

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 2015  
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
ALFALFA SEED	\$6.00	10 LBS	\$60.00					\$60.00
WHEAT SEED	\$0.45	30 LBS	\$13.50					\$13.50
SUBTOTAL			\$73.50					\$73.50
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$3.14	\$0.85	\$3.75	\$8.59
RODWEEDER	96 HP	0.08 HR		\$0.68	\$1.71	\$0.14	\$0.25	\$2.78
DRILL WHEAT	96 HP	0.09 HR		\$0.77	\$1.92	\$0.18	\$1.49	\$4.35
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.31	\$6.76	\$1.16	\$5.49	\$20.22
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.07 HR		\$0.58				\$0.58
EMPLOYEE BENEFITS				\$0.42				\$0.42
INSURANCE			\$0.05					\$0.05
SUPERVISION AND MANAGEMENT				\$6.90				\$6.90
SUBTOTAL		0.07 HR	\$0.05	\$7.89				\$7.94
<u>TOTAL OPERATING EXPENSES</u>		0.34 HR	\$78.05	\$10.20	\$6.76	\$1.16	\$5.49	\$101.66

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 2015  
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
ALFALF/FA HAY	\$235.00	1.50 TONS (IN FIELD)						\$352.50	
GRAZING	\$12.00	1.00 ACRE						\$12.00	
<b>TOTAL</b>							<b>\$364.50</b>		
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
WIRE	\$3.12	13 LBS	\$40.11					\$40.11	
ESTABLISHMENT: Principal		6 YEARS					\$16.94	\$16.94	
: Interest							\$3.22	\$3.22	
<b>SUBTOTAL</b>			<b>\$40.11</b>				<b>\$20.17</b>	<b>\$60.27</b>	
<b>HARVEST OPERATIONS</b>									
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	\$6.29	\$0.28	\$26.24	\$36.92	
BALER (3X)	96 HP	0.63 HR		\$5.39	\$13.43	\$0.67	\$4.06	\$23.54	
<b>SUBTOTAL</b>	<b>1.11 HR</b>			<b>\$9.49</b>	<b>\$19.72</b>	<b>\$0.95</b>	<b>\$30.30</b>	<b>\$60.46</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.28 HR		\$2.37				\$2.37	
EMPLOYEE BENEFITS				\$1.71				\$1.71	
INSURANCE			\$0.19					\$0.19	
LAND TAXES								\$0.33	
SUPERVISION AND MANAGEMENT				\$26.63				\$26.63	
OTHER EXPENSES			\$39.31					\$39.31	
<b>SUBTOTAL</b>	<b>0.28 HR</b>		<b>\$39.50</b>	<b>\$30.71</b>				<b>\$0.33</b>	<b>\$70.53</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1.39 HR</b>		<b>\$79.61</b>	<b>\$40.20</b>	<b>\$19.72</b>	<b>\$0.95</b>	<b>\$50.80</b>	<b>\$191.27</b>	
<b>NET OPERATING PROFIT</b>								<b>\$173.23</b>	
INTEREST ON OPERATING CAPITAL		( \$21.78 @ 5.50% )						\$1.20	
INTEREST ON EQUIPMENT INVESTMENT								\$17.74	
<b>RETURN TO LAND AND RISK</b>								<b>\$154.30</b>	

<b>BUDGET SUMMARY</b>			
GROSS RETURN		\$364.50	
VARIABLE OPERATING EXPENSES	\$100.27		
RETURN OVER VARIABLE EXPENSES		\$264.23	(GROSS MARGIN)
FIXED EXPENSES	\$50.80		
NET FARM INCOME		\$213.43	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$40.20		
NET OPERATING PROFIT		\$173.23	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.94		
RETURN TO LAND AND RISK		\$154.30	

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 2015  
 Planting dates: June 1 - July 4  
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE						TOTAL
<b>GROSS RETURNS</b>									
GRAIN SORGHUM	\$7.06	16.00 CWT							\$113.03
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
<b>TOTAL</b>									<b>\$118.03</b>
<b>PURCHASED INPUTS</b>									
	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$1.31	3 LBS	\$3.28						\$3.28
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07						\$15.07
CROP INSURANCE	\$0.13		\$0.13						\$0.13
<b>SUBTOTAL</b>			<b>\$18.47</b>						<b>\$18.47</b>
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEP	145 HP	0.10 HR		\$0.86	\$3.14	\$0.85	\$3.75	\$8.59	
ROD WEED	96 HP	0.08 HR		\$0.68	\$1.71	\$0.14	\$0.25	\$2.78	
LISTER/PLANTER	96 HP	0.18 HR		\$1.54	\$3.84	\$0.46	\$2.16	\$8.00	
CULTIVATOR (2X)	96 HP	0.26 HR		\$2.22	\$5.54	\$0.89	\$1.26	\$9.92	
<b>SUBTOTAL</b>		<b>0.62 HR</b>		<b>\$5.30</b>	<b>\$14.22</b>	<b>\$2.34</b>	<b>\$7.42</b>	<b>\$29.29</b>	
<b>HARVEST OPERATIONS</b>									
COMBINE	22 FT	0.14 HR		\$1.20	\$4.09	\$0.39	\$12.77	\$18.45	
HAUL	2 TON	0.14 HR		\$1.20	\$3.11	\$0.90	\$6.48	\$11.69	
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$7.21</b>	<b>\$1.29</b>	<b>\$19.25</b>	<b>\$30.15</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.23 HR		\$1.92				\$1.92	
EMPLOYEE BENEFITS				\$1.73				\$1.73	
INSURANCE			\$0.15					\$0.15	
LAND TAXES							\$0.33	\$0.33	
SUPERVISION AND MANAGEMENT				\$9.16				\$9.16	
OTHER EXPENSES			\$39.31					\$39.31	
<b>SUBTOTAL</b>		<b>0.23 HR</b>	<b>\$39.46</b>	<b>\$12.82</b>			<b>\$0.33</b>	<b>\$52.61</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>1.35 HR</b>	<b>\$42.74</b>	<b>\$20.51</b>	<b>\$21.43</b>	<b>\$3.64</b>	<b>\$27.00</b>	<b>\$115.32</b>	
<b>NET OPERATING PROFIT</b>								<b>\$2.71</b>	
INTEREST ON OPERATING CAPITAL		( \$14.08 @ 5.50% )						\$0.77	
INTEREST ON EQUIPMENT INVESTMENT								\$9.97	
<b>RETURN TO LAND AND RISK</b>								<b>(\$8.03)</b>	

**BUDGET SUMMARY**

GROSS RETURN		\$118.03	
VARIABLE OPERATING EXPENSES	\$67.80		
RETURN OVER VARIABLE EXPENSES		\$50.23	(GROSS MARGIN)
FIXED EXPENSES	\$27.00		
NET FARM INCOME		\$23.22	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$20.51		
NET OPERATING PROFIT		\$2.71	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.74		
RETURN TO LAND AND RISK		(\$8.03)	

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 2015  
 Planting dates: September 1 - September 15  
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
WHEAT	\$7.00	14.00 BUSHEL		\$98.00
DIRECT PAYMENT	\$0.00	14.00 BUSHEL	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$2.00	1.00 ACRE		\$2.00
<b>TOTAL</b>				<b>\$100.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.45	25 LBS	\$11.25		\$11.25
CROP INSURANCE	\$0.15		\$0.15		\$0.15
<b>SUBTOTAL</b>			<b>\$11.40</b>		<b>\$11.40</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$2.22	\$8.16	\$2.21	\$9.75	\$22.34
RODWEED	145 HP	0.16 HR		\$1.37	\$5.02	\$0.99	\$5.72	\$13.10
DRILL	96 HP	0.09 HR		\$0.77	\$1.92	\$0.18	\$1.49	\$4.35
<b>SUBTOTAL</b>		<b>0.51 HR</b>		<b>\$4.36</b>	<b>\$15.10</b>	<b>\$3.37</b>	<b>\$16.96</b>	<b>\$39.79</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$4.09	\$0.39	\$13.47	\$19.15
HAUL	2 TON	0.14 HR		\$1.20	\$3.11	\$0.90	\$6.48	\$11.69
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$7.21</b>	<b>\$1.29</b>	<b>\$19.95</b>	<b>\$30.85</b>

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						\$0.33	\$0.33
SUPERVISION AND MANAGEMENT			\$5.00				\$5.00
OTHER EXPENSES		\$39.31					\$39.31
<b>SUBTOTAL</b>	<b>0.20 HR</b>	<b>\$39.44</b>	<b>\$6.75</b>			<b>\$0.33</b>	<b>\$46.52</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>0.99 HR</b>	<b>\$50.69</b>	<b>\$13.51</b>	<b>\$22.30</b>	<b>\$4.67</b>	<b>\$37.24</b>	<b>\$128.41</b>
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NET OPERATING PROFIT (\$28.41)

INTEREST ON OPERATING CAPITAL	( \$11.02 @ 5.50% )	\$0.61
INTEREST ON EQUIPMENT INVESTMENT		\$13.41

RETURN TO LAND AND RISK (\$42.42)

BUDGET SUMMARY

GROSS RETURN	\$100.00	
VARIABLE OPERATING EXPENSES	\$77.66	
RETURN OVER VARIABLE EXPENSES	\$22.34	(GROSS MARGIN)
FIXED EXPENSES	\$37.24	
NET FARM INCOME	(\$14.90)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$13.51	
NET OPERATING PROFIT	(\$28.41)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$14.01	
RETURN TO LAND AND RISK	(\$42.42)	

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County, Projected 2015

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$235.00	\$7.06	\$7.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$364.50	\$118.03	\$100.00
CASH OPERATING EXPENSES				
SEED	\$60.00		\$3.28	\$11.25
FERTILIZER	\$13.50			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.05	\$40.30	\$0.15	\$0.14
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$6.76	\$19.72	\$21.43	\$22.30
FUEL-IRRIGATION				
REPAIRS	\$1.16	\$0.95	\$3.64	\$4.67
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.33	\$0.33	\$0.33
OTHER EXPENSES		\$39.31	\$39.31	\$39.31
TOTAL CASH EXPENSES	\$85.97	\$100.60	\$68.25	\$78.14
RETURN OVER CASH EXPENSES	(\$85.97)	\$263.90	\$49.78	\$21.86
FIXED EXPENSES	\$5.49	\$50.47	\$26.68	\$36.91
TOTAL EXPENSES	\$91.46	\$151.07	\$94.93	\$115.05
NET FARM INCOME	(\$91.46)	\$213.43	\$23.10	(\$15.05)
LABOR AND MANAGEMENT COSTS	\$10.20	\$40.20	\$20.51	\$13.51
NET OPERATING PROFIT	(\$101.66)	\$173.23	\$2.59	(\$28.56)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.20	\$0.77	\$0.61
INTEREST ON EQUIPMENT INVESTMENT		\$17.74	\$9.97	\$13.41
TOTAL CAPITAL COSTS	\$0.00	\$18.94	\$10.74	\$14.01
RETURN TO LAND AND RISK	(\$101.66)	\$154.30	(\$8.16)	(\$42.57)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,  
Projected 2015

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$21,150
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$45,211
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$33,320
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$103,081</u>
CASH OPERATING EXPENSES		
SEED		\$5,495
FERTILIZER		\$81
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,526
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$17,378
FUEL-IRRIGATION		\$0
REPAIRS		\$3,104
CUSTOM CHARGES		\$27
LAND TAXES		\$261
OTHER EXPENSES		\$31,448
TOTAL CASH EXPENSES		<u>\$60,419</u>
RETURN OVER CASH EXPENSES		\$42,662
FIXED EXPENSES		\$25,266
TOTAL EXPENSES		\$85,685
NET FARM INCOME		\$17,397
LABOR AND MANAGEMENT COSTS		\$15,270
NET OPERATING PROFIT		\$2,127
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$588
INTEREST ON EQUIPMENT INVESTMENT		\$9,610
TOTAL CAPITAL COSTS		<u>\$10,197</u>
RETURN TO LAND AND RISK		<u>(\$8,071)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$11,671)	0.85%
\$300 /ACRE	(\$15,271)	0.57%
\$450 /ACRE	(\$18,871)	0.43%
\$600 /ACRE	(\$22,471)	0.35%
\$750 /ACRE	(\$26,071)	0.29%
\$900 /ACRE	(\$29,671)	0.25%

\* 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)