | \$193.49 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DIG AND INVERT | 185 HP | 0.24 HR | | \$2.05 | \$6.03 | \$1.30 | \$5.19 | \$14.56 |
| COMBINE PEANUTS | 185 HP | 0.80 HR | | \$6.84 | \$20.08 | \$5.24 | \$80.43 | \$112.59 |
| HAUL | 126 HP | 0.80 HR | | \$6.84 | \$16.50 | \$3.29 | \$14.90 | \$41.53 |
| SUBTOTAL | | 1.84 HR | \$0.00 | \$15.73 | \$42.61 | \$9.82 | \$100.52 | \$168.68 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DOWNTIME | 0.81 HR | | \$6.90 | | | | \$6.90 |
| EMPLOYEE BENEFITS | | | \$9.05 | | | | \$9.05 |
| INSURANCE | | \$1.01 | | | | | \$1.01 |
| LAND TAXES | | | | | | \$0.66 | \$0.66 |
| SUPERVISION AND MANAGEMENT | | | \$33.03 | | | | \$33.03 |
| OTHER EXPENSES | | | \$98.75 | | | | \$98.75 |
| SUBTOTAL | 0.81 HR | \$99.76 | \$48.98 | | | \$0.66 | \$149.40 |

| | | | | | | | |
|--------------------------|---------|----------|---------|----------|---------|----------|----------|
| TOTAL OPERATING EXPENSES | 7.03 HR | \$355.71 | \$99.24 | \$132.85 | \$26.03 | \$141.70 | \$755.52 |
|--------------------------|---------|----------|---------|----------|---------|----------|----------|

| | | | | | | | |
|----------------------|--|--|--|--|--|--|------------|
| NET OPERATING PROFIT | | | | | | | (\$361.62) |
|----------------------|--|--|--|--|--|--|------------|

| | | | | | | | |
|----------------------------------|----------------------|--|--|--|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (\$152.96 @ 7.50%) | | | | | | \$11.47 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$80.30 |

| | | | | | | | |
|-------------------------|--|--|--|--|--|--|------------|
| RETURN TO LAND AND RISK | | | | | | | (\$453.40) |
|-------------------------|--|--|--|--|--|--|------------|

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

BUDGET SUMMARY

| | | | | | | | |
|-------------------------------|----------|------------|---|--|--|--|--|
| GROSS RETURN | | \$393.90 | | | | | |
| VARIABLE OPERATING EXPENSES | \$514.59 | | | | | | |
| RETURN OVER VARIABLE EXPENSES | | (\$120.69) | (GROSS MARGIN) | | | | |
| FIXED EXPENSES | \$141.70 | | | | | | |
| NET FARM INCOME | | (\$262.39) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | | | | |
| LABOR AND MANAGEMENT COST | \$99.24 | | | | | | |
| NET OPERATING PROFIT | | (\$361.62) | (RETURN TO CAPITAL, LAND & RISK) | | | | |
| CAPITAL COSTS | \$91.77 | | | | | | |
| RETURN TO LAND AND RISK | | (\$453.40) | | | | | |

TABLE 11. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, New Mexico, Projected 2009.

| | WHEAT | CORN | GRAIN SORGHUM | STRIPPER COTTON | PEANUTS |
|----------------------------------|-----------|------------|------------------|--------------------|------------|
| | BU | CWT | CWT | LBS | LBS |
| PRIMARY YIELD | 50.00 | 65.00 | 55.00 | 500.00 | 2,600.00 |
| PRIMARY PRICE | \$6.00 | \$7.32 | \$7.70 | \$0.76 | \$0.15 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| SECOND INCOME | \$40.00 | \$15.00 | \$9.00 | \$56.00 | \$0.00 |
| GROSS RETURN | \$340.00 | \$490.89 | \$432.50 | \$494.35 | \$393.90 |
| CASH OPERATING EXPENSES | | | | | |
| SEED | \$15.60 | \$77.00 | \$10.14 | \$46.50 | \$80.00 |
| FERTILIZER | \$85.20 | \$127.80 | \$85.20 | \$84.40 | \$77.40 |
| CHEMICALS | \$20.01 | \$49.80 | \$35.89 | \$46.17 | \$74.64 |
| CROP INSURANCE | \$0.74 | \$0.98 | \$0.98 | \$0.71 | |
| OTHER PURCHASED INPUTS | | | | | \$11.92 |
| CANAL WATER | | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$21.96 | \$46.74 | \$46.38 | \$80.30 | \$91.47 |
| FUEL-IRRIGATION | \$43.11 | \$65.52 | \$34.49 | \$25.86 | \$41.38 |
| REPAIRS | \$7.72 | \$15.52 | \$15.40 | \$22.94 | \$26.03 |
| CUSTOM CHARGES | \$28.20 | \$34.45 | \$36.63 | \$92.70 | \$12.00 |
| LAND TAXES | \$0.66 | \$0.66 | \$0.66 | \$0.66 | \$0.66 |
| OTHER EXPENSES | \$99.28 | \$99.59 | \$99.42 | \$99.61 | \$99.76 |
| TOTAL CASH EXPENSES | \$322.46 | \$518.06 | \$365.20 | \$499.86 | \$515.25 |
| RETURN OVER CASH EXPENSES | \$17.54 | (\$27.17) | \$67.30 | (\$5.51) | (\$121.35) |
| FIXED EXPENSES | \$24.02 | \$40.49 | \$38.07 | \$74.89 | \$141.04 |
| TOTAL EXPENSES | \$346.49 | \$558.56 | \$403.27 | \$574.75 | \$656.29 |
| NET FARM INCOME | (\$6.49) | (\$67.66) | \$29.23 | (\$80.40) | (\$262.39) |
| LABOR AND MANAGEMENT COSTS | \$59.52 | \$90.00 | \$78.21 | \$95.83 | \$99.24 |
| NET OPERATING PROFIT | (\$66.01) | (\$157.66) | (\$48.98) | (\$176.23) | (\$361.62) |
| CAPITAL COSTS | | | | | |
| INTEREST ON OPERATING CAPITAL | \$6.10 | \$12.20 | \$6.99 | \$9.13 | \$11.47 |
| INTEREST ON EQUIPMENT INVESTMENT | \$13.36 | \$24.46 | \$22.78 | \$43.99 | \$80.30 |
| TOTAL CAPITAL COSTS | \$19.46 | \$36.65 | \$29.78 | \$53.12 | \$91.77 |
| RETURN TO LAND AND RISK | (\$85.47) | (\$194.31) | (\$78.76) | (\$229.34) | (\$453.40) |
| Flex Computation | -48.08 | -129.36 | -17.90 | -110.47 | -232.06 |

TABLE 12. Whole farm summary, Portales Valley, Roosevelt County,
Projected 2009.

| | | |
|----------------------------------|-------------|-------------------|
| GROSS RETURNS | | |
| WHEAT | 68.00 ACRES | |
| CROP | | \$20,400 |
| GRAZING | | \$2,720 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| CORN FOR GRAIN | 51.00 ACRES | |
| CROP | | \$24,271 |
| GRAZING | | \$765 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GRAIN SORGHUM | 51.00 ACRES | |
| CROP | | \$21,599 |
| GRAZING | | \$459 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| UPLAND COTTON | 70.00 ACRES | |
| LINT | | \$26,600 |
| SEED | | \$3,920 |
| DIRECT PAYMENT | | \$0 |
| PEANUTS | 60.00 ACRES | |
| CROP | | \$23,634 |
| GROSS RETURN | | <u>\$124,367</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$13,560 |
| FERTILIZER | | \$27,209 |
| CHEMICALS | | \$13,441 |
| CROP INSURANCE | | \$200 |
| OTHER PURCHASED INPUTS | | \$715 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$17,352 |
| FUEL-IRRIGATION | | \$12,325 |
| REPAIRS | | \$5,269 |
| CUSTOM CHARGES | | \$12,752 |
| LAND TAXES | | \$197 |
| OTHER EXPENSES | | \$29,859 |
| TOTAL CASH EXPENSES | | <u>\$132,879</u> |
| RETURN OVER CASH EXPENSES | | (\$8,512) |
| FIXED EXPENSES | | \$19,345 |
| TOTAL EXPENSES | | \$152,224 |
| NET FARM INCOME | | (\$27,857) |
| LABOR AND MANAGEMENT COSTS | | \$25,289 |
| NET OPERATING PROFIT | | (\$53,145) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$2,721 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$11,215 |
| TOTAL CAPITAL COSTS | | <u>\$13,935</u> |
| RETURN TO LAND AND RISK | | <u>(\$67,081)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | (\$71,881) | -16.74% |
| \$750 /ACRE | (\$74,281) | -13.37% |
| \$1,000 /ACRE | (\$76,681) | -11.13% |
| \$1,250 /ACRE | (\$79,081) | -9.53% |
| \$1,500 /ACRE | (\$81,481) | -8.34% |
| \$1,750 /ACRE | (\$83,881) | -7.41% |
| \$2,000 /ACRE | (\$86,281) | -6.66% |

* 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)