

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
GROSS RETURNS				
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
TOTAL				\$140.00

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
SUBTOTAL			\$45.74		\$45.74

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
SUBTOTAL		0.15 HR	\$0.00	\$1.28	\$5.92	\$1.78	\$6.39	\$15.37

HARVEST OPERATIONS								
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
SUBTOTAL		0.28 HR	\$0.00	\$2.39	\$7.21	\$4.52	\$9.54	\$23.66

OVERHEAD EXPENSES								
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
SUBTOTAL		0.11 HR	\$25.70	\$14.61			\$0.40	\$40.70

TOTAL OPERATING EXPENSES		0.54 HR	\$71.44	\$18.28	\$13.12	\$6.30	\$16.32	\$125.47
---------------------------------	--	----------------	----------------	----------------	----------------	---------------	----------------	-----------------

NET OPERATING PROFIT								\$14.53
-----------------------------	--	--	--	--	--	--	--	----------------

INTEREST ON OPERATING CAPITAL	(\$25.77	@	5.50%)			\$1.42
INTEREST ON EQUIPMENT INVESTMENT								\$5.52

RETURN TO LAND AND RISK								\$7.59
--------------------------------	--	--	--	--	--	--	--	---------------

BUDGET SUMMARY			
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
GROSS RETURNS				
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
TOTAL				\$84.77

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	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
SUBTOTAL			\$38.02		\$38.02

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
SUBTOTAL		0.32 HR		\$2.74	\$12.63	\$4.24	\$13.81	\$33.40

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
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
SUBTOTAL		0.28 HR		\$2.39	\$7.21	\$4.98	\$9.54	\$24.12

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
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
SUBTOTAL	0.15 HR	\$25.73	\$12.64			\$0.40	\$38.76

TOTAL OPERATING EXPENSES	0.75 HR	\$63.75	\$17.77	\$19.83	\$9.22	\$23.74	\$134.31
---------------------------------	----------------	----------------	----------------	----------------	---------------	----------------	-----------------

NET OPERATING PROFIT							(\$49.54)
-----------------------------	--	--	--	--	--	--	------------------

INTEREST ON OPERATING CAPITAL	(\$24.24	@	5.50%)		\$1.33
INTEREST ON EQUIPMENT INVESTMENT							\$8.25

RETURN TO LAND AND RISK							(\$59.13)
--------------------------------	--	--	--	--	--	--	------------------

BUDGET SUMMARY

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)