

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 1600 acre farm with above average management, Lea County,  
 Projected 2015  
 Planting dates: August 15 - September 30  
 Harvest dates: June 15 - July 5

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
WHEAT	\$7.00	20.00 BUSHELS		\$140.00
DIRECT PAYMENT	\$0.00	20.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
<b>TOTAL</b>				<b>\$140.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.45	30 LBS	\$13.50		\$13.50
NITROGEN (N)	\$0.45	16 LBS	\$7.20		\$7.20
PHOSPHATE (P205)	\$0.40	20 LBS	\$8.00		\$8.00
INSECTICIDE	\$16.99	1 X/ACRE	\$16.99		\$16.99
CROP INSURANCE	\$0.05		\$0.05		\$0.05
<b>SUBTOTAL</b>			<b>\$45.74</b>		<b>\$45.74</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	225 HP	0.05 HR		\$0.43	\$1.97	\$0.81	\$1.89	\$5.10
DRILL	225 HP	0.05 HR		\$0.43	\$1.97	\$0.58	\$3.14	\$6.12
FERT SPREADER	225 HP	0.05 HR		\$0.43	\$1.97	\$0.39	\$1.36	\$4.15
<b>SUBTOTAL</b>		<b>0.15 HR</b>	<b>\$0.00</b>	<b>\$1.28</b>	<b>\$5.92</b>	<b>\$1.78</b>	<b>\$6.39</b>	<b>\$15.37</b>

<b>HARVEST OPERATIONS</b>								
COMBINE		0.14 HR		\$1.20	\$4.09	\$3.56	\$6.45	\$15.30
HAUL	2 TON	0.14 HR		\$1.20	\$3.11	\$0.96	\$3.09	\$8.36
<b>SUBTOTAL</b>		<b>0.28 HR</b>	<b>\$0.00</b>	<b>\$2.39</b>	<b>\$7.21</b>	<b>\$4.52</b>	<b>\$9.54</b>	<b>\$23.66</b>

<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.11 HR		\$0.92				\$0.92
EMPLOYEE BENEFITS				\$0.66				\$0.66
INSURANCE			\$0.07					\$0.07
LAND TAXES							\$0.40	\$0.40
SUPERVISION AND MANAGEMENT				\$13.03				\$13.03
OTHER EXPENSES			\$25.62					\$25.62
<b>SUBTOTAL</b>		<b>0.11 HR</b>	<b>\$25.70</b>	<b>\$14.61</b>			<b>\$0.40</b>	<b>\$40.70</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>0.54 HR</b>	<b>\$71.44</b>	<b>\$18.28</b>	<b>\$13.12</b>	<b>\$6.30</b>	<b>\$16.32</b>	<b>\$125.47</b>
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<b>NET OPERATING PROFIT</b>								<b>\$14.53</b>
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INTEREST ON OPERATING CAPITAL	(	\$25.77	@	5.50%	)			\$1.42
INTEREST ON EQUIPMENT INVESTMENT								\$5.52

<b>RETURN TO LAND AND RISK</b>								<b>\$7.59</b>
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<b>BUDGET SUMMARY</b>			
GROSS RETURN		\$140.00	
VARIABLE OPERATING EXPENSES	\$90.86		
RETURN OVER VARIABLE EXPENSES		\$49.14	(GROSS MARGIN)
FIXED EXPENSES	\$16.32		
NET FARM INCOME		\$32.82	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$18.28		
NET OPERATING PROFIT		\$14.53	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$6.94		
RETURN TO LAND AND RISK		\$7.59	

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,600 acre farm with above average management, Lea County,  
 Projected 2015  
 Planting dates: May 15 - June 10  
 Harvest dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
<b>GROSS RETURNS</b>								
GRAIN SORGHUM	\$7.06	12.00 CWT						\$84.77
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT						\$0.00
DIRECT PAYMENT	\$0.00	12.00 CWT	0.85					\$0.00
<b>TOTAL</b>								<b>\$84.77</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.31	3 LBS	\$3.93					\$3.93
NITROGEN (N)	\$0.45	16 LBS	\$7.20					\$7.20
PHOSPHATE (P205)	\$0.40	20 LBS	\$8.00					\$8.00
HERBICIDE	\$18.82	1 X/ACRE	\$18.82					\$18.82
CROP INSURANCE	\$0.08		\$0.08					\$0.08
<b>SUBTOTAL</b>			<b>\$38.02</b>					<b>\$38.02</b>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	225 HP	0.05 HR		\$0.43	\$1.97	\$0.39	\$1.36	\$4.15
CHISEL & SPRAY	225 HP	0.07 HR		\$0.60	\$2.76	\$1.21	\$3.14	\$7.71
PLANTER	225 HP	0.08 HR		\$0.68	\$3.16	\$0.95	\$4.93	\$9.73
CULTIVATOR (2X)	225 HP	0.12 HR		\$1.03	\$4.74	\$1.68	\$4.37	\$11.81
<b>SUBTOTAL</b>		<b>0.32 HR</b>		<b>\$2.74</b>	<b>\$12.63</b>	<b>\$4.24</b>	<b>\$13.81</b>	<b>\$33.40</b>
<b>HARVEST OPERATIONS</b>								
COMBINE		0.14 HR		\$1.20	\$4.09	\$3.89	\$6.45	\$15.63
HAUL	2 TON	0.14 HR		\$1.20	\$3.11	\$1.09	\$3.09	\$8.49
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$7.21</b>	<b>\$4.98</b>	<b>\$9.54</b>	<b>\$24.12</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.15 HR		\$1.28				\$1.28
EMPLOYEE BENEFITS				\$0.92				\$0.92
INSURANCE			\$0.10					\$0.10
LAND TAXES							\$0.40	\$0.40
SUPERVISION AND MANAGEMENT				\$10.43				\$10.43
OTHER EXPENSES			\$25.62					\$25.62
<b>SUBTOTAL</b>		<b>0.15 HR</b>	<b>\$25.73</b>	<b>\$12.64</b>			<b>\$0.40</b>	<b>\$38.76</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>0.75 HR</b>	<b>\$63.75</b>	<b>\$17.77</b>	<b>\$19.83</b>	<b>\$9.22</b>	<b>\$23.74</b>	<b>\$134.31</b>
<b>NET OPERATING PROFIT</b>								<b>(\$49.54)</b>
INTEREST ON OPERATING CAPITAL		( \$24.24 @	5.50%	)				\$1.33
INTEREST ON EQUIPMENT INVESTMENT								\$8.25
<b>RETURN TO LAND AND RISK</b>								<b>(\$59.13)</b>
<b>BUDGET SUMMARY</b>								
GROSS RETURN			\$84.77					
VARIABLE OPERATING EXPENSES	\$92.80							
RETURN OVER VARIABLE EXPENSES		(\$8.03)	(GROSS MARGIN)					
FIXED EXPENSES	\$23.74							
NET FARM INCOME		(\$31.77)	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$17.77							
NET OPERATING PROFIT		(\$49.54)	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$9.59							
RETURN TO LAND AND RISK		(\$59.13)						

TABLE 7. Summary of per acre costs and returns for a 1,600 acre farm with above average management, Lea County, Projected 2015

	WHEAT	GRAIN SORGHUM
	BU	CWT
PRIMARY YIELD	20.00	12.00
PRIMARY PRICE	\$7.00	\$7.06
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$0.00
GROSS RETURN	\$140.00	\$84.77
VARIABLE OPERATING EXPENSES		
SEED	\$13.50	\$3.93
FERTILIZER	\$15.20	\$15.20
CHEMICALS	\$16.99	\$18.82
CROP INSURANCE	\$0.05	\$0.08
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$13.12	\$19.83
FUEL-IRRIGATION		
REPAIRS	\$6.30	\$9.22
CUSTOM CHARGES	\$0.00	\$0.00
LAND TAXES	\$0.40	\$0.40
OTHER EXPENSES	\$25.70	\$25.73
TOTAL VARIABLE EXPENSES	\$91.26	\$93.19
RETURN OVER VARIABLE EXPENSES	\$48.74	(\$8.42)
FIXED EXPENSES	\$15.93	\$23.35
TOTAL EXPENSES	\$107.18	\$116.54
RETURNS TO CAPITAL, LABOR, LAND & RISK	\$32.82	(\$31.77)
LABOR AND MANAGEMENT COSTS	\$18.28	\$17.77
RETURNS TO CAPITAL, LAND & RISK	\$14.53	(\$49.54)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.42	\$1.33
INTEREST ON EQUIPMENT INVESTMENT	\$5.52	\$8.25
TOTAL CAPITAL COSTS	\$6.94	\$9.59
RETURN TO LAND AND RISK	\$7.59	(\$59.13)

TABLE 8. Whole farm summary, Lea County,  
Projected 2015

GROSS RETURNS		
WHEAT	914.00 ACRES	
CROP		\$127,960
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	646.00 ACRES	
CROP		\$54,762
DIRECT PAYMENT		\$0
GROSS RETURN		<u>\$182,722</u>
VARIABLE OPERATING EXPENSES		
SEED		\$14,878
FERTILIZER		\$23,712
CHEMICALS		\$27,680
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$24,808
FUEL-IRRIGATION		\$0
REPAIRS		\$11,710
CUSTOM CHARGES		\$0
LAND TAXES		\$617
OTHER EXPENSES		\$40,106
TOTAL VARIABLE EXPENSES		<u>\$143,610</u>
RETURN OVER VARIABLE EXPENSES		\$39,112
FIXED EXPENSES		\$29,641
TOTAL EXPENSES		\$173,251
NET FARM INCOME		\$9,471
LABOR AND MANAGEMENT COSTS		\$28,189
NET OPERATING PROFIT		(\$18,718)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,157
INTEREST ON EQUIPMENT INVESTMENT		\$10,378
TOTAL CAPITAL COSTS		<u>\$12,535</u>
RETURN TO LAND AND RISK		<u>(\$31,254)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$38,454)	-4.57%
\$200 /ACRE	(\$40,854)	-3.82%
\$250 /ACRE	(\$43,254)	-3.28%
\$300 /ACRE	(\$45,654)	-2.88%
\$350 /ACRE	(\$48,054)	-2.56%

\* 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)