

TABLE 1. Acreage Summary, Curry County,
Projected 2014

| | | | |
|------------------------------------|--------------|----------|---------|
| BUDGET AREA..... | CURRY COUNTY | | |
| FARM SIZE..... | 640 ACRES | | |
| IRRIGATION TYPE..... | SPRINKLER | | |
| NUMBER OF CROPS.... | 2 | | |
| | WATER USE | | |
| | | AC. IN. | TOTAL |
| ACREAGE SUMMARY: | | PER ACRE | AC. IN. |
| WHEAT | 255 | 10 | 2,550 |
| ARP | 0 | | |
| FLEX IN WHEAT | 45 | 10 | 450 |
| GRAIN SORGHUM | 170 | 16 | 2,720 |
| ARP | 0 | | |
| FLEX IN WHEAT | 30 | 10 | 300 |
| CORNERS, ROADS, HOMESTEAD | 140 | | |
| TOTAL | 640 | | 6,020 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 0.78 |

TABLE 2. Basic cost information for Curry County,
Projected 2014

| | | | |
|---------------------------------|-----------------------------|------------|------------------|
| Item | | | |
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | \$7.75 |
| General Irrigators | \$/hour | | \$7.50 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | \$0.50 |
| Phosphate (P205) | \$/pound | | \$0.40 |
| Seed: | | | |
| Grain Sorghum | \$/pound | | \$1.31 |
| Wheat | \$/pound | | \$0.45 |
| Diesel fuel | \$/gallon | | \$4.00 |
| Gasoline | \$/gallon | | \$3.50 |
| Electricity (SWPS) | cents/KwH | | 7.74 |
| LP gas | \$/gallon | | \$2.75 |
| 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 | | 5.50% |
| Land Interest Rate | percent | | 5.00% |
| Equipment Interest Rate | percent | | 5.50% |
| Real Interest Rate | percent | | 3.00% |
| Land Taxes | \$109.00 /acre (full value) | | \$109.00 |
| Personal Property Tax Rate | - NR | \$/\$1,000 | (Assessed Value) |
| | - R | | \$20.34 |
| 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 2014

| | | | |
|------------------------------------|--------|------------------------|------------------|
| 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 | | | \$2,656 |
| Pickup and Auto | | | |
| miles | 24,200 | @ | \$0.500 per mile |
| Insurance | | | |
| - general liability (non-employee) | | | \$2,384 |
| - fire/theft | | | \$1,912 |
| Property Taxes | | | |
| - non-planted land | | | \$0 |
| - other than land & machinery | | | \$0 |
| Building repairs and maintenance | | | \$1,579 |
| Dues, fees, publications | | | \$424 |
| Farmstead Equipment | | | \$182 |
| | | Total | \$27,364 |
| | | Total Per Planted Acre | \$54.73 |

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County,
 Projected 2014
 Planting Dates: August 15 - September 15
 Harvesting Dates: June 15 - July 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|---------------|------|-----------------|
| GROSS RETURNS | | | | |
| WHEAT | \$7.00 | 75.00 BUSHELS | | \$525.00 |
| DIRECT PAYMENT | \$0.00 | 75.00 BUSHEL | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | \$0.00 |
| GRAZING | \$40.00 | 1.00 ACRE | | \$40.00 |
| TOTAL | | | | \$565.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$0.45 | 80 LBS | \$36.00 | | \$36.00 |
| LIQUID FERT (28-0-0) | \$0.09 | 460 LBS | \$41.40 | | \$41.40 |
| NITROGEN (N) | \$0.50 | 18 LBS | \$9.00 | | \$9.00 |
| PHOSPHATE (P205) | \$0.40 | 46 LBS | \$18.40 | | \$18.40 |
| INSECTICIDE (CUSTOM) | \$10.00 | 1 ACRE | \$10.00 | | \$10.00 |
| HERBICIDE (CUSTOM) | \$11.17 | 1 ACRE | \$11.17 | | \$11.17 |
| PUMP WATER* | | 10 AC. IN. | | | |
| CROP INSURANCE | \$0.15 | | \$0.15 | | \$0.15 |
| SUBTOTAL | | | \$126.12 | | \$126.12 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| CHISEL | 185 HP | 0.15 HR | | \$1.16 | \$6.22 | \$1.16 | \$4.38 | \$12.92 |
| DISC (3X) | 185 HP | 0.33 HR | | \$2.56 | \$13.67 | \$4.94 | \$10.73 | \$31.90 |
| FERT S SPREADER | 140 HP | 0.05 HR | | \$0.39 | \$1.56 | \$0.22 | \$2.14 | \$4.31 |
| DRILL | 140 HP | 0.13 HR | | \$1.01 | \$4.06 | \$0.79 | \$7.83 | \$13.69 |
| IRRIGATE (7X) | | 0.70 HR | | \$5.25 | \$47.91 | \$0.00 | \$5.59 | \$58.75 |
| SUBTOTAL | | 1.36 HR | | \$10.37 | \$73.42 | \$7.10 | \$30.68 | \$121.56 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|--|----------------|--|--|--|----------------|
| COMBINE (CUSTOM) | | | | \$24.55 | | | | \$24.55 |
| HAUL (C (CUSTOM) | | | | \$12.00 | | | | \$12.00 |
| SUBTOTAL | | | | \$36.55 | | | | \$36.55 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|--|----------------|----------------|--|-----------------|-----------------|
| DOWNTIME | | 0.17 HR | | \$1.28 | | | | \$1.28 |
| EMPLOYEE BENEFITS | | | | \$1.87 | | | | \$1.87 |
| INSURANCE | | | | \$0.21 | | | | \$0.21 |
| LAND TAXES | | | | | | | \$109.00 | \$109.00 |
| SUPERVISION AND MANAGEMENT | | | | \$40.51 | | | | \$40.51 |
| OTHER EXPENSES | | | | \$54.73 | | | | \$54.73 |
| SUBTOTAL | | 0.17 HR | | \$54.94 | \$43.65 | | \$109.00 | \$207.59 |

| | | | | | | | | | |
|---------------------------------|--|----------------|--|-----------------|----------------|----------------|---------------|-----------------|-----------------|
| TOTAL OPERATING EXPENSES | | 1.53 HR | | \$217.61 | \$54.01 | \$73.42 | \$7.10 | \$139.68 | \$491.82 |
|---------------------------------|--|----------------|--|-----------------|----------------|----------------|---------------|-----------------|-----------------|

| | | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|--|----------------|
| NET OPERATING PROFIT | | | | | | | | | \$73.18 |
|-----------------------------|--|--|--|--|--|--|--|--|----------------|

| | | | | | | | | | |
|----------------------------------|--|---|---------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | | (| \$86.24 | @ | 5.50% |) | | | \$4.74 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$12.12 |

| | | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|--|----------------|
| RETURN TO LAND AND RISK | | | | | | | | | \$56.32 |
|--------------------------------|--|--|--|--|--|--|--|--|----------------|

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

| | | | |
|--------------------------------|----------|---|--|
| GROSS RETURN | | \$565.00 | |
| VARIABLE OPERATING EXPENSES | \$298.13 | | |
| RETURN OVER VARIABLE EXPENSES | \$266.87 | (GROSS MARGIN) | |
| FIXED EXPENSES | \$139.68 | | |
| NET FARM INCOME | \$127.19 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$54.01 | | |
| NET OPERATING PROFIT | \$73.18 | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$16.86 | | |
| RETURN TO LAND AND RISK | | \$56.32 | |

TABLE 7. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2014
 Planting Dates: May 15 - June 15
 Harvesting Dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|--------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$7.06 | 65.00 CWT | | \$459.18 |
| 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 | | | | \$468.18 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$1.31 | 5 LBS | \$6.55 | | \$6.55 |
| LIQUID FERT (28-0-0) | \$0.09 | 500 LBS | \$45.00 | | \$45.00 |
| NITROGEN (N) | \$0.50 | 25 LBS | \$12.50 | | \$12.50 |
| PHOSPHATE (P205) | \$0.40 | 50 LBS | \$20.00 | | \$20.00 |
| HERBICIDE (CUSTOM) | \$11.57 | 1 X/ACRE | \$11.57 | | \$11.57 |
| INSECTICIDE (CUSTOM) | \$5.68 | 1 X/ACRE | \$5.68 | | \$5.68 |
| TRACE ELEMENTS | \$16.00 | 1 ACRE | \$16.00 | | \$16.00 |
| PUMP WATER* | | 16 AC. IN. | | | |
| CROP INSURANCE | \$0.29 | | \$0.29 | | \$0.29 |
| SUBTOTAL | | | \$117.60 | | \$117.60 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|---------------|----------------|-----------------|
| DISC | 185 HP | 0.11 HR | | \$0.85 | \$4.56 | \$1.65 | \$3.58 | \$10.63 |
| CHISEL | 185 HP | 0.15 HR | | \$1.16 | \$6.22 | \$1.16 | \$4.38 | \$12.92 |
| DISC (2X) | 185 HP | 0.22 HR | | \$1.71 | \$9.12 | \$3.29 | \$7.15 | \$21.26 |
| FERT SPREADER | 140 HP | 0.05 HR | | \$0.39 | \$1.56 | \$0.22 | \$2.14 | \$4.31 |
| ROD WEEDER | 185 HP | 0.08 HR | | \$0.62 | \$3.31 | \$0.51 | \$2.61 | \$7.06 |
| PLANT ER | 140 HP | 0.17 HR | | \$1.32 | \$5.31 | \$1.09 | \$12.47 | \$20.19 |
| CULTIVATOR | 140 HP | 0.13 HR | | \$1.01 | \$4.06 | \$1.05 | \$8.05 | \$14.17 |
| IRRIGATE (10X) | | 1.00 HR | | \$7.50 | \$76.65 | \$0.00 | \$8.94 | \$93.10 |
| SUBTOTAL | | 1.91 HR | | \$14.55 | \$110.80 | \$8.96 | \$49.33 | \$183.63 |

| HARVEST OPERATIONS | | | | |
|--------------------|--|--|----------------|----------------|
| COMBINE (CUSTOM) | | | \$28.43 | \$28.43 |
| HAUL (CUSTOM) | | | \$12.35 | \$12.35 |
| SUBTOTAL | | | \$40.78 | \$40.78 |

| OVERHEAD EXPENSES | | | | |
|----------------------------|--|----------------|----------------|-----------------|
| DOWNTIME | | 0.22 HR | \$1.67 | \$1.67 |
| EMPLOYEE BENEFITS | | | \$2.62 | \$2.62 |
| INSURANCE | | | \$0.29 | \$0.29 |
| LAND TAXES | | | | \$109.00 |
| SUPERVISION AND MANAGEMENT | | | \$34.23 | \$34.23 |
| OTHER EXPENSES | | | \$54.73 | \$54.73 |
| SUBTOTAL | | 0.22 HR | \$55.02 | \$202.53 |

| | | | | | | | | |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|---------------|-----------------|-----------------|
| TOTAL OPERATING EXPENSES | | 2.13 HR | \$213.40 | \$53.07 | \$110.80 | \$8.96 | \$158.33 | \$544.55 |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|---------------|-----------------|-----------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|------------------|
| NET OPERATING PROFIT | | | | | | | | (\$76.37) |
|-----------------------------|--|--|--|--|--|--|--|------------------|

| | | | | | | | | |
|----------------------------------|---|---------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$92.14 | @ | 5.50% |) | | | \$5.07 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$19.29 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | | (\$100.72) |
|--------------------------------|--|--|--|--|--|--|--|-------------------|

* Pump water costs are shown under irrigation in the preharvest operations section.
 BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$468.18 | |
| VARIABLE OPERATING EXPENSES | \$333.16 | | |
| RETURN OVER VARIABLE EXPENSES | | \$135.02 | (GROSS MARGIN) |
| FIXED EXPENSES | \$158.33 | | |
| NET FARM INCOME | | (\$23.30) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$53.07 | | |
| NET OPERATING PROFIT | | (\$76.37) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$24.35 | | |
| RETURN TO LAND AND RISK | | (\$100.72) | |

TABLE 8. Summary of per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2014

| | WHEAT | GRAIN SORGHUM |
|----------------------------------|--------------|------------------|
| | BUSHEL | CWT |
| PRIMARY YIELD | 75.00 | 65.00 |
| PRIMARY PRICE | \$7.00 | \$7.06 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 |
| SECOND INCOME | \$40.00 ACRE | \$9.00 ACRE |
| GROSS RETURN | \$565.00 | \$468.18 |
| CASH OPERATING EXPENSES | | |
| SEED | \$36.00 | \$6.55 |
| FERTILIZER | \$68.80 | \$93.50 |
| CHEMICALS | \$21.17 | \$17.25 |
| CROP INSURANCE | \$0.15 | \$0.29 |
| OTHER PURCHASED INPUTS | | |
| CANAL WATER | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$25.52 | \$34.14 |
| FUEL-IRRIGATION | \$47.91 | \$76.65 |
| REPAIRS | \$7.10 | \$8.96 |
| CUSTOM CHARGES | \$36.55 | \$40.78 |
| LAND TAXES | \$109.00 | \$109.00 |
| OTHER EXPENSES | \$54.94 | \$55.02 |
| TOTAL CASH EXPENSES | \$407.13 | \$442.16 |
| RETURN OVER CASH EXPENSES | \$157.87 | \$26.02 |
| FIXED EXPENSES | \$30.68 | \$49.33 |
| TOTAL EXPENSES | \$437.81 | \$491.48 |
| NET FARM INCOME | \$127.19 | (\$23.30) |
| LABOR AND MANAGEMENT COSTS | \$54.01 | \$53.07 |
| NET OPERATING PROFIT | \$73.18 | (\$76.37) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | \$4.74 | \$5.07 |
| INTEREST ON EQUIPMENT INVESTMENT | \$12.12 | \$19.29 |
| TOTAL CAPITAL COSTS | \$16.86 | \$24.35 |
| RETURN TO LAND AND RISK | \$56.32 | (\$100.72) |
| Flex Computation | 99.11 | -32.11 |

TABLE 9. Whole farm summary, Curry County,
Projected 2014

| | | |
|----------------------------------|-----------|-------------------|
| GROSS RETURNS | | |
| WHEAT | 255 ACRES | |
| CROP | | \$133,875 |
| GRAZING | | \$10,200 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GRAIN SORGHUM | 170 ACRES | |
| CROP | | \$78,060 |
| GRAZING | | \$1,530 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GROSS RETURN | | <u>\$223,665</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$12,994 |
| FERTILIZER | | \$38,599 |
| CHEMICALS | | \$9,920 |
| CROP INSURANCE | | \$100 |
| OTHER PURCHASED INPUTS | | \$0 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$14,224 |
| FUEL-IRRIGATION | | \$28,841 |
| REPAIRS | | \$3,865 |
| CUSTOM CHARGES | | \$18,995 |
| LAND TAXES | | \$54,500 |
| OTHER EXPENSES | | \$27,482 |
| TOTAL CASH EXPENSES | | <u>\$209,519</u> |
| RETURN OVER CASH EXPENSES | | \$14,146 |
| FIXED EXPENSES | | \$18,509 |
| TOTAL EXPENSES | | \$228,028 |
| NET FARM INCOME | | (\$4,363) |
| LABOR AND MANAGEMENT COSTS | | \$26,846 |
| NET OPERATING PROFIT | | (\$31,209) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$2,427 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$7,277 |
| TOTAL CAPITAL COSTS | | <u>\$9,704</u> |
| RETURN TO LAND AND RISK | | <u>(\$40,913)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | (\$50,513) | -6.93% |
| \$1,000 /ACRE | (\$60,113) | -4.05% |
| \$1,500 /ACRE | (\$69,713) | -2.86% |
| \$2,000 /ACRE | (\$79,313) | -2.21% |
| \$2,500 /ACRE | (\$88,913) | -1.80% |

* 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)