

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

BUDGET AREA.....	SAN JON-NARA VISA AREA, QUAY COUNTY
FARM SIZE.....	800 ACRES
IRRIGATION TYPE.....	DRYLAND
NUMBER OF CROPS...	3

  

ACREAGE SUMMARY:	LAND USE (ACRES)
ALFALFA ESTABLISHMENT	6.00 *
ALFALFA	60.00
GRAIN SORGHUM	289.00
ARP	0.00
FLEX IN GRAIN SORGHUM	51.00
WHEAT	340.00
ARP	0.00
FLEX IN GRAIN SORGHUM	60.00
<b>TOTAL</b>	<b>800.00</b>

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for the San Jon-Nara Visa area, Quay County, Projected 2012.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
<b>Purchased Inputs:</b>			
<b>Seed:</b>			
Alfalfa		\$/pound	\$6.50
Grain Sorghum		\$/pound	\$1.97
Wheat		\$/pound	\$0.50
<b>Energy:</b>			
Diesel fuel		\$/gallon	\$3.00
Gasoline		\$/gallon	\$3.80
Employee Liability Insurance		\$/(\$1,000 wages)	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
<b>Financial Rates:</b>			
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		\$38.00 /acre (full value)	\$0.33
Personal Property Tax Rate	-NR - R	\$/(\$1,000 (Assessed Value))	\$26.42 \$20.54
Supervision Factor		\$/labor hour	\$1.00
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for the San Jon-Nara Visa area, Quay County, Projected 2012.

Item			
Electricity (Domestic & Shop)		\$223.85 per month	\$2,686
Telephone		\$133.10 per month	\$1,597
Accounting & Legal			\$1,531
Misc. Supplies & Hand Tools			\$2,232
Pickup and Auto			
miles	24,926	@ \$0.500 per mile	\$12,463
<b>Insurance</b>			
- general liability (non-employee)			\$1,458
- fire/theft			\$1,228
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$0
Building repairs and maintenance			\$6,010
Dues, fees, publications			\$968
Farmstead Equipment			\$460
		<b>Total</b>	<b>\$30,634</b>
		<b>Total per planted acre</b>	<b>\$38.29</b>

TABLE 4. Equipment summary for an 800 acre dividend farm, San Jon-Nara Vista, Quan County, Projected 2012.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
				FUEL OIL LUBRICANT	REPAIR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR
TRACTOR	96 HP	277	\$17,338	\$5,008	\$978	\$18.27	\$2.07	\$1,102	\$102	\$4.70
TRACTOR	165 HP	163	\$40,865	\$4,933	\$988	\$28.60	\$5.39	\$5,965	\$395	\$34.79
COMBINE	145 HP	104	\$102,000	\$2,596	\$276	\$25.06	\$2.66	\$8,864	\$985	\$91.21
GRAN HEAD	22 FT	104	\$3,600		\$16		\$0.15	\$611	\$33	\$5.16
SWATHER	14 FT SP	29	\$3,900	\$323	\$17	\$11.23	\$0.58	\$1,450	\$128	\$54.78
TRUCK	2 TON	104	\$23,000	\$1,974	\$667	\$19.98	\$6.44	\$4,000	\$203	\$46.36
ROD WEED	23 FT	87	\$625	\$67	\$87	\$0.78		\$63	\$6	\$1.02
ROLLING CULTIVATOR	6 ROW	104	\$2,000		\$56	\$2.48		\$267	\$18	\$2.73
DRILL 13 FT	13 FT	31	\$2,150		\$32	\$1.03		\$430	\$19	\$14.42
LISTER/PLANTER	6 ROW	72	\$3,400		\$118	\$1.63		\$660	\$30	\$9.86
BALER PTO	2 WIRE	38	\$1,400		\$5	\$0.12		\$150	\$13	\$4.32
SWEEP	19 FT	129	\$2,500		\$400	\$3.10		\$333	\$22	\$2.75
<b>\$168,440</b>				<b>\$14,896</b>	<b>\$3,417</b>	<b>\$101</b>	<b>\$26</b>	<b>\$24,496</b>	<b>\$1,603</b>	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL CONSUM	LUBE COST	ACCUH	INTEREST AGE	EXPENSE
TRACTOR	96 HP	34550.00	17334.50	30.00	1.00	800.00	5.54	0.10	6380.66	23.00
TRACTOR	165 HP	89775.00	40864.50	15.00	1.00	800.00	8.15	0.10	2017.40	11.00
COMBINE	145 HP	123950.00	102000.00	15.00	2.00	300.00	6.96	0.20	1346.80	13.00
GRAN HEAD	22 FT	7520.00	3600.00	15.00	2.00	300.00			1346.80	13.00
SWATHER	14 FT SP	29000.00	3900.00	20.00	2.00	800.00	3.12	0.20	403.20	14.00
TRUCK	2 TON	46000.00	23000.00	10.00	6.00	800.00	6.05	0.05	1346.80	13.00
ROD WEED	23 FT	1250.00	625.00	15.00	3.00	300.00			1303.20	15.00
ROLLING CULTIVATOR	6 ROW	4000.00	2000.00	15.00	3.00	300.00			1664.00	16.00
DRILL 13 FT	13 FT	4300.00	2150.00	10.00	8.00	100.00			404.62	13.00
LISTER/PLANTER	6 ROW	6800.00	3400.00	10.00	8.00	100.00			936.00	13.00
BALER PTO	2 WIRE	3000.00	1400.00	20.00	7.00	500.00			680.40	18.00
SWEEP	19 FT	9000.00	2500.00	15.00	3.00	300.00			2064.00	16.00

ALFALFA EST	ALFALFA HAY	GRAIN SORGHUM	WHEAT	PER ACRE TOTAL
0.17	0.63	0.52	0.69	1.41
0.10	0.00	0.10	0.42	0.62
0.00	0.00	0.14	0.14	0.28
0.00	0.00	0.14	0.14	0.28
0.00	0.48	0.00	0.00	0.48
0.00	0.00	0.14	0.14	0.28
0.08	0.00	0.08	0.16	0.32
0.00	0.00	0.26	0.00	0.26
0.09	0.00	0.00	0.09	0.18
0.00	0.00	0.18	0.00	0.18
0.00	0.63	0.00	0.00	0.63
0.10	0.00	0.10	0.26	0.46

ALFALFA ESTABLISHMENT ACRES: 6 PUMP WATER: 0.00

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	0.10	
RODWEEDER	96 HP	1.00	0.08	0.08	
DRILL WHEAT	96 HP	1.00	0.09	0.09	
FLY ON ALFALFA SEED 4.50					

ALFALFA HAY ACRES: 60 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWATHER (X)	14 FT SP	3.00	0.16	0.48	
BALER (X)	96 HP	3.00	0.21	0.63	

GRAN SORGHUM ACRES: 400 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	0.10	
RODWEED	96 HP	1.00	0.08	0.08	
LISTER/PLANTER	96 HP	1.00	0.18	0.18	
CULTIVATOR (X)	96 HP	2.00	0.13	0.26	

COMBINE HAUL 22 FT 1.00 0.14 0.14 2 TON 1.00 0.14 0.14

WHEAT ACRES: 340 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP (X)	145 HP	2.00	0.13	0.26	
RODWEED	145 HP	2.00	0.08	0.16	
DRILL	96 HP	1.00	0.09	0.09	

COMBINE HAUL 22 FT 1.00 0.14 0.14 2 TON 1.00 0.14 0.14

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	1	2	3	4	5	6	7	8	9
0	0.000060	0.000220	0.000620	0.001020	0.000980	0.001140	0.000940	0.000240	0.000200
50	0.000060	0.000220	0.000620	0.001020	0.000980	0.001140	0.000940	0.000240	0.000200
100	0.000060	0.000220	0.000620	0.001020	0.000980	0.001140	0.000940	0.000240	0.000200
200	0.000030	0.000090	0.000310	0.000510	0.000490	0.000570	0.000460	0.000120	0.000100
300	0.000030	0.000090	0.000310	0.000510	0.000490	0.000570	0.000460	0.000120	0.000100
400	0.000030	0.000090	0.000310	0.000510	0.000490	0.000570	0.000460	0.000120	0.000100
500	0.000030	0.000090	0.000310	0.000510	0.000490	0.000570	0.000460	0.000120	0.000100
600	0.000030	0.000090	0.000310	0.000510	0.000490	0.000570	0.000460	0.000120	0.000100
700	0.000030	0.000090	0.000310	0.000510	0.000490	0.000570	0.000460	0.000120	0.000100
800	0.000030	0.000090	0.000310	0.000510	0.000490	0.000570	0.000460	0.000120	0.000100
900	0.000030	0.000090	0.000310	0.000510	0.000490	0.000570	0.000460	0.000120	0.000100
1000	0.000090	0.000310	0.000910	0.001510	0.001490	0.001770	0.001420	0.000360	0.000300
1200	0.000045	0.000155	0.000455	0.000755	0.000745	0.000885	0.000715	0.000180	0.000150
1400	0.000045	0.000155	0.000455	0.000755	0.000745	0.000885	0.000715	0.000180	0.000150
1600	0.000075	0.000225	0.000675	0.001125	0.001115	0.001335	0.001080	0.000270	0.000225
1800	0.000075	0.000225	0.000675	0.001125	0.001115	0.001335	0.001080	0.000270	0.000225
2000	0.000110	0.000330	0.000990	0.001650	0.001640	0.001980	0.001550	0.000420	0.000350
2500	0.000095	0.000325	0.000975	0.001635	0.001625	0.001965	0.001535	0.000410	0.000340
3000	0.000070	0.000245	0.000735	0.001245	0.001235	0.001505	0.001165	0.000315	0.000260
3500	0.000082	0.000287	0.000861	0.001441	0.001431	0.001749	0.001359	0.000375	0.000310
4000	0.000096	0.000336	0.001008	0.001680	0.001670	0.002040	0.001560	0.000435	0.000360
4500	0.000136	0.000492	0.001476	0.002448	0.002438	0.002964	0.002256	0.000600	0.000500
5000	0.000148	0.000528	0.001584	0.002624	0.002614	0.003192	0.002448	0.000645	0.000540
5500	0.000162	0.000567	0.001719	0.002811	0.002801	0.003426	0.002634	0.000690	0.000580
6000	0.000178	0.000618	0.001854	0.002994	0.002984	0.003654	0.002814	0.000735	0.000620
6500	0.000188	0.000648	0.001944	0.003132	0.003122	0.003840	0.002952	0.000765	0.000650
7000	0.000204	0.000696	0.002088	0.003324	0.003314	0.004080	0.003150	0.000810	0.000680

\* Based on unpublished data of D. R. Hunt, Department of Agricultural Engineering, University of Illinois.

\*\* Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1962.

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windrowers, pickups
- 3 rotary mowers, disks, moldboard plows, chisels, field cultivators
- 4 row cultivators, laser plane
- 5 harrows, weepers, bolts, roller bars, disk roller, water furrow, bed shaper
- 6 balers/weavers, cotton pickers, cotton strippers, corn pickers, corn heads, forage equipment, rotary mowers, stalk choppers, feed weavers, farm trucks
- 7 baler w engine, manure spreader
- 8 balers, drills, seedbed equipment, mounted mowers
- 9 fertilizer distributo equipment

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 2012.  
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
ALFALFA SEED	\$6.50	10 LBS		\$65.00				\$65.00
WHEAT SEED	\$0.50	30 LBS		\$15.00				\$15.00
SUBTOTAL				\$80.00				\$80.00
<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	\$2.69	\$0.85	\$3.75	\$8.15
RODWEEDER	96 HP	0.08 HR		\$0.68	\$1.46	\$0.23	\$0.46	\$2.83
DRILL WHEAT	96 HP	0.09 HR		\$0.77	\$1.64	\$0.28	\$1.72	\$4.41
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.31	\$5.80	\$1.36	\$5.93	\$19.89
<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				\$7.33				\$7.33
SUBTOTAL		0.07 HR	\$0.05	\$8.32				\$8.37
<u>TOTAL OPERATING EXPENSES</u>		0.34 HR	\$4.55	\$10.63	\$5.80	\$1.36	\$5.93	\$108.26

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 2012.  
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
ALFALF/ FA HAY	\$255.00	1.50 TONS (IN FIELD)						\$382.50	
GRAZING	\$12.00	1.00 ACRE						\$12.00	
<b>TOTAL</b>								<b>\$394.50</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
WIRE	\$2.98	13 LBS	\$38.31					\$38.31	
ESTABLISHMENT: Principal		6 YEARS					\$18.04	\$18.04	
: Interest							\$4.41	\$4.41	
<b>SUBTOTAL</b>			<b>\$38.31</b>				<b>\$22.46</b>	<b>\$60.76</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	\$5.39	\$0.28	\$26.29	\$36.07	
BALER (3X)	96 HP	0.63 HR		\$5.39	\$11.51	\$1.38	\$5.68	\$23.96	
<b>SUBTOTAL</b>		<b>1.11 HR</b>		<b>\$9.49</b>	<b>\$16.90</b>	<b>\$1.66</b>	<b>\$31.98</b>	<b>\$60.03</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	\$0.33	
SUPERVISION AND MANAGEMENT				\$28.73				\$28.73	
OTHER EXPENSES			\$38.29					\$38.29	
<b>SUBTOTAL</b>		<b>0.28 HR</b>	<b>\$38.48</b>	<b>\$32.81</b>				<b>\$0.33</b>	<b>\$71.62</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>1.39 HR</b>	<b>\$76.79</b>	<b>\$42.30</b>	<b>\$16.90</b>	<b>\$1.66</b>	<b>\$54.77</b>	<b>\$192.41</b>	
<b>NET OPERATING PROFIT</b>								<b>\$202.09</b>	
INTEREST ON OPERATING CAPITAL		(	\$20.70	@	7.00%	)			
INTEREST ON EQUIPMENT INVESTMENT								\$1.45	
								\$24.48	
<b>RETURN TO LAND AND RISK</b>								<b>\$176.16</b>	
<b>BUDGET SUMMARY</b>									
GROSS RETURN		\$394.50							
VARIABLE OPERATING EXPENSES	\$95.35								
RETURN OVER VARIABLE EXPENSES	\$299.15	(GROSS MARGIN)							
FIXED EXPENSES	\$54.77								
NET FARM INCOME	\$244.38	(RETURN TO CAPITAL, LABOR, LAND & RISK)							
LABOR AND MANAGEMENT COST	\$42.30								
NET OPERATING PROFIT	\$202.09	(RETURN TO CAPITAL, LAND & RISK)							
CAPITAL COSTS	\$25.93								
RETURN TO LAND AND RISK	\$176.16								

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 2012.  
 Planting dates: June 1 - July 4  
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
GRAIN SORGHUM	\$8.63	16.00 CWT		\$138.00
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>\$143.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.97	3 LBS	\$4.93		\$4.93
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
<b>SUBTOTAL</b>			<b>\$20.12</b>		<b>\$20.12</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.69	\$0.85	\$3.75	\$8.15
ROD WEED	96 HP	0.08 HR		\$0.68	\$1.46	\$0.23	\$0.46	\$2.83
LISTER/PLANTER	96 HP	0.18 HR		\$1.54	\$3.29	\$0.67	\$2.62	\$8.12
CULTIVATOR (2X)	96 HP	0.26 HR		\$2.22	\$4.75	\$1.18	\$1.93	\$10.09
<b>SUBTOTAL</b>		<b>0.62 HR</b>		<b>\$5.30</b>	<b>\$12.19</b>	<b>\$2.93</b>	<b>\$8.77</b>	<b>\$29.18</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$3.51	\$0.39	\$12.79	\$17.89
HAUL	2 TON	0.14 HR		\$1.20	\$2.67	\$0.90	\$6.49	\$11.26
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$6.18</b>	<b>\$1.29</b>	<b>\$19.28</b>	<b>\$29.14</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
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			\$10.91				\$10.91
OTHER EXPENSES		\$38.29					\$38.29
<b>SUBTOTAL</b>	<b>0.23 HR</b>	<b>\$38.45</b>	<b>\$14.57</b>			<b>\$0.33</b>	<b>\$53.35</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>1.35 HR</b>	<b>\$43.37</b>	<b>\$22.26</b>	<b>\$18.37</b>	<b>\$4.22</b>	<b>\$28.38</b>	<b>\$116.60</b>
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<b>NET OPERATING PROFIT</b>							<b>\$26.40</b>
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INTEREST ON OPERATING CAPITAL	(	\$14.46	@	7.00%	)		\$1.01
INTEREST ON EQUIPMENT INVESTMENT							\$13.92

<b>RETURN TO LAND AND RISK</b>							<b>\$11.47</b>
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**BUDGET SUMMARY**

GROSS RETURN		\$143.00	
VARIABLE OPERATING EXPENSES	\$65.96		
RETURN OVER VARIABLE EXPENSES	\$77.04		(GROSS MARGIN)
FIXED EXPENSES	\$28.38		
NET FARM INCOME	\$48.66		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$22.26		
NET OPERATING PROFIT	\$26.40		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$14.93		
RETURN TO LAND AND RISK		\$11.47	

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 2012.  
 Planting dates: September 1 - September 15  
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
WHEAT	\$6.50	14.00 BUSHELS		\$91.00
DIRECT PAYMENT	\$0.00	14.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$2.00	1.00 ACRE		\$2.00
<b>TOTAL</b>				<b>\$93.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.50	25 LBS	\$12.50		\$12.50
CROP INSURANCE	\$0.15		\$0.15		\$0.15
<b>SUBTOTAL</b>			<b>\$12.65</b>		<b>\$12.65</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	\$6.99	\$2.21	\$9.76	\$21.18
RODWEED	145 HP	0.16 HR		\$1.37	\$4.30	\$0.99	\$5.73	\$12.39
DRILL	96 HP	0.09 HR		\$0.77	\$1.64	\$0.28	\$1.72	\$4.41
<b>SUBTOTAL</b>		<b>0.51 HR</b>		<b>\$4.36</b>	<b>\$12.94</b>	<b>\$3.47</b>	<b>\$17.21</b>	<b>\$37.99</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$3.51	\$0.39	\$13.49	\$18.59
HAUL	2 TON	0.14 HR		\$1.20	\$2.67	\$0.90	\$6.49	\$11.26
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$6.18</b>	<b>\$1.29</b>	<b>\$19.98</b>	<b>\$29.85</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			\$4.65				\$4.65
OTHER EXPENSES		\$38.29					\$38.29
<b>SUBTOTAL</b>	<b>0.20 HR</b>	<b>\$38.43</b>	<b>\$6.40</b>			<b>\$0.33</b>	<b>\$45.16</b>

TOTAL OPERATING EXPENSES 0.99 HR \$50.93 \$13.16 \$19.12 \$4.77 \$37.53 \$125.50

NET OPERATING PROFIT (\$32.50)

INTEREST ON OPERATING CAPITAL ( \$11.05 @ 7.00% ) \$0.77  
 INTEREST ON EQUIPMENT INVESTMENT \$17.28

RETURN TO LAND AND RISK (\$50.54)

BUDGET SUMMARY

GROSS RETURN		\$93.00	
VARIABLE OPERATING EXPENSES	\$74.81		
RETURN OVER VARIABLE EXPENSES	\$18.19	(GROSS MARGIN)	
FIXED EXPENSES	\$37.53		
NET FARM INCOME	(\$19.34)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$13.16		
NET OPERATING PROFIT	(\$32.50)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$18.05		
RETURN TO LAND AND RISK	(\$50.54)		

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County, Projected 2012.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$255.00	\$8.63	\$6.50
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$394.50	\$143.00	\$93.00
CASH OPERATING EXPENSES				
SEED	\$65.00		\$4.93	\$12.50
FERTILIZER	\$15.00			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.05	\$38.50	\$0.15	\$0.14
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.80	\$16.90	\$18.37	\$19.12
FUEL-IRRIGATION				
REPAIRS	\$1.36	\$1.66	\$4.22	\$4.77
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.33	\$0.33	\$0.33
OTHER EXPENSES		\$38.29	\$38.29	\$38.29
TOTAL CASH EXPENSES	\$91.70	\$95.68	\$66.42	\$75.29
RETURN OVER CASH EXPENSES	(\$91.70)	\$298.82	\$76.58	\$17.71
FIXED EXPENSES	\$5.93	\$54.43	\$28.05	\$37.19
TOTAL EXPENSES	\$97.63	\$150.12	\$94.46	\$112.49
NET FARM INCOME	(\$97.63)	\$244.38	\$48.54	(\$19.49)
LABOR AND MANAGEMENT COSTS	\$10.63	\$42.30	\$22.26	\$13.16
NET OPERATING PROFIT	(\$108.26)	\$202.09	\$26.28	(\$32.64)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.45	\$1.01	\$0.77
INTEREST ON EQUIPMENT INVESTMENT		\$24.48	\$13.92	\$17.28
TOTAL CAPITAL COSTS	\$0.00	\$25.93	\$14.93	\$18.05
RETURN TO LAND AND RISK	(\$108.26)	\$176.16	\$11.34	(\$50.69)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,  
Projected 2012.

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$22,950
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$55,200
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$30,940
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$112,490</u>
CASH OPERATING EXPENSES		
SEED		\$6,610
FERTILIZER		\$90
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,418
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$14,895
FUEL-IRRIGATION		\$0
REPAIRS		\$3,417
CUSTOM CHARGES		\$27
LAND TAXES		\$268
OTHER EXPENSES		\$30,634
TOTAL CASH EXPENSES		<u>\$58,458</u>
RETURN OVER CASH EXPENSES		\$54,032
FIXED EXPENSES		\$26,083
TOTAL EXPENSES		<u>\$84,541</u>
NET FARM INCOME		\$27,949
LABOR AND MANAGEMENT COSTS		\$15,979
NET OPERATING PROFIT		\$11,970
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$755
INTEREST ON EQUIPMENT INVESTMENT		\$12,911
TOTAL CAPITAL COSTS		<u>\$13,666</u>
RETURN TO LAND AND RISK		<u>(\$1,695)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$5,295)	3.92%
\$300 /ACRE	(\$8,895)	2.81%
\$450 /ACRE	(\$12,495)	2.19%
\$600 /ACRE	(\$16,095)	1.80%
\$750 /ACRE	(\$19,695)	1.52%
\$900 /ACRE	(\$23,295)	1.32%

\* 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)