TABLE 1. Acreage Summary, Curry County, Projected 2012.

BUDGET AREA...... CURRY COUNTY

FARM SIZE..... 520 ACRES IRRIGATION TYPE...... FLOOD NUMBER OF CROPS.. 2

|                                 |                     | WATER             | USE             |
|---------------------------------|---------------------|-------------------|-----------------|
| ACREAGE SUMMARY:                | LAND USE<br>(ACRES) | AC.IN.<br>PER AC. | TOTAL<br>AC.IN. |
| WHEAT<br>ARP                    | 255<br>0            | 15                | 3,825           |
| FLEX IN WHEAT<br>GRAIN SORGHUM  | 45<br>170           | 15<br>20          | 675<br>3.400    |
| ARP                             | 0                   | 20                | 3,400           |
| FLEX IN WHEAT<br>ROADS, DITCHES | 30                  | 15                | 450             |
| HOMESTEAD                       | 20_                 | _                 |                 |
| TOTAL                           | 520                 |                   | 8,350           |
| ACRE FEET PER A                 | CRE OF WATER RIGHTS |                   | 1.34            |

TABLE 2. Basic cost information for Curry County, Projected 2012.

| Item                             |          |                     |          |
|----------------------------------|----------|---------------------|----------|
| Labor Wage Rate:                 |          |                     |          |
| Equipment operators              |          | \$/hour             | \$7.75   |
| General & Irrigators             |          | \$/hour             | \$7.50   |
| Purchased Inputs:<br>Fertilizer: |          |                     |          |
| Nitrogen (N)                     |          | \$/pound            | \$0.89   |
| Phosphate (P205)                 |          | \$/pound            | \$0.75   |
| Anhydrous (NH3)                  |          | \$/ton              | \$700.00 |
| Seed:                            |          |                     |          |
| Grain Sorghum                    |          | \$/pound            | \$1.97   |
| Wheat                            |          | \$/pound            | \$0.50   |
| Diesel fuel                      |          | \$/gallon           | \$3.00   |
| Gasoline                         |          | \$/gallon           | \$3.80   |
| Electricity (SWPS)               |          | cents/KwHr          | 7.74     |
| LP gas                           |          | \$/gallon           | \$2.65   |
| Natural Gas (Gas NM)             |          | \$/MCF              | \$4.00   |
| 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             | 7.00%    |
| Land Interest Rate               |          | percent             | 6.00%    |
| Equipment Interest Rate          |          | percent             | 7.00%    |
| Real Interest Rate               |          | percent             | 3.00%    |
| Land Taxes                       | \$109.00 | /acre (full value)  | \$0.79   |
| Personal Propety Tax Rate        | - NR     | \$/\$1,000 (Assesse |          |
|                                  | - R      | Value)              | \$21.93  |
| 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 Curry County, Projected 2012.

Item

| Electricity (Domestic & :            | Shop)     |   | \$242.00 per month | \$2,904  |
|--------------------------------------|-----------|---|--------------------|----------|
| Telephone                            | • /       |   | \$121.00 per month | \$1,452  |
| Accounting & Legal                   |           |   | ·                  | \$1,785  |
| Misc. Supplies & Hand                | Tools     |   |                    | \$2,668  |
| Pickup and Auto                      |           |   |                    |          |
| miles                                | 24,200    | @ | \$0.500 per mile   | \$12,100 |
| Insurance                            |           |   |                    |          |
| - general liability (non-            | employee) |   |                    | \$2,384  |
| - fire/theft                         |           |   |                    | \$1,912  |
| Property Taxes                       |           |   |                    |          |
| <ul> <li>non-planted land</li> </ul> |           |   |                    | \$0      |
| - other than land & ma               | chinery   |   |                    | \$0      |
| Building repairs and ma              | intenance |   |                    | \$1,579  |
| Dues, fees, publications             | 3         |   |                    | \$436    |
| Farmstead Equipment                  |           |   |                    | \$182    |
|                                      |           |   | Total              | \$27,400 |
|                                      |           |   |                    |          |

## TABLE 4. Pumoino costs and data for Curry County. Projected 2012.

ELECTRIC WELL: COST PER HOUR COST PER ACRE INCH \$4.57 \$3.76 \$3.36 \$2.76 COST PER ACRE INCH

LP GAS WELL: COST PER HOUR COST PER ACRE INCH \$21.93 \$18.04 \$15.71 \$12.92

| EQUIPMEN       | T  | _         |                           |        |                |                         | VARIAB  | LE COSTS            |                  | FIX          | ED COSTS |                 |
|----------------|----|-----------|---------------------------|--------|----------------|-------------------------|---------|---------------------|------------------|--------------|----------|-----------------|
| ITEM & SIZ     | E  |           | ANNUAL<br>HOURS OF<br>USE | NUMBER | TOTAL<br>VALUE | FUEL, OIL,<br>LUBRICANT | REPAIR  | FUEL, OIL<br>PER HR | REPAIR<br>PER HR | DEPRECIATION | TAXES    | TOTAL<br>PER HR |
|                |    |           |                           |        |                |                         |         |                     |                  |              |          |                 |
| TRACTOR        |    | HP        | 146                       | 1      | \$42.221       | \$3,425                 | \$636   | \$23.44             | \$4.35           | \$4.834      | \$2.372  | \$49.3          |
| TRACTOR        |    | HP        | 336                       | 1      | \$42.210       | \$10.426                | \$1.941 | \$31.08             | \$5.79           | \$6.428      | \$3,154  | \$28.5          |
| DISC           |    | FT OFFSET |                           | 1      | \$9.000        |                         | \$1.841 |                     | \$11.16          | \$1.200      | \$589    | \$10.8          |
| DRILL          |    | FT        | 43                        | 1      | \$3.600        |                         | \$74    |                     | \$1.73           | \$720        | \$236    | \$22.2          |
| FERT SPREADELD |    |           |                           |        |                |                         |         |                     |                  |              |          |                 |
| CHISEL         |    | PT        | 26                        | 1      | \$1.650        |                         | \$52    |                     | \$2.05           | \$220        | \$108    | \$12.8          |
| CULTIVATOR     |    | ROW       | 44                        | 1      | \$5.000        |                         | \$274   |                     | \$6.20           | \$667        | \$327    | \$22.4          |
| LISTER         | 6  | ROW       | 60                        | 1      | \$2,150        |                         | \$160   |                     | \$2.67           | \$287        | \$141    | \$7.1           |
| PLANTER        | 6  | ROW       | 29                        | 1      | \$4,250        |                         | \$59    |                     | \$2.04           | \$850        | \$278    | \$39.0          |
| ROD WEEDER     | 23 | FT        | 14                        | 1      | \$625          |                         | \$11    |                     | \$0.78           | \$83         | \$41     | \$9.1           |
| ELECTRIC WELL  |    |           | 6.871                     | 1      | \$14.000       | \$31,400                | 80      | 84.57               | \$0.00           | \$1.120      | \$916    | \$0.3           |
| TOTAL          |    |           |                           |        | \$124,706      | \$45,251                | \$5.048 |                     |                  | \$16,409     | \$8.162  |                 |

EQUIPMENT LIST

|                |     |           | NEW    | USED   | YEARS | EQUIP | MAX   | FUEL    | LUBE | ACCUM     |     | INTEREST |
|----------------|-----|-----------|--------|--------|-------|-------|-------|---------|------|-----------|-----|----------|
| _ITEM          |     |           | VALUE  | VALUE  | LIFE  | CODE  | HOURS | UNIT/HR | COEF | HOURS     | AGE | EXPENSE  |
| TRACTOR        | 140 | HP        | 72.515 | 42.221 | 15    | 1     | 800   | 7.10    | 0.10 | 1899.30   | 13  | 2.538.03 |
| TRACTOR        | 185 |           | 96.420 | 42.210 | 15    | 1     | 800   | 9.42    | 0.10 | 3690.50   | 11  | 3.374.70 |
| DISC           | 20  | FT OFFSET | 18.000 | 9.000  | 15    | 3     | 300   |         |      | 2640.00   | 16  | 630.00   |
| DRILL          | 20  |           | 7.200  | 3.600  | 10    | 8     | 100   |         |      | 557.70    | 13  | 252.00   |
| FERT SPREADELD |     |           |        |        |       |       | 300   |         |      |           |     |          |
| CHISEL         |     | PT        | 3.300  | 1.650  | 15    | 3     | 300   |         |      | 382.50    | 15  | 115.50   |
| CULTIVATOR     |     | ROW       | 10.000 | 5.000  | 15    | 3     | 500   |         |      | 707.20    | 16  | 350.00   |
| LISTER         |     | ROW       | 4.300  | 2.150  | 15    | 3     | 300   |         |      | 960.00    | 16  | 150.50   |
| PLANTER        |     | ROW       | 8.500  | 4.250  | 10    | 8     | 100   |         |      | 375.70    | 13  | 297.50   |
| ROD WEEDER     | 23  | FT        | 1.250  | 625    | 15    | 3     | 300   |         |      | 204.00    | 15  | 43.75    |
| ELECTRIC WELL  |     |           | 28.000 | 14.000 | 25    | 0     | 8.742 |         |      | 103061.77 | 15  | 980.00   |

| WHEAT       | MILO  | TOTALS |
|-------------|-------|--------|
| hours per a | cre   |        |
| 0.18        | 0.51  | 0.69   |
| 0.62        | 0.77  | 1.39   |
| 0.33        | 0.33  | 0.66   |
| 0.13        | 0.00  | 0.13   |
| 0.05        | 0.00  | 0.05   |
| 0.00        | 0.15  | 0.15   |
| 0.00        | 0.26  | 0.26   |
| 0.12        | 0.12  | 0.24   |
| 0.00        | 0.17  | 0.17   |
| 0.00        | 0.08  | 0.08   |
| 12.34       | 16.46 | 28.80  |
|             |       |        |

| WHEAT     | MILO    |
|-----------|---------|
| dollars o | er acre |
| 3.13      | 8.86    |
| 6.24      | 7.75    |
| 1.26      | 1.26    |
| 0.76      | 0.00    |
|           |         |
| 0.00      | 0.68    |
| 0.00      | 2.06    |
|           |         |
| 0.00      | 1.75    |
| 0.00      | 0.26    |
| 1.76      | 2.35    |
| 13.15     | 24.96   |

COMBINE (CUSTOM) BASE RATE 16.00

EXTRA CHARGE PER BUSHEL OVER 19.00 0.19

HAUL (CUSTOM) PER BUSHEL 0.16

| MILO        |        | ACRES: | 170    |      | PUMP V  | VATER: | 20.00  |
|-------------|--------|--------|--------|------|---------|--------|--------|
|             |        |        |        |      | ACCOMPL |        |        |
| M           | ACHINE |        | POWER  | OVER | RATE    | TOTAL  | CUSTOM |
| DISC        |        |        | 185 HP | 1.00 | 0.11    | 0.11   |        |
| CHISEL      |        |        | 185 HP | 1.00 | 0.15    | 0.15   |        |
| DISC (2X)   |        |        | 185 HP | 2.00 | 0.11    | 0.22   |        |
| ANHYDROUS   | APPL   |        | 185 HP | 1.00 | 0.17    | 0.17   |        |
| LISTER      |        |        | 185 HP | 1.00 | 0.12    | 0.12   |        |
| PRE-IRRIGA  |        |        |        | 1    | 0.16    | 3.29   |        |
| ROD WEEDS   | R      |        | 140 HP | 1.00 | 0.08    | 0.08   |        |
| PLANT EF    |        |        | 140 HP | 1.00 | 0.17    | 0.17   |        |
| CULTIVATOR  |        |        | 140 HP | 2.00 | 0.13    | 0.26   |        |
| IRRIGATE (4 | X)     |        |        | 4.00 | 0.66    | 13.17  |        |

 COMBINE (CUSTOM) PER ACRE
 20.50

 EXTRA CHARGE PER CWT. OVER
 38.67
 0.28

 HAUL (CUSTOM) PER CWT
 0.19

|            |           |                | ANNUAL REP                          | AIR COSTS     | AS A PERCE      | NT OF NEW V     | ALUE     |          |         |
|------------|-----------|----------------|-------------------------------------|---------------|-----------------|-----------------|----------|----------|---------|
|            |           |                |                                     |               |                 |                 |          |          |         |
| Hours      |           |                |                                     |               |                 |                 |          |          |         |
| of Use     |           |                |                                     | 4             | 5               |                 |          |          |         |
|            |           |                |                                     |               |                 |                 |          |          |         |
|            |           |                | 0.000620                            |               |                 |                 |          |          |         |
| 50.000000  | 0.000060  | 0.000020       | 0.000620                            | 0.000020      | 0.0000080       | 0.000140        | 0.000040 | 0.000240 | 0.00020 |
| 100.000000 | 0.000060  | 0.000020       | 0.000500                            | 0.000020      | 0.000140        | 0.000220        | 0.000100 | 0.000380 | 0.00030 |
| 200.000000 | 0.000030  | 0.000030       | 0.000430                            | 0.000040      | 0.000180        | 0.000260        | 0.000110 | 0.000610 | 0.00026 |
| 300.000000 | 0.0000030 | 0.000060       | 0.000390                            | 0.000000      | 0.000230        | 0.000310        | 0.000140 | 0.000630 | 0.00040 |
|            |           |                | 0.000370                            |               |                 |                 |          |          |         |
| 600.000000 | 0.000030  | 0.000070       | 0.000360                            | 0.000100      | 0.000280        | 0.000370        | 0.000170 | 0.000000 | 0.00063 |
|            |           |                | 0.000340                            |               |                 |                 |          |          |         |
| 800.000000 | 0.000030  | 0.000100       | 0.000320                            | 0.000150      | 0.000350        | 0.000410        | 0.000200 | 0.000010 | 0.00050 |
| 900.000000 | 0.000030  | 0.000120       | 0.000320                            | 0.000160      | 0.000370        | 0.000450        | 0.000230 | 0.001020 | 0.00060 |
| PAYAYAYAY  | 0.000000  | 0.000130       | 0.000320                            | 0.000180      | 0.000380        | 0.000460        | 0.000230 | 0.001070 | 0.00063 |
| PATATATAT  | 0.000045  | 0.000145       | 0.000305                            | 0.000205      | 0.000405        | 0.000480        | 0.000245 | 0.001135 | 0.00071 |
| FAVAVAVAV  | 0.000045  | 0.000170       | 0.000300                            | 0.000230      | 0.000435        | 0.000510        | 0.000410 | 0.001260 | 0.00076 |
| FAVAVAVAV  | 0.000150  | 0.000170       | 0.000300                            | 0.000230      | 0.000435        | 0.000510        | 0.000410 | 0.001260 | 0.00076 |
|            |           |                | 0.000285                            |               |                 |                 |          |          | 0.00030 |
|            |           |                | 0.000285                            |               |                 |                 |          |          |         |
|            |           |                | 0.000280                            | 0.000305      | 0.000505        | 0.000565        | 0.000310 |          |         |
|            | 0.000056  |                |                                     |               |                 |                 |          |          |         |
|            | 0.000070  |                |                                     |               |                 |                 |          |          |         |
|            | 0.000000  |                |                                     |               |                 |                 |          |          |         |
|            | 0.000108  |                |                                     |               |                 |                 |          |          |         |
|            | 0.000122  |                |                                     |               |                 |                 |          |          |         |
|            | 0.000136  |                |                                     |               |                 |                 |          |          |         |
| FAVAVAVAV  | 0.000148  |                |                                     |               |                 |                 |          |          |         |
|            | 0.000162  |                |                                     |               |                 |                 |          |          |         |
|            | 0.000176  |                |                                     |               |                 |                 |          |          |         |
|            | 0.000188  |                |                                     |               |                 |                 |          |          |         |
| PARATATA   | 0.000204  |                |                                     |               |                 |                 |          |          |         |
|            |           |                |                                     |               |                 |                 |          |          |         |
|            |           |                |                                     |               |                 |                 |          |          |         |
|            |           |                | cublished data<br>Engineering, I    |               |                 | of Agricultural |          |          |         |
|            |           |                | ricultural Man                      |               |                 |                 |          |          |         |
|            |           |                | Engineers Ye                        |               |                 |                 |          |          |         |
|            |           |                | Critimens 16                        | 41000K. 1963. |                 |                 |          |          |         |
|            |           |                |                                     |               |                 |                 |          |          |         |
|            | Codes     |                |                                     |               |                 |                 |          |          |         |
|            |           |                |                                     |               |                 |                 |          |          |         |
|            |           | tractors       |                                     |               |                 |                 |          |          |         |
|            |           |                | ines, forage h                      |               |                 |                 |          |          |         |
|            |           |                | isks, moldboar<br>s, laser plane    |               | es, need cultiv | enors           |          |          |         |
|            |           |                | is, laser plane<br>cons, floets, ro |               | roller water    | furnow          |          |          |         |
|            |           | hed sharer     | ALANA, INCIMENT, INC                | W MALE CHIEF  | nown. Water     | narow.          |          |          |         |
|            |           |                | cotton pickers                      | cotton stripo | ers, com pick   | ers             |          |          |         |
|            | -         |                | orage equipm                        |               |                 |                 |          |          |         |
|            |           | feed wagons    |                                     |               |                 |                 |          |          |         |
|            |           | rakes, cutter  |                                     |               |                 |                 |          |          |         |
|            |           |                | ne. manure so                       |               |                 |                 |          |          |         |
|            |           |                | s. seedina eau                      |               | ed sprayers     |                 |          |          |         |
|            | 9         | tertazer distr | ibutina equipm                      | ent           |                 |                 |          |          |         |
|            |           |                |                                     |               |                 |                 |          |          |         |

TABLE 6. Wheat, flood-irrigated, budgeted per acre costs and returns for a 520 acre farm with above average management, Curry County, Projected 2012.

Planting Dates: August 15 - September 15
Harvesting Dates: June 15 - July 15

| Harvesting Dates: June 15 - Ju                                      | JIY 15                                |                           |                   |                   |                    |         |                |            |               |   |
|---|---------------------------------------|---------------------------|-------------------|-------------------|--------------------|---------|----------------|------------|---------------|---|
| ITEM  | PRICE                                 |                           | YIEL              | .D                | BASE               |         |                |            |               | TOTAL                                   |
| GROSS RETURNS WHEAT DIRECT PAYMENT COUNTER CYCLICAL PAYMENT GRAZING | \$6.50<br>\$0.00<br>\$0.00<br>\$40.00 |                           | 65.00             | BUSHELS<br>BUSHEL | S<br>0.85          |         |                |            |               | \$422.50<br>\$0.00<br>\$0.00<br>\$40.00 |
|   |                                       |                           |                   |                   |                    |         |                |            | -             |   |
| TOTAL   |                                       |                           |                   |                   |                    |         |                |            |               | \$462.50                                |
|   |                                       |                           |                   |                   | PURCHASED          |         |                |            | FIXED         |   |
| PURCHASED INPUTS  | PRICE                                 |                           | QUAN <sup>-</sup> | TITY              | INPUTS             |         |                |            | COST          | TOTAL                                   |
| 0550  | 00.50                                 |                           |                   | 1.00              | ***                |         |                |            | -             | 200.00                                  |
| SEED<br>ANHYDROUS AMMONIA (NH3)                                     | \$0.50<br>\$0.35                      |                           |                   | LBS<br>LBS        | \$30.00<br>\$35.00 |         |                |            |               | \$30.00<br>\$35.00                      |
| NITROGEN (N)  | \$0.89                                |                           |                   | LBS               | \$16.02            |         |                |            |               | \$16.02                                 |
| PHOSPHORUS (P205)   | \$0.75                                |                           | 46                | LBS               | \$34.50            |         |                |            |               | \$34.50                                 |
| INSECTICIDE (CUSTOM)  | \$9.59                                |                           | 1                 | ACRE              | \$9.59             |         |                |            |               | \$9.59                                  |
| HERBICIDE (CUSTOM)  | \$10.69                               |                           |                   | ACRE              | \$10.69            |         |                |            |               | \$10.69                                 |
| PUMP WATER*   |                                       |                           | 15                | AC. IN.           |                    |         |                |            |               |   |
| CROP INSURANCE  | \$0.15                                |                           |                   | -                 | \$0.15             |         |                |            | -             | \$0.15                                  |
| SUBTOTAL  |                                       |                           |                   |                   | \$135.95           |         |                |            |               | \$135.95                                |
|   |                                       |                           |                   |                   |                    |         |                |            |               |   |
| PREHARVEST OPERATIONS   | POWER<br>UNIT                         |                           |                   |                   | PURCHASED INPUTS   | LABOR   | FUEL &<br>LUBE | REPAIRS    | FIXED<br>COST | TOTAL                                   |
| FREHARVEST OF ERATIONS  | OIVII                                 |                           | RAT               |                   | 1141 010           | LADOIX  | LODE           | ILLI AIILO | 0001          | TOTAL                                   |
| DISC (3X)   | 185 HP                                |                           | 0.33              | HR                |                    | \$2.56  | \$10.26        | \$5.59     | \$13.00       | \$31.41                                 |
| ANHYDROUS APPL  | 185 HP                                |                           | 0.17              | HR                |                    | \$1.32  | \$5.28         | \$0.98     | \$4.86        | \$12.44                                 |
| LISTER  | 185 HP                                |                           | 0.12              |                   |                    | \$0.93  | \$3.73         | \$1.01     | \$4.28        | \$9.96                                  |
| FERT SPREADER   | 145 HP                                |                           | 0.05              |                   |                    | \$0.39  | \$1.17         | \$0.22     | \$2.47        | \$4.24                                  |
| DRILL   | 145 HP                                |                           | 0.13              |                   |                    | \$1.01  | \$3.05         | \$0.79     | \$9.31        | \$14.15                                 |
| IRRIGATE (3X)   |                                       |                           | 1.50              | HK                |                    | \$11.25 | \$56.41        | \$0.00     | \$3.66        | \$71.31                                 |
| SUBTOTAL  |                                       | -                         | 2.30              | HR                | <del>-</del>       | \$17.45 | \$79.89        | \$8.60     | \$37.57       | \$143.51                                |
| HARVEST OPERATIONS  |                                       |                           |                   |                   |                    |         |                |            |               |   |
| COMBINE (CUSTOM)<br>HAUL (CUSTOM)                                   |                                       |                           |                   |                   | \$24.74<br>\$10.40 |         |                |            |               | \$24.74<br>\$10.40                      |
| SUBTOTAL  |                                       |                           |                   | -                 | \$35.14            |         |                |            | -             | \$35.14                                 |
| OVERHEAD EXPENSES   |                                       |                           |                   |                   |                    |         |                |            |               |   |
| DOWNTIME  |                                       |                           | 0.20              | HR                |                    | \$1.55  |                |            |               | \$1.55                                  |
| EMPLOYEE BENEFITS   |                                       |                           | 0.20              |                   |                    | \$3.14  |                |            |               | \$3.14                                  |
| INSURANCE   |                                       |                           |                   |                   | \$0.35             |         |                |            |               | \$0.35                                  |
| LAND TAXES  |                                       |                           |                   |                   |                    |         |                |            | \$0.79        | \$0.79                                  |
| SUPERVISION AND MANAGEMENT  |                                       |                           |                   |                   |                    | \$34.28 |                |            |               | \$34.28                                 |
| OTHER EXPENSES  |                                       |                           |                   |                   | \$64.47            |         |                |            |               | \$64.47                                 |
| SUBTOTAL  |                                       | <del>-</del>              | 0.20              | HR                | \$64.82            | \$38.97 |                |            | \$0.79        | \$104.58                                |
| TOTAL OPERATING EXPENSES  |                                       |                           | 2.50              | HR                | \$235.91           | \$56.42 | \$79.89        | \$8.60     | \$38.36       | \$419.18                                |
| NET OPERATING PROFIT  |                                       |                           |                   |                   |                    |         |                |            |               | \$43.32                                 |
| INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMEN       | IT                                    | (                         | \$93.02           | @                 | 7.00%              | )       |                |            |               | \$6.51<br>\$13.15                       |
| RETURN TO LAND AND RISK   |                                       |                           |                   |                   |                    |         |                |            |               | \$23.66                                 |
| * Pump water costs are shown under irriga                           | ition in the pre                      | eharvest oper<br>BUDGET S |                   | on.               |                    |         |                |            |               |   |
| GROSS RETURN  |                                       |                           | \$462.50          |                   |                    |         |                |            |               |   |
| VARIABLE OPERATING EXPENSES RETURN OVER VARIABLE EXPENSES           |                                       | \$324.40                  | \$138.10          | (GROS             | S MARGIN)          |         |                |            |               |   |
| FIXED EXPENSES  |                                       | \$38.36                   |                   |                   |                    |         |                |            |               |   |

|                               | BUDGET   | SUIVIIVIART |   |
|-------------------------------|----------|-------------|---|
| GROSS RETURN                  |          | \$462.50    |   |
| VARIABLE OPERATING EXPENSES   | \$324.40 |             |   |
| RETURN OVER VARIABLE EXPENSES |          | \$138.10    | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$38.36  |             |   |
| NET FARM INCOME               |          | \$99.74     | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$56.42  |             |   |
| NET OPERATING PROFIT          |          | \$43.32     | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$19.66  |             |   |
| RETURN TO LAND AND RISK       |          | \$23.66     |   |

TABLE 7. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 520 acre farm with above average management, Curry County, Projected 2012.

| ITEM  | PRICE             |                    | YIEL             | .D      | BASE                |            |                |         |               | TOTAL             |
|---|-------------------|--------------------|------------------|---------|---------------------|------------|----------------|---------|---------------|-------------------|
|   |                   |                    |                  |         |                     |            |                |         |               |                   |
| GROSS RETURNS   | 40.00             |                    | 05.00            | OME     |                     |            |                |         |               | <b>#</b> 500.00   |
| GRAIN SORGHUM   | \$8.63            |                    |                  | CWT     | 0.05                |            |                |         |               | \$560.63          |
| DIRECT PAYMENT COUNTER CYCLICAL PAYMENT   | \$0.00<br>\$0.00  |                    |                  | CWT     | 0.85                |            |                |         |               | \$0.00<br>\$0.00  |
| GRAZING   | \$9.00            |                    |                  | ACRE    |                     |            |                |         |               | \$9.00            |
|   | ψ0.00             |                    | 1.00             | 7.0     |                     |            |                |         | _             |                   |
| TOTAL   |                   |                    |                  |         |                     |            |                |         |               | \$569.63          |
|   |                   |                    |                  |         | PURCHASED           |            |                |         | FIXED         |                   |
| PURCHASED INPUTS  | PRICE             |                    | QUAN             | ΓΙΤΥ    | INPUTS              |            |                |         | COST          | TOTAL             |
| SEED  | \$1.97            |                    | 5                | LBS     | \$9.85              |            |                |         |               | \$9.85            |
| ANHYDROUS (NH3)   | \$0.35            |                    | 150              | LBS     | \$52.50             |            |                |         |               | \$52.50           |
| NITROGEN (N)  | \$0.89            |                    |                  | LBS     | \$22.25             |            |                |         |               | \$22.25           |
| PHOSPHORUS (P205)   | \$0.75            |                    |                  | LBS     | \$37.50             |            |                |         |               | \$37.50           |
| HERBICIDE (CUSTOM)  | \$14.11           |                    |                  | X/ACRE  | \$14.11             |            |                |         |               | \$14.11           |
| INSECTICIDE (CUSTOM)  | \$13.49           |                    |                  | X/ACRE  | \$13.49             |            |                |         |               | \$13.49           |
| TRACE ELEMENTS  | \$13.89           |                    |                  | ACRE    | \$13.89             |            |                |         |               | \$13.89           |
| PUMP WATER* CROP INSURANCE  | \$0.29            |                    | 20               | AC. IN. | \$0.29              |            |                |         |               | \$0.29            |
| SUBTOTAL  | ψ0.29             |                    |                  |         | \$163.88            |            |                |         | -             | \$163.88          |
|   |                   |                    |                  |         |                     |            |                |         |               |                   |
| PREHARVEST OPERATIONS   | POWER<br>UNIT     |                    | ACCOMPLIS<br>RAT |         | PURCHASED<br>INPUTS | LABOR      | FUEL &<br>LUBE | REPAIRS | FIXED<br>COST | TOTAL             |
| DISC  | 185 HP            |                    | 0.11             | HR      |                     | \$0.85     | \$3.42         | \$1.86  | \$4.33        | \$10.47           |
| CHISEL  | 185 HP            |                    | 0.11             |         |                     | \$1.16     | \$4.66         | \$1.17  | \$6.21        | \$10.47           |
| DISC (2X)   | 185 HP            |                    | 0.13             |         |                     | \$1.71     | \$6.84         | \$3.73  | \$8.67        | \$20.94           |
| ANHYDROUS APPL  | 185 HP            |                    | 0.17             |         |                     | \$1.32     | \$5.28         | \$0.98  | \$4.86        | \$12.44           |
| LISTER  | 185 HP            |                    | 0.12             |         |                     | \$0.93     | \$3.73         | \$1.01  | \$4.28        | \$9.96            |
| PRE-IRRIGATE  |                   |                    | 0.50             |         |                     | \$3.88     | \$15.04        | \$0.00  | \$0.98        | \$19.89           |
| ROD WEEDER  | 140 HP            |                    | 0.08             |         |                     | \$0.62     | \$1.88         | \$0.41  | \$4.68        | \$7.58            |
| PLANTER   | 140 HP            |                    | 0.17             | HR      |                     | \$1.32     | \$3.99         | \$1.09  | \$15.02       | \$21.41           |
| CULTIVATOR (2X)   | 140 HP            |                    | 0.26             | HR      |                     | \$2.02     | \$6.10         | \$2.74  | \$18.67       | \$29.52           |
| IRRIGATE (4X)   |                   |                    | 2.00             | HR      |                     | \$15.00    | \$60.17        | \$0.00  | \$3.90        | \$79.07           |
| SUBTOTAL  |                   | •                  | 3.78             | HR      | =                   | \$28.80    | \$111.09       | \$13.00 | \$71.60       | \$224.49          |
| HARVEST OPERATIONS  |                   |                    |                  |         |                     |            |                |         |               |                   |
| COMBINE (CUSTOM)  |                   |                    |                  |         | \$28.43             |            |                |         |               | \$28.43           |
| HAUL (CUSTOM)   |                   |                    |                  |         | \$12.35             |            |                |         |               | \$12.35           |
| SUBTOTAL  |                   |                    |                  |         | \$40.78             |            |                |         | _             | \$40.78           |
| OVERHEAD EXPENSES   |                   |                    |                  |         |                     |            |                |         |               |                   |
| DOWNTIME  |                   |                    | 0.32             | HR      |                     | \$2.48     |                |         |               | \$2.48            |
| EMPLOYEE BENEFITS   |                   |                    |                  |         |                     | \$5.18     |                |         |               | \$5.18            |
| INSURANCE   |                   |                    |                  |         | \$0.58              |            |                |         |               | \$0.58            |
| LAND TAXES  |                   |                    |                  |         |                     |            |                |         | \$0.79        | \$0.79            |
| SUPERVISION AND MANAGEMENT  |                   |                    |                  |         |                     | \$42.76    |                |         |               | \$42.76           |
| OTHER EXPENSES  |                   |                    |                  |         | \$64.47             |            |                |         |               | \$64.47           |
| SUBTOTAL  |                   |                    | 0.32             | HR      | \$65.05             | \$50.43    |                | •       | \$0.79        | \$116.27          |
| TOTAL OPERATING EXPENSES  |                   |                    | 4.10             | HR      | \$269.71            | \$79.22    | \$111.09       | \$13.00 | \$72.39       | \$545.42          |
| NET OPERATING PROFIT  |                   |                    |                  |         |                     |            |                |         |               | \$24.20           |
| INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMEN                                   | NT                | (                  | \$116.36         | @       | 7.00%               | )          |                |         |               | \$8.15<br>\$24.96 |
| RETURN TO LAND AND RISK   |                   |                    |                  |         |                     |            |                |         |               | (\$8.90)          |
| * Pump water costs are shown under irriga   | ation in the preh | arvest operat      | ions section.    |         |                     |            |                |         |               |                   |
|   |                   | BUDGET             | SUMMARY          |         |                     |            |                |         |               |                   |
| GROSS RETURN  |                   |                    | \$569.63         |         |                     |            |                |         |               |                   |
|   |                   | \$393.81           |                  |         |                     |            |                |         |               |                   |
| VARIABLE OPERATING EXPENSES   |                   |                    | \$175.82         | (GROS   | S MARGIN)           |            |                |         |               |                   |
|   |                   |                    |                  |         |                     |            |                |         |               |                   |
|   |                   | \$72.39            | *                |         |                     |            |                |         |               |                   |
| RETURN OVER VARIABLE EXPENSES<br>FIXED EXPENSES<br>NET FARM INCOME                              |                   |                    | \$103.43         | (RETU   | RN TO CAPITAL,      | LABOR, LAI | ND & RISK)     |         |               |                   |
| RETURN OVER VARIABLE EXPENSES<br>FIXED EXPENSES<br>NET FARM INCOME<br>LABOR AND MANAGEMENT COST |                   | \$72.39<br>\$79.22 | \$103.43         | -       |                     |            |                |         |               |                   |
| RETURN OVER VARIABLE EXPENSES<br>FIXED EXPENSES<br>NET FARM INCOME                              |                   |                    |                  | -       | RN TO CAPITAL,      |            |                |         |               |                   |

TABLE 8. Summary of per acre costs and returns for a 520 acre farm with above average management, Curry County Projected 2012.

| WHEAT     | GRAIN<br>SORGHUM   |
|-----------|--|
| BUSHELS   | CWT  |
| 65.00     | 65.00  |
| \$6.50    | \$8.63   |
| \$0.00    | \$0.00   |
| \$40.00 A | CRE \$9.00 ACRE  |
| \$462.50  | \$569.63   |
|           |  |
| \$30.00   | \$9.85   |
| \$85.52   | \$126.14   |
| \$20.28   | \$27.60  |
| \$0.15    | \$0.29   |
|           |  |
|           |  |
| · ·       | \$35.88  |
| ·         | \$75.21  |
| · ·       | \$13.00  |
| *         | \$40.78  |
| · ·       | \$0.79   |
| \$64.82   | \$65.05  |
| \$325.19  | \$394.60   |
| \$137.31  | \$175.03   |
| \$37.57   | \$71.60  |
| \$362.76  | \$466.20   |
| \$99.74   | \$103.43   |
| \$56.42   | \$79.22  |
| \$43.32   | \$24.20  |
|           |  |
| \$6.51    | \$8.15   |
| \$13.15   | \$24.96  |
| \$19.66   | \$33.10  |
| \$23.66   | (\$8.90)   |
|           | \$30.00 \$6.50 \$0.00 \$40.00 A0 \$462.50 \$30.00 \$85.52 \$20.28 \$0.15 \$23.49 \$56.41 \$8.60 \$35.14 \$0.79 \$64.82 \$325.19 \$137.31 \$37.57 \$362.76 \$99.74 \$56.42 \$43.32 \$6.51 \$13.15 \$19.66 |

Flex Computation 74.38 87.66

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TABLE 9. Whole farm summary, Curry County, Projected 2012.

| 1 10/00000 201              | <u></u>         |            |           |           |
|-----------------------------|-----------------|------------|-----------|-----------|
| GROSS RETURNS               |                 |            |           |           |
| WHEAT                       | 330 ACRES       |            |           |           |
| CROP                        |                 | \$139,425  |           |           |
| GRAZING                     |                 | \$13,200   |           |           |
| DIRECT PAYMENT              | DANGAENE        | \$0        |           |           |
| COUNTER CYCLICAL            |                 | \$0        |           |           |
| GRAIN SORGHUM<br>CROP       | 170 ACRES       | \$95,306   |           |           |
| GRAZING                     |                 | \$1,530    |           |           |
| DIRECT PAYMENT              |                 | \$0        |           |           |
| COUNTER CYCLICAL            | PAYMENT         | \$0        |           |           |
|                             |                 |            |           |           |
| GROSS RETURN                |                 |            |           | \$249,461 |
| CASH OPERATING EXP          | ENSES           |            |           |           |
| SEED                        |                 | \$11,575   |           |           |
| FERTILIZER                  |                 | \$49,665   |           |           |
| CHEMICALS                   |                 | \$11,382   |           |           |
| CROP INSURANCE              | LINDLITO        | \$100      |           |           |
| OTHER PURCHASED CANAL WATER | INPUIS          | \$0<br>\$0 |           |           |
| FUEL, OIL & LUBRICA         | ANTS FOLIDMENT  | \$13,851   |           |           |
| FUEL-IRRIGATION             | AVIO-EQUI MEIVI | \$31,400   |           |           |
| REPAIRS                     |                 | \$5,048    |           |           |
| CUSTOM CHARGES              |                 | \$18,529   |           |           |
| LAND TAXES                  |                 | \$396      |           |           |
| OTHER EXPENSES              |                 | \$32,449   |           |           |
| TOTAL CASH                  | I EXPENSES      | -          | \$174,395 |           |
| RETURN OVER CASH E          | XPENSES         |            |           | \$75,066  |
| FIXED EXPENSES              |                 | \$24,571   |           |           |
|                             |                 | , , -      |           |           |
| TOTAL EXPE                  | NSES            |            | \$198,966 |           |
| NET FARM INCOME             |                 |            |           | \$50,495  |
| LABOR AND MANAGEM           | ENT COSTS       | \$32,085   |           |           |
| NET OPERATING PROF          | IT              |            |           | \$18,410  |
| CAPITAL COSTS               |                 |            |           |           |
| INTEREST ON OPER            | ATING CAPITAL   | \$3,534    |           |           |
| INTEREST ON EQUIP           |                 | \$8,581    |           |           |
| TOTAL CAPIT                 | FAL COSTS       | -          | \$12,115  |           |
| 101712 071111               | ·· ·=           |            | Ψ.=,      |           |
| RETURN TO LAND AND          | RISK            |            | :         | \$6,295   |
|                             |                 |            |           |           |

|               | RETURN     | RETURN ON    |
|---------------|------------|--------------|
| LAND VALUE    | TO RISK*   | INVESTMENT** |
|               |            |              |
| \$500 /ACRE   | (\$1,505)  | 4.79%        |
| \$1,000 /ACRE | (\$9,305)  | 2.86%        |
| \$1,500 /ACRE | (\$17,105) | 2.03%        |
| \$2,000 /ACRE | (\$24,905) | 1.58%        |
| \$2,500 /ACRE | (\$32,705) | 1.29%        |
|               |            |              |

<sup>\*</sup> 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)