

TABLE 1. Acreage Summary, Roosevelt County,
Projected 2017

BUDGET AREA..... PORTALES VALLEY, ROOSEVELT COUNTY			
FARM SIZE..... 320 ACRES			
IRRIGATION TYPE..... SPRINKLER			
NUMBER OF CROPS... 4			
WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
WHEAT	53.55	18	964
ARP	0.00		
FLEX IN WHEAT	9.45	18	170
CORN	52.70	30	1,581
ARP	0.00		
FLEX IN WHEAT	9.30	18	167
GRAIN SORGHUM	52.70	20	1,054
ARP	0.00		
FLEX IN WHEAT	9.30	18	167
PEANUTS	63.00	22	1,386
CORNERS, ROADS, HOMESTEAD	70.00		
TOTAL	320.00		5,490
ACRE FEET PER ACRE OF WATER RIGHTS			1.43

TABLE 2. Basic cost information for the Portales Valley, Roosevelt County,
Projected 2017

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$8.55
General & Irrigators	\$/hour		\$7.50
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.22
Phosphate (P205)	\$/pound		\$0.27
Seed:			
Wheat	\$/pound		\$0.44
Corn	\$/bag		\$300.00
Grain Sorghum	\$/pound		\$1.70
Peanuts	\$/pound		\$1.10
Energy:			
Natural gas (Gas NM)	\$/MCF		\$3.99
Diesel fuel	\$/gallon		\$2.35
Gasoline	\$/gallon		\$2.10
Electricity (SWPS)	cents/KwHr		11.68
LP Gas	\$/gallon		\$2.75
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		5.50%
Land Interest Rate	percent		5.00%
Equipment Interest Rate	percent		5.50%
Real Interest Rate	percent		3.00%
Land Taxes	\$89.00 /acre (full value)		\$0.60
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value)	\$20.21 \$20.00
Supervision Factor	\$/labor hour		\$0.50
Management Rate	percent		7.00%

TABLE 3. Overhead cost information for the Portales Valley, Roosevelt County,
Projected 2017

Item			
Electricity (Domestic & Shop)		\$242.00 per month	\$2,904
Telephone		\$121.00 per month	\$1,452
Accounting & Legal			\$1,773
Misc. Supplies & Hand Tools			\$2,668
Pickup and Auto			
miles	24,926	@ \$0.500 per mile	\$12,463
Insurance			
- general liability (non-employee)			\$1,912
- fire/theft			\$1,513
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,452
Dues, fees, publications			\$436
Farmstead Equipment			\$182
Total			\$32,763
Total Per Planted Acre			\$133.56

TABLE 4. Pumping costs and data by location with Purvis Valley Resource Counts.

PUMP DATA		DEPTH CHARACTERISTICS	
DELTA GRIPPS	40	STAY	80
SPRINKLER		DOWN DOWN	20
		TOTAL	80
		CORRECTION	0%
PUMP AND MOTOR EFFICIENCY			
EFFICIENCY FACTOR	0.85		
ELECTRICITY	0.90		
MOTOR EFFICIENCY	0.95		
DESEL	0.75		
FUEL COST PER HOUR:			
ELECTRICITY	11.46	CENTSWHRE	
DESEL	1.00	GAL	
DESEL	0.26	GAL	
PUMP COSTS			
ELECTRIC WELL	\$0.87		
DESEL PER HOUR	\$0.49		
DESEL PER ACRE INCH	\$1.71		
MOTOR, AS WELL	\$1.98		
DESEL PER ACRE INCH	\$1.98		
UP GRAB WELL	\$1.16		
DESEL PER HOUR	\$1.16		
DESEL PER ACRE INCH	\$1.16		
DESEL WELL	\$0.4		
DESEL PER HOUR	\$0.4		
DESEL PER ACRE INCH	\$0.4		

Table 5. Equipment costs for a 100-acre, 1000-foot-deep well with various equipment. Source: Author.

EQUIPMENT	COST		FUEL COST		DEPRECIATION		TOTAL
	AMOUNT	PER HOUR	FUEL COST	PER HOUR	PER HOUR	PER HOUR	
TRACTOR	100	1	100	1	100	1	100
PUMP	100	1	100	1	100	1	100
WELL	100	1	100	1	100	1	100
...
TOTAL	300	3	300	3	300	3	300

EQUIPMENT LIST									
ITEM	NEW	USED	YRS	EQP	NEW	FUEL	USED	ACOM	INTEREST
	VAL	VAL			VAL				
TRACTOR	100	100	1	100	100	100	100	100	100
PUMP	100	100	1	100	100	100	100	100	100
WELL	100	100	1	100	100	100	100	100	100
...
TOTAL	300	300	3	300	300	300	300	300	300

INTEREST PRODUCTION									
INVEST	COST	YIELD	PERCENT	...	...	...	...	...	...
100	100	100	100	100	100	100	100	100	100
...
TOTAL	300	300	300	300	300	300	300	300	300

CORNOR GRASS									
MACHINE	POWER	TIME	RATE	TOTAL	...	...	...	...	...
HP	HP	HR	\$/HR	\$/AC	...	...	...	...	...
100	100	100	100	100	100	100	100	100	100
...
TOTAL	300	300	300	300	300	300	300	300	300

CORNOR GRASS (continued)									
MACHINE	POWER	TIME	RATE	TOTAL	...	...	...	...	...
100	100	100	100	100	100	100	100	100	100
...
TOTAL	300	300	300	300	300	300	300	300	300

ANNUAL FUEL COSTS AS A PERCENT OF NET VALUE									
ITEM	1	2	3	4	5	6	7	8	9
0	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
...
TOTAL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

ANNUAL FUEL COSTS AS A PERCENT OF NET VALUE (continued)									
ITEM	1	2	3	4	5	6	7	8	9
0	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
...
TOTAL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Based on unpublished data of D. S. Hyde, Department of Agriculture, University of Illinois, Urbana, Illinois.

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Source: Author.

Notes:

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TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2017
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$4.20	60.00 BUSHELS		\$252.00
DIRECT PAYMENT	\$0.00	60.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$40.00	1.00 ACRE		\$40.00
TOTAL				\$292.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.44	60 LBS	\$26.40		\$26.40
NITROGEN (N)	\$0.22	120 LBS	\$26.40		\$26.40
PHOSPHATE (P205)	\$0.27	40 LBS	\$10.80		\$10.80
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01		\$20.01
PUMP WATER*		18 AC. IN.			
CROP INSURANCE	\$0.61		\$0.61		\$0.61
SUBTOTAL			\$84.22		\$84.22

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	185 HP	0.28 HR		\$2.39	\$6.82	\$2.63	\$7.95	\$19.78
FERT SPREADER	126 HP	0.05 HR		\$0.43	\$0.87	\$0.20	\$0.96	\$2.45
DRILL	126 HP	0.18 HR		\$1.54	\$3.12	\$0.90	\$8.89	\$14.45
IRRIGATE (6X)		0.60 HR		\$4.50	\$80.85	\$0.00	\$9.28	\$94.63
SUBTOTAL		1.11 HR		\$8.86	\$91.65	\$3.72	\$27.07	\$131.31

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$22.30					\$22.30
HAUL (CUSTOM)			\$9.60					\$9.60
SUBTOTAL			\$31.90					\$31.90

OVERHEAD EXPENSES								
DOWNTIME		0.13 HR		\$1.09				\$1.09
EMPLOYEE BENEFITS				\$1.59				\$1.59
INSURANCE			\$0.18					\$0.18
LAND TAXES						\$0.60		\$0.60
SUPERVISION AND MANAGEMENT				\$21.00				\$21.00
OTHER EXPENSES			\$133.56					\$133.56
SUBTOTAL		0.13 HR	\$133.74	\$23.68			\$0.60	\$158.02

TOTAL OPERATING EXPENSES		1.24 HR	\$249.86	\$32.54	\$91.65	\$3.72	\$27.67	\$405.45
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NET OPERATING PROFIT								(\$113.45)
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INTEREST ON OPERATING CAPITAL	(\$68.61	@	5.50%)			\$3.77
INTEREST ON EQUIPMENT INVESTMENT								\$11.58

RETURN TO LAND AND RISK								(\$128.81)
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* Pump water costs are shown under irrigation in the preharvest operations section.
 BUDGET SUMMARY

GROSS RETURN		\$292.00		
VARIABLE OPERATING EXPENSES	\$345.24			
RETURN OVER VARIABLE EXPENSES		(\$53.24)	(GROSS MARGIN)	
FIXED EXPENSES	\$27.67			
NET FARM INCOME		(\$80.91)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$32.54			
NET OPERATING PROFIT		(\$113.45)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$15.35			
RETURN TO LAND AND RISK		(\$128.81)		

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2017
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
CORN FOR GRAIN	\$6.43	70.00 CWT		\$450.00
DIRECT PAYMENT	\$0.00	70.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$15.00	1.00 ACRE		\$15.00
TOTAL				\$465.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$3.75	28 000	\$105.00		\$105.00
NITROGEN (N)	\$0.22	150 LBS	\$33.00		\$33.00
PHOSPHATE (P205)	\$0.27	60 LBS	\$16.20		\$16.20
HERBICIDE	\$16.96	1 X/ACRE	\$16.96		\$16.96
INSECTICIDE (CUSTOM)	\$20.01	2 X/ACRE	\$40.01		\$40.01
PUMP WATER*		30 AC. IN.			
CROP INSURANCE	\$0.95		\$0.95		\$0.95
SUBTOTAL			\$212.12		\$212.12

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$3.41	\$1.31	\$3.97	\$9.89
PLOW	185 HP	0.48 HR		\$4.10	\$11.68	\$5.10	\$14.91	\$35.79
DISC	185 HP	0.14 HR		\$1.20	\$3.41	\$1.31	\$3.97	\$9.89
FERT SPREADER	126 HP	0.05 HR		\$0.43	\$0.87	\$0.20	\$0.96	\$2.45
SPRAY & DISC	185 HP	0.17 HR		\$1.45	\$4.14	\$1.71	\$5.99	\$13.29
PRE-IRRIGATE		0.10 HR		\$0.75	\$10.37	\$0.00	\$1.19	\$12.31
LISTER	126 HP	0.12 HR		\$1.03	\$2.08	\$0.80	\$4.08	\$7.99
ROD WEED	126 HP	0.08 HR		\$0.68	\$1.39	\$0.38	\$2.36	\$4.81
PLANT ER	185 HP	0.17 HR		\$1.45	\$4.14	\$1.31	\$9.32	\$16.22
CULTIVATOR (2X)	126 HP	0.26 HR		\$2.22	\$4.50	\$1.84	\$7.05	\$15.62
IRRIGATE (12X)		1.20 HR		\$9.00	\$124.39	\$0.00	\$14.27	\$147.66
SUBTOTAL		2.91 HR		\$23.52	\$170.37	\$13.95	\$68.09	\$275.92

HARVEST OPERATIONS								
COMBINE (CUSTOM)								\$24.50
HAUL (CUSTOM)								\$12.60
SUBTOTAL								\$37.10

OVERHEAD EXPENSES								
DOWNTIME		0.20 HR		\$1.67				\$1.67
EMPLOYEE BENEFITS				\$4.23				\$4.23
INSURANCE			\$0.47					\$0.47
LAND TAXES						\$0.60		\$0.60
SUPERVISION AND MANAGEMENT				\$33.67				\$33.67
OTHER EXPENSES			\$133.56					\$133.56
SUBTOTAL		0.20 HR		\$134.03	\$39.57		\$0.60	\$174.20

TOTAL OPERATING EXPENSES		3.11 HR		\$383.26	\$63.09	\$170.37	\$13.95	\$68.69	\$699.34
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NET OPERATING PROFIT									(\$234.34)
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INTEREST ON OPERATING CAPITAL	(\$155.23	@	5.50%)				\$8.54
INTEREST ON EQUIPMENT INVESTMENT									\$29.39

RETURN TO LAND AND RISK									(\$272.27)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$465.00		
VARIABLE OPERATING EXPENSES	\$567.57			
RETURN OVER VARIABLE EXPENSES		(\$102.57)	(GROSS MARGIN)	
FIXED EXPENSES	\$68.69			
NET FARM INCOME		(\$171.26)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$63.09			
NET OPERATING PROFIT		(\$234.34)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$37.93			
RETURN TO LAND AND RISK		(\$272.27)		

TABLE 8. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2017
 Planting Dates: May 15 - June 10
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$5.91	65.00 CWT		\$384.43
DIRECT PAYMENT	\$0.00	65.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$9.00	1.00 ACRE		\$9.00
TOTAL				\$393.43

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.70	6 LBS	\$10.20		\$10.20
NITROGEN (N)	\$0.22	150 LBS	\$33.00		\$33.00
PHOSPHATE (P205)	\$0.27	40 LBS	\$10.80		\$10.80
HERBICIDE	\$16.96	1 ACRE	\$16.96		\$16.96
INSECTICIDE (CUSTOM)	\$20.01	1 ACRE	\$20.01		\$20.01
PUMP WATER*		20 AC. IN.			
CROP INSURANCE	\$0.95		\$0.95		\$0.95
SUBTOTAL			\$91.92		\$91.92

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$3.41	\$1.31	\$3.97	\$9.89
PLOW	185 HP	0.48 HR		\$4.10	\$11.68	\$5.10	\$14.91	\$35.79
DISC	185 HP	0.14 HR		\$1.20	\$3.41	\$1.31	\$3.97	\$9.89
FERT SPREADER	126 HP	0.05 HR		\$0.43	\$0.87	\$0.20	\$0.96	\$2.45
DISC & SPRAY	185 HP	0.17 HR		\$1.45	\$4.14	\$1.71	\$5.99	\$13.29
LISTER	126 HP	0.12 HR		\$1.03	\$2.08	\$0.80	\$4.08	\$7.99
PRE-IRRIGATE		0.10 HR		\$0.75	\$8.17	\$0.00	\$0.94	\$9.85
ROD WEED	126 HP	0.08 HR		\$0.68	\$1.39	\$0.38	\$2.36	\$4.81
PLANTER	185 HP	0.17 HR		\$1.45	\$4.14	\$1.31	\$9.32	\$16.22
CULTIVATOR (2X)	126 HP	0.26 HR		\$2.22	\$4.50	\$1.84	\$7.05	\$15.62
IRRIGATE (10X)		1.00 HR		\$7.50	\$81.67	\$0.00	\$9.37	\$98.54
SUBTOTAL		2.71 HR		\$22.02	\$125.45	\$13.95	\$62.93	\$224.35

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$29.28				\$29.28
HAUL (CUSTOM)				\$12.35				\$12.35
SUBTOTAL				\$41.63				\$41.63

OVERHEAD EXPENSES								
DOWNTIME		0.39 HR		\$3.36				\$3.36
EMPLOYEE BENEFITS				\$3.96				\$3.96
INSURANCE			\$0.44					\$0.44
LAND TAXES						\$0.60		\$0.60
SUPERVISION AND MANAGEMENT				\$28.83				\$28.83
OTHER EXPENSES			\$133.56					\$133.56
SUBTOTAL		0.39 HR		\$134.00	\$36.14		\$0.60	\$170.75

TOTAL OPERATING EXPENSES		3.10 HR		\$267.55	\$58.16	\$125.45	\$13.95	\$63.53	\$528.64
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NET OPERATING PROFIT									(\$135.21)
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INTEREST ON OPERATING CAPITAL	(\$84.28	@	5.50%)				\$4.64
INTEREST ON EQUIPMENT INVESTMENT									\$27.05

RETURN TO LAND AND RISK									(\$166.90)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$393.43		
VARIABLE OPERATING EXPENSES	\$406.95			
RETURN OVER VARIABLE EXPENSES		(\$13.52)	(GROSS MARGIN)	
FIXED EXPENSES	\$63.53			
NET FARM INCOME		(\$77.05)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$58.16			
NET OPERATING PROFIT		(\$135.21)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$31.68			
RETURN TO LAND AND RISK		(\$166.90)		

TABLE 9. Peanuts, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2017
 Planting Dates: May 10 - June 10
 Harvest Dates: October 10 - November 10

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
PEANUTS	\$0.23	2,600.00 LBS	\$598.00
TOTAL			\$598.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.10	100 LB	\$110.00		\$110.00
NITROGEN (N)	\$0.22	60 LB	\$13.20		\$13.20
PHOSPHATE (P205)	\$0.27	80 LB	\$21.60		\$21.60
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	\$11.89	1 X/ACRE	\$11.89		\$11.89
PUMP WATER*		22 AC. IN.			
SUBTOTAL			\$231.33		\$231.33

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$3.41	\$1.31	\$3.97	\$9.89
PLOW	185 HP	0.48 HR		\$4.10	\$11.68	\$5.10	\$14.91	\$35.79
DISC	185 HP	0.14 HR		\$1.20	\$3.41	\$1.31	\$3.97	\$9.89
FERT SPREADER	126 HP	0.05 HR		\$0.43	\$0.87	\$0.20	\$0.96	\$2.45
SPRAY & DISC	185 HP	0.17 HR		\$1.45	\$4.14	\$1.71	\$5.99	\$13.29
PRE-IRRIGATE		0.10 HR		\$0.75	\$8.98	\$0.00	\$1.03	\$10.76
LISTE R	126 HP	0.12 HR		\$1.03	\$2.08	\$0.80	\$4.08	\$7.99
PLANTER	126 HP	0.17 HR		\$1.45	\$4.14	\$1.31	\$9.32	\$16.22
APPLY FUNGICIDE (CUSTOM)			\$27.00					\$27.00
CULTIVATOR (2X)	126 HP	0.26 HR		\$2.22	\$4.50	\$1.84	\$7.05	\$15.62
HAND HOE (CUSTOM)			\$12.00					\$12.00
IRRIGATE (10X)		1.00 HR		\$7.50	\$89.84	\$0.00	\$10.31	\$107.64
SUBTOTAL		2.63 HR	\$39.00	\$21.33	\$133.05	\$13.57	\$61.60	\$268.55

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	\$5.84	\$1.36	\$7.18	\$16.44
COMBINE PEANUTS	185 HP	0.80 HR		\$6.84	\$19.47	\$5.45	\$83.78	\$115.55
HAUL	126 HP	0.80 HR		\$6.84	\$13.86	\$3.29	\$23.09	\$47.08
SUBTOTAL		1.84 HR	\$0.00	\$15.73	\$39.18	\$10.11	\$114.05	\$179.06

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.61 HR		\$5.22				\$5.22
EMPLOYEE BENEFITS			\$6.67				\$6.67
INSURANCE		\$0.74					\$0.74
LAND TAXES						\$0.60	\$0.60
SUPERVISION AND MANAGEMENT			\$43.71				\$43.71
OTHER EXPENSES		\$133.56					\$133.56
SUBTOTAL	0.61 HR	\$134.30	\$55.60			\$0.60	\$190.50

TOTAL OPERATING EXPENSES	5.08 HR	\$404.63	\$92.66	\$172.22	\$23.68	\$176.25	\$869.44
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NET OPERATING PROFIT							(\$271.44)
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INTEREST ON OPERATING CAPITAL	(\$156.42 @ 5.50%)						\$8.60
INTEREST ON EQUIPMENT INVESTMENT							\$74.70

RETURN TO LAND AND RISK							(\$354.74)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$598.00	
VARIABLE OPERATING EXPENSES	\$600.53		
RETURN OVER VARIABLE EXPENSES		(\$2.53)	(GROSS MARGIN)
FIXED EXPENSES	\$176.25		
NET FARM INCOME		(\$178.78)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$92.66		
NET OPERATING PROFIT		(\$271.44)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$83.30		
RETURN TO LAND AND RISK		(\$354.74)	

TABLE 10. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, Projected 2017

	WHEAT	CORN	GRAIN SORGHUM	PEANUTS
	BU	CWT	CWT	LBS
PRIMARY YIELD	60.00	70.00	65.00	2,600.00
PRIMARY PRICE	\$4.20	\$6.43	\$5.91	\$0.23
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$40.00	\$15.00	\$9.00	\$0.00
GROSS RETURN	\$292.00	\$465.00	\$393.43	\$598.00
CASH OPERATING EXPENSES				
SEED	\$26.40	\$105.00	\$10.20	\$110.00
FERTILIZER	\$37.20	\$49.20	\$43.80	\$34.80
CHEMICALS	\$20.01	\$56.97	\$36.97	\$74.64
CROP INSURANCE	\$0.61	\$0.95	\$0.95	
OTHER PURCHASED INPUTS				\$11.89
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$10.80	\$35.61	\$35.61	\$73.40
FUEL-IRRIGATION	\$80.85	\$134.75	\$89.84	\$98.82
REPAIRS	\$3.72	\$13.95	\$13.95	\$23.68
CUSTOM CHARGES	\$31.90	\$37.10	\$41.63	\$39.00
LAND TAXES	\$0.60	\$0.60	\$0.60	\$0.60
OTHER EXPENSES	\$133.74	\$134.03	\$134.00	\$134.30
TOTAL CASH EXPENSES	\$345.84	\$568.17	\$407.55	\$601.13
RETURN OVER CASH EXPENSES	(\$53.84)	(\$103.17)	(\$14.12)	(\$3.13)
FIXED EXPENSES	\$27.07	\$68.09	\$62.93	\$175.65
TOTAL EXPENSES	\$372.91	\$636.26	\$470.48	\$776.78
NET FARM INCOME	(\$80.91)	(\$171.26)	(\$77.05)	(\$178.78)
LABOR AND MANAGEMENT COSTS	\$32.54	\$63.09	\$58.16	\$92.66
NET OPERATING PROFIT	(\$113.45)	(\$234.34)	(\$135.21)	(\$271.44)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$3.77	\$8.54	\$4.64	\$8.60
INTEREST ON EQUIPMENT INVESTMENT	\$11.58	\$29.39	\$27.05	\$74.70
TOTAL CAPITAL COSTS	\$15.35	\$37.93	\$31.68	\$83.30
RETURN TO LAND AND RISK	(\$128.81)	(\$272.27)	(\$166.90)	(\$354.74)
Flex Computation	-90.15	-174.79	-76.91	

TABLE 11. Whole farm summary, Portales Valley, Roosevelt County,
Projected 2017

GROSS RETURNS		
WHEAT	81.60 ACRES	
CROP		\$20,563
GRAZING		\$3,264
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	52.70 ACRES	
CROP		\$23,715
GRAZING		\$791
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	52.70 ACRES	
CROP		\$20,259
GRAZING		\$474
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
PEANUTS	63.00 ACRES	
CROP		\$37,674
GROSS RETURN		<u>\$106,740</u>
CASH OPERATING EXPENSES		
SEED		\$15,155
FERTILIZER		\$10,129
CHEMICALS		\$11,285
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$749
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$9,259
FUEL-IRRIGATION		\$24,659
REPAIRS		\$3,266
CUSTOM CHARGES		\$9,209
LAND TAXES		\$150
OTHER EXPENSES		\$33,500
TOTAL CASH EXPENSES		<u>\$117,512</u>
RETURN OVER CASH EXPENSES		(\$10,771)
FIXED EXPENSES		\$20,180
TOTAL EXPENSES		\$137,692
NET FARM INCOME		(\$30,952)
LABOR AND MANAGEMENT COSTS		\$14,883
NET OPERATING PROFIT		(\$45,834)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,544
INTEREST ON EQUIPMENT INVESTMENT		\$8,625
TOTAL CAPITAL COSTS		<u>\$10,170</u>
RETURN TO LAND AND RISK		<u>(\$56,004)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$60,804)	-14.62%
\$750 /ACRE	(\$63,204)	-11.65%
\$1,000 /ACRE	(\$65,604)	-9.68%
\$1,250 /ACRE	(\$68,004)	-8.28%
\$1,500 /ACRE	(\$70,404)	-7.23%
\$1,750 /ACRE	(\$72,804)	-6.42%
\$2,000 /ACRE	(\$75,204)	-5.78%

* 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)