

TABLE 1. Acreage Summary, Quay County, Projected 2013.

BUDGET AREA.....	SAN JON-NARA VISA AREA, QUAY COUNTY	
FARM SIZE.....	800 ACRES	
IRRIGATION TYPE.....	DRYLAND	
NUMBER OF CROPS..	3	
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ACREAGE SUMMARY:	LAND USE	(ACRES)
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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	
TOTAL		800.00

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for the San Jon-Nara Visa area, Quay County, Projected 2013.

Item			
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Labor Wage Rate:			
Equipment operators	\$/hour		\$8.55
General & Irrigators	\$/hour		\$7.50
Purchased Inputs:			
Seed:			
Alfalfa	\$/pound		\$6.50
Grain Sorghum	\$/pound		\$2.04
Wheat	\$/pound		\$0.65
Energy:			
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%
Financial Rates:			
Operating Capital Interest Rate	percent		5.00%
Land Interest Rate	percent		5.00%
Equipment Interest Rate	percent		5.00%
Real Interest Rate	percent		3.00%
Land Taxes	\$38.00 /acre (full value)		\$0.33
Personal Property Tax Rate	-NR	\$/ \$1,000 (Assessed Value)	\$25.79
	- R		\$20.79
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 2013.

Item			
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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
Insurance			
- general liability (non-employee)			\$1,458
- fire/theft			\$1,228
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$0
Building repairs and maintenance			\$6,010
Dues, fees, publications			\$968
Farmstead Equipment			\$460
Total			\$30,634
Total per planted acre			\$38.29

TABLE 4. Equipment summary for an 800 acre dryland farm, San Jon-Nara Visa, Quay County, Projected 2013.

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	1	\$17,335	\$5,068	\$262	\$18.27	\$0.94	\$525	\$68	\$2.13
TRACTOR 165 HP	183	1	\$40,865	\$4,933	\$988	\$26.90	\$5.39	\$5,985	\$386	\$34.74
COMBINE 145 HP	104	1	\$51,677	\$2,596	\$116	\$25.06	\$2.66	\$9,864	\$571	\$91.07
GRAIN HEAD 22 FT	104	1	\$3,600			\$0.15		\$501	\$32	\$5.15
SWATHER 14 FT SP	29	1	\$3,900	\$323	\$17	\$11.23	\$0.58	\$1,450	\$125	\$54.68
TRUCK 2 TON	104	1	\$23,000	\$1,974	\$67	\$19.06	\$6.44	\$4,600	\$198	\$46.31
ROD WEED 23 FT	87	1	\$625		\$67	\$0.78		\$83	\$5	\$1.02
ROLLING CULTIVATOR 6 ROW	104	1	\$2,000		\$258		\$2.48	\$267	\$17	\$2.73
DRILL 13 FT	31	1	\$2,150		\$32		\$1.03	\$430	\$18	\$14.40
LISTER/PLANTER 6 ROW	72	1	\$3,400		\$118		\$1.63	\$680	\$29	\$9.85
BALER PTO 2 WIRE	38	1	\$1,400		\$5		\$0.12	\$150	\$13	\$4.31
SWEEP 19 FT	129	1	\$2,500		\$400		\$3.10	\$333	\$21	\$2.75
			\$135,116	\$14,895	\$3,104	\$101	\$25	\$23,868	\$1,484	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL UNITS/HR	LLUBE COEF	ACCUM HOURS	INTEREST AGE
TRACTOR 96 HP	15735.00	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	132955.00	51676.50	15.00	2.00	300.00	6.96	0.20	1346.80	13.00
GRAIN 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			1654.00	16.00
DRILL 13 FT	4300.00	2150.00	10.00	8.00	100.00			404.82	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	600.00			680.40	18.00
SWEEP 19 FT	5000.00	2500.00	15.00	3.00	300.00			2064.00	16.00

EQUIPMENT INTEREST EXPENSE

ALFALFA HAY	GRAIN SORGHUM	WHEAT
1.13	0.74	0.13
1.22	1.22	5.14
0.00	4.49	4.49
0.00	0.25	0.25
12.08	0.00	0.00
0.00	1.55	1.55
0.03	0.03	0.06
0.00	0.25	0.00
0.31	0.00	0.31
0.00	0.43	0.00
1.25	0.00	0.00
0.10	0.10	0.25
16.13	9.06	12.19

ALFALFA EST.	ALFALFA HVY	GRAIN SORGHUM	WHEAT	PER ACRE TOTALS
0.17	0.63	0.52	0.09	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	0.63	1.26
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 (3X)	14 FT SP	3.00	0.16	0.48	
BALER (3X)	96 HP	3.00	0.21	0.63	

GRAIN SORGHUM ACRES: 400 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	0.10	
ROD WEED	96 HP	1.00	0.08	0.08	
LISTER/PLANTER	96 HP	1.00	0.18	0.18	
CULTIVATOR (2X)	96 HP	2.00	0.13	0.26	
COMBINE HAUL	22 FT 2 TON	1.00	0.14	0.14	

WHEAT ACRES: 340 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP (2X)	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 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	0.000020	0.000620	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
50	0.000060	0.000020	0.000620	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
100	0.000060	0.000020	0.000620	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
200	0.000030	0.000030	0.000430	0.000040	0.000180	0.000260	0.000110	0.000510	0.000260
300	0.000030	0.000050	0.000390	0.000060	0.000230	0.000310	0.000140	0.000630	0.000400
400	0.000030	0.000060	0.000370	0.000090	0.000260	0.000340	0.000150	0.000710	0.000450
500	0.000030	0.000070	0.000360	0.000100	0.000280	0.000370	0.000170	0.000800	0.000630
600	0.000030	0.000090	0.000340	0.000120	0.000310	0.000390	0.000190	0.000860	0.000530
700	0.000030	0.000100	0.000340	0.000130	0.000330	0.000410	0.000200	0.000910	0.000560
800	0.000030	0.000110	0.000320	0.000150	0.000350	0.000430	0.000210	0.000960	0.000590
900	0.000030	0.000120	0.000320	0.000160	0.000370	0.000450	0.000230	0.001020	0.000600
1000	0.000030	0.000130	0.000310	0.000180	0.000380	0.000460	0.000230	0.001070	0.000630
1200	0.000045	0.000145	0.000305	0.000205	0.000405	0.000480	0.000245	0.001135	0.000710
1400	0.000045	0.000170	0.000300	0.000230	0.000435	0.000510	0.000410	0.001260	0.000765
1500	0.000150	0.000170	0.000300	0.000230	0.000435	0.000510	0.000410	0.001260	0.000765
1600	0.000150	0.000190	0.000285	0.000255	0.000465	0.000525	0.000435	0.001295	0.000805
1800	0.000075	0.000170	0.000285	0.000285	0.000485	0.000550	0.000295		
2000	0.000110	0.000285	0.000280	0.000305	0.000505	0.000565	0.000310		
2500	0.000056								
3000	0.000070								
3500	0.000082								
4000	0.000096								
4500	0.000136								
5000	0.000148								
5500	0.000162								
6000	0.000176								
6500	0.000188								
7000	0.000204								

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

\*\* Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1983.

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windrowers, pickups
- 3 rotary hoes, disks, moldboard plows, chisels, field cultivators
- row cultivators, laser plane
- 4 harrows, wagons, floats, roto buck, drag, roller, water furrow, bed shaper
- 5 balewagons, cotton pickers, cotton strippers, corn pickers
- corn heads, forage equipment, rotary mowers, stalk choppers,
- feed wagons, farm trucks
- 6 rakes, cutterbar mower
- 7 baler w/ engine, manure spreader
- 8 planters, drills, seeding equipment, mounted sprayers
- 9 fertilizer distributing 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 2013.  
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	\$0.65	30 LBS	\$19.50					\$19.50
SUBTOTAL			\$84.50					\$84.50
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.69	\$0.85	\$3.75	\$8.14
RODWEEDER	96 HP	0.08 HR		\$0.68	\$1.46	\$0.14	\$0.25	\$2.54
DRILL WHEAT	96 HP	0.09 HR		\$0.77	\$1.64	\$0.18	\$1.49	\$4.08
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.31	\$5.80	\$1.16	\$5.49	\$19.26
<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				\$7.60				\$7.60
SUBTOTAL		0.07 HR	\$0.05	\$8.59				\$8.64
<u>TOTAL OPERATING EXPENSES</u>		0.34 HR	\$89.05	\$10.90	\$5.80	\$1.16	\$5.49	\$112.40

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 2013.  
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALF/FA HAY	\$235.00	1.50 TONS (IN FIELD)						\$352.50
GRAZING	\$12.00	1.00 ACRE						\$12.00
<b>TOTAL</b>							<b>\$364.50</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	\$3.12	13 LBS	\$40.11					\$40.11
: Interest		6 YEARS					\$18.73	\$18.73
							\$3.24	\$3.24
<b>SUBTOTAL</b>			<b>\$40.11</b>				<b>\$21.98</b>	<b>\$62.09</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	\$26.24	\$36.02
BALER (3X)	96 HP	0.63 HR		\$5.39	\$11.51	\$0.67	\$4.06	\$21.63
<b>SUBTOTAL</b>		<b>1.11 HR</b>		<b>\$9.49</b>	<b>\$16.90</b>	<b>\$0.95</b>	<b>\$30.30</b>	<b>\$57.64</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				\$26.63				\$26.63
OTHER EXPENSES			\$38.29					\$38.29
<b>SUBTOTAL</b>		<b>0.28 HR</b>	<b>\$38.48</b>	<b>\$30.71</b>			<b>\$0.33</b>	<b>\$69.51</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>1.39 HR</b>	<b>\$78.59</b>	<b>\$40.20</b>	<b>\$16.90</b>	<b>\$0.95</b>	<b>\$52.61</b>	<b>\$189.24</b>
<b>NET OPERATING PROFIT</b>							<b>\$175.26</b>	
INTEREST ON OPERATING CAPITAL		(	\$21.54	@	5.00%	)	\$1.08	
INTEREST ON EQUIPMENT INVESTMENT							\$16.13	
<b>RETURN TO LAND AND RISK</b>							<b>\$158.05</b>	

<b>BUDGET SUMMARY</b>			
GROSS RETURN		\$364.50	
VARIABLE OPERATING EXPENSES	\$96.44		
RETURN OVER VARIABLE EXPENSES	\$268.06		(GROSS MARGIN)
FIXED EXPENSES	\$52.61		
NET FARM INCOME	\$215.45		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$40.20		
NET OPERATING PROFIT	\$175.26		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$17.20		
RETURN TO LAND AND RISK	\$158.05		

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 2013.  
 Planting dates: June 1 - July 4  
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
GRAIN SORGHUM	\$10.43	16.00 CWT		\$166.91
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>\$171.91</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.04	3 LBS	\$5.10		\$5.10
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
<b>SUBTOTAL</b>			<b>\$20.29</b>		<b>\$20.29</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	\$8.14
ROD WEED	96 HP	0.08 HR		\$0.68	\$1.46	\$0.14	\$0.25	\$2.54
LISTER/PLANTER	96 HP	0.18 HR		\$1.54	\$3.29	\$0.46	\$2.16	\$7.45
CULTIVATOR (2X)	96 HP	0.26 HR		\$2.22	\$4.75	\$0.89	\$1.26	\$9.13
<b>SUBTOTAL</b>		<b>0.62 HR</b>		<b>\$5.30</b>	<b>\$12.19</b>	<b>\$2.34</b>	<b>\$7.42</b>	<b>\$27.25</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	\$12.77	\$17.87
HAUL	2 TON	0.14 HR		\$1.20	\$2.67	\$0.90	\$6.48	\$11.25
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$6.18</b>	<b>\$1.29</b>	<b>\$19.25</b>	<b>\$29.12</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			\$12.93				\$12.93
OTHER EXPENSES		\$38.29					\$38.29
<b>SUBTOTAL</b>	<b>0.23 HR</b>	<b>\$38.45</b>	<b>\$16.59</b>			<b>\$0.33</b>	<b>\$55.36</b>

TOTAL OPERATING EXPENSES 1.35 HR \$43.55 \$24.28 \$18.37 \$3.64 \$27.00 \$116.84

NET OPERATING PROFIT \$55.08

INTEREST ON OPERATING CAPITAL ( \$14.40 @ 5.00% ) \$0.72  
 INTEREST ON EQUIPMENT INVESTMENT \$9.06

RETURN TO LAND AND RISK \$45.30

BUDGET SUMMARY

GROSS RETURN	\$171.91	
VARIABLE OPERATING EXPENSES	\$65.55	
RETURN OVER VARIABLE EXPENSES	\$106.37	(GROSS MARGIN)
FIXED EXPENSES	\$27.00	
NET FARM INCOME	\$79.36	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$24.28	
NET OPERATING PROFIT	\$55.08	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.78	
RETURN TO LAND AND RISK	\$45.30	

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 2013.  
 Planting dates: September 1 - September 15  
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
WHEAT	\$7.75	14.00 BUSHEL		\$108.50
DIRECT PAYMENT	\$0.00	14.00 BUSHEL	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$2.00	1.00 ACRE		\$2.00
<b>TOTAL</b>				<b>\$110.50</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.65	25 LBS	\$16.25		\$16.25
CROP INSURANCE	\$0.15		\$0.15		\$0.15
<b>SUBTOTAL</b>			<b>\$16.40</b>		<b>\$16.40</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$2.22	\$6.99	\$2.21	\$9.75	\$21.17
RODWEED	145 HP	0.16 HR		\$1.37	\$4.30	\$0.99	\$5.72	\$12.38
DRILL	96 HP	0.09 HR		\$0.77	\$1.64	\$0.18	\$1.49	\$4.08
<b>SUBTOTAL</b>		<b>0.51 HR</b>		<b>\$4.36</b>	<b>\$12.94</b>	<b>\$3.37</b>	<b>\$16.96</b>	<b>\$37.63</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	\$13.47	\$18.57
HAUL	2 TON	0.14 HR		\$1.20	\$2.67	\$0.90	\$6.48	\$11.25
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.39</b>	<b>\$6.18</b>	<b>\$1.29</b>	<b>\$19.95</b>	<b>\$29.82</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.20 HR		\$0.74				\$0.74
EMPLOYEE BENEFITS			\$1.01				\$1.01
INSURANCE		\$0.14					\$0.14
LAND TAXES						\$0.33	\$0.33
SUPERVISION AND MANAGEMENT			\$5.53				\$5.53
OTHER EXPENSES		\$38.29					\$38.29
<b>SUBTOTAL</b>	<b>0.20 HR</b>	<b>\$38.43</b>	<b>\$7.28</b>			<b>\$0.33</b>	<b>\$46.03</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>0.99 HR</b>	<b>\$54.68</b>	<b>\$14.03</b>	<b>\$19.12</b>	<b>\$4.67</b>	<b>\$37.24</b>	<b>\$129.73</b>
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NET OPERATING PROFIT (\$19.23)

INTEREST ON OPERATING CAPITAL	( \$12.90 @ 5.00% )	\$0.64
INTEREST ON EQUIPMENT INVESTMENT		\$12.19

RETURN TO LAND AND RISK (\$32.06)

BUDGET SUMMARY

GROSS RETURN	\$110.50	
VARIABLE OPERATING EXPENSES	\$78.46	
RETURN OVER VARIABLE EXPENSES	\$32.04	(GROSS MARGIN)
FIXED EXPENSES	\$37.24	
NET FARM INCOME	(\$5.20)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.03	
NET OPERATING PROFIT	(\$19.23)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.83	
RETURN TO LAND AND RISK	(\$32.06)	

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County, Projected 2013.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$235.00	\$10.43	\$7.75
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$364.50	\$171.91	\$110.50
CASH OPERATING EXPENSES				
SEED	\$65.00		\$5.10	\$16.25
FERTILIZER	\$19.50			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.05	\$40.30	\$0.15	\$0.14
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.80	\$16.90	\$18.37	\$19.12
FUEL-IRRIGATION				
REPAIRS	\$1.16	\$0.95	\$3.64	\$4.67
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.33	\$0.33	\$0.33
OTHER EXPENSES		\$38.29	\$38.29	\$38.29
TOTAL CASH EXPENSES	\$96.01	\$96.77	\$66.00	\$78.93
RETURN OVER CASH EXPENSES	(\$96.01)	\$267.73	\$105.92	\$31.57
FIXED EXPENSES	\$5.49	\$52.28	\$26.68	\$36.91
TOTAL EXPENSES	\$101.50	\$149.05	\$92.68	\$115.85
NET FARM INCOME	(\$101.50)	\$215.45	\$79.24	(\$5.35)
LABOR AND MANAGEMENT COSTS	\$10.90	\$40.20	\$24.28	\$14.03
NET OPERATING PROFIT	(\$112.40)	\$175.26	\$54.95	(\$19.38)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.08	\$0.72	\$0.64
INTEREST ON EQUIPMENT INVESTMENT		\$16.13	\$9.06	\$12.19
TOTAL CAPITAL COSTS	\$0.00	\$17.20	\$9.78	\$12.83
RETURN TO LAND AND RISK	(\$112.40)	\$158.05	\$45.17	(\$32.21)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,  
Projected 2013.

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$21,150
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$66,766
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$36,890
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$128,206</u>
CASH OPERATING EXPENSES		
SEED		\$7,955
FERTILIZER		\$117
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,526
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$14,895
FUEL-IRRIGATION		\$0
REPAIRS		\$3,104
CUSTOM CHARGES		\$27
LAND TAXES		\$261
OTHER EXPENSES		\$30,634
TOTAL CASH EXPENSES		<u>\$59,619</u>
RETURN OVER CASH EXPENSES		\$68,587
FIXED EXPENSES		\$25,267
TOTAL EXPENSES		\$84,885
NET FARM INCOME		\$43,320
LABOR AND MANAGEMENT COSTS		\$16,961
NET OPERATING PROFIT		\$26,359
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$572
INTEREST ON EQUIPMENT INVESTMENT		\$8,736
TOTAL CAPITAL COSTS		<u>\$9,308</u>
RETURN TO LAND AND RISK		<u>\$17,051</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	\$13,451	10.33%
\$300 /ACRE	\$9,851	7.03%
\$450 /ACRE	\$6,251	5.32%
\$600 /ACRE	\$2,651	4.29%
\$750 /ACRE	(\$949)	3.59%
\$900 /ACRE	(\$4,549)	3.08%

\* 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)