

# MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... SAN JON-NARA VISA AREA, QUAY COUN' Projected 2008.  
FARM SIZE..... 800.00 ACRES  
IRRIGATION TYPE..... DRYLAND  
NUMBER OF CROPS..... 3

VERSION 1.0

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TABLE 1. Acreage Summary, Quay County, Projected 2008.

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 2008.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$7.45
General & Irrigators		\$/hour	\$6.65
<b>Purchased Inputs:</b>			
<b>Seed:</b>			
Alfalfa		\$/pound	\$3.45
Grain Sorghum		\$/pound	\$0.89
Wheat		\$/pound	\$0.28
<b>Energy:</b>			
Diesel fuel		\$/gallon	\$3.05
Gasoline		\$/gallon	\$2.80
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	7.75%
Land Interest Rate		percent	7.75%
Equipment Interest Rate		percent	7.75%
Real Interest Rate		percent	3.00%
Land Taxes		\$38.00 /acre (full value)	\$0.35
Personal Property Tax Rate	-NR - R	\$/ \$1,000 (Assessed Value)	\$27.67 \$20.64
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 2008.

Item			
Electricity (Domestic & Shop)		\$207.20 per month	\$2,486
Telephone		\$123.20 per month	\$1,478
Accounting & Legal			\$1,417
Misc. Supplies & Hand Tools			\$2,066
Pickup and Auto			
miles	23,072	@ \$0.415 per mile	\$9,575
<b>Insurance</b>			
- general liability (non-employee)			\$1,350
- fire/theft			\$1,137
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$0
Building repairs and maintenance			\$6,010
Dues, fees, publications			\$896
Farmstead Equipment			\$426
<b>Total</b>			<b>\$26,841</b>
<b>Total per planted acre</b>			<b>\$33.55</b>

TABLE 4. Equipment summary for an 800 acre dryland farm, San Juan-Nova Vista, Quay County, Projected 2008

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS			
				FUEL, OIL, LUBRICANT	REPAIR	FUEL, OIL, REPAIR PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR 96 HP	277	1	\$16,534	\$5,153	\$675	\$18.57	\$2.07	\$1,152	\$169	\$4.73	
TRACTOR 165 HP	181	1	\$36,279	\$12,018	\$896	\$37.39	\$5.39	\$3,085	\$414	\$34.49	
COMBINE 145 HP	104	1	\$63,415	\$2,039	\$275	\$25.47	\$2.66	\$9,864	\$613	\$91.48	
GRAIN HEAD 22 FT	104	1	\$3,600		\$16	\$0.15		\$501	\$35	\$5.17	
SWATHER 14 FT SP	29	1	\$3,900	\$329	\$17	\$11.42	\$0.58	\$1,450	\$164	\$54.09	
TRUCK 2 TON	104	1	\$22,000	\$2,007	\$68	\$19.38	\$6.76	\$4,400	\$203	\$44.43	
ROD WEEED 23 FT	87	1	\$6,250		\$67	\$7.18		\$63	\$6	\$1.03	
ROLLING CULTIVATOR 16 ROW	104	1	\$2,000		\$28	\$2.48		\$207	\$16	\$2.74	
DRILL 13 FT 8 ROW	31	1	\$2,150		\$32	\$1.03		\$450	\$20	\$14.46	
LISTER-PLANTER 6 ROW	72	1	\$3,400		\$18	\$1.63		\$660	\$31	\$9.68	
BALER PTO 2 WPRE	38	1	\$1,400		\$5	\$0.12		\$150	\$14	\$4.53	
SWEEP 19 FT	129	1	\$2,500		\$40	\$3.10		\$333	\$23	\$2.76	
				\$147,269	\$15,143	\$3,388	\$102	\$26	\$24,265	\$1,670	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL L/UNITHR	LUBE COEF	ACCLUM HOURS	AGE	INTEREST EXPENSE
TRACTOR 96 HP	14500.00	16234.00	30.00	1.00	800.00	5.54	0.10	6380.00	23.00	1388.81
TRACTOR 165 HP	89775.00	36278.50	15.00	1.00	800.00	8.15	0.10	2017.40	11.00	3478.78
COMBINE 145 HP	132955.00	63415.00	15.00	2.00	300.00	6.96	0.20	1346.80	13.00	5152.01
GRAIN HEAD 22 FT	7500.00	3500.00	15.00	2.00	300.00			13.00	29.40	
SWATHER 14 FT SP	29000.00	39000.00	20.00	2.00	800.00	3.12	0.20	433.20	14.00	1123.75
TRUCK 2 TON	44900.00	22000.00	10.00	6.00	800.00	6.05	0.05	1346.80	13.00	1755.00
ROD WEEED 23 FT	12500.00	6250.00	15.00	3.00	300.00			1303.20	15.00	48.44
ROLLING CULTIVATOR 16 ROW	49000.00	29000.00	15.00	3.00	300.00			164.00	16.00	155.00
DRILL 13 FT 8 ROW	43000.00	21500.00	10.00	8.00	100.00			404.82	13.00	166.63
LISTER-PLANTER 6 ROW	68000.00	34000.00	10.00	8.00	100.00			159.00	13.00	263.50
BALER PTO 2 WPRE	30000.00	14000.00	20.00	7.00	500.00			680.40	18.00	116.25
SWEEP 19 FT	50000.00	25000.00	10.00	3.00	300.00			2084.00	16.00	193.75

ALFALFA EST	ALFALFA HAY	GRAIN BORGHUM	WHEAT	PER ACRE TOTALS
0.17	0.83	0.52	0.39	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
0.09	0.00	0.00	0.09	0.18
0.00	0.00	0.16	0.00	0.16
0.00	0.63	0.00	0.00	0.63
0.10	0.00	0.10	0.28	0.48

EQUIPMENT INTEREST EXPENSE

ALFALFA HAY	GRAIN BORGHUM	WHEAT
3.86	2.51	0.43
1.90	1.90	7.97
0.00	6.96	6.96
0.00	0.39	0.39
15.73	0.00	0.00
0.00	2.30	2.30
0.04	0.04	0.09
0.00	0.39	0.60
0.48	0.00	0.48
0.00	0.66	0.00
1.84	0.00	0.00
0.15	0.15	0.39
27.10	15.31	19.02

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	12.10	
ROD WEEEDER	96 HP	1.00	0.08	0.08	
DRILL WHEAT	96 HP	1.00	0.09	0.09	4.50
FLY ON ALFALFA SEED		1.00			

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	

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	0.10	
ROD WEEEDER	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	

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
COMBINE	22 FT	1.00	0.14	0.14	
HAY	2 TON	1.00	0.14	0.14	

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

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
COMBINE	22 FT	1.00	0.14	0.14	
HAY	2 TON	1.00	0.14	0.14	

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hour of Use	1	2	3	4	5	6	7	8	9
0	0.000000	0.000020	0.000020	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
50	0.000000	0.000020	0.000020	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
100	0.000000	0.000020	0.000050	0.000020	0.000140	0.000220	0.000100	0.000380	0.000300
200	0.000020	0.000030	0.000040	0.000040	0.000180	0.000260	0.000110	0.000510	0.000480
300	0.000030	0.000050	0.000060	0.000060	0.000220	0.000310	0.000140	0.000620	0.000490
400	0.000050	0.000080	0.000070	0.000090	0.000280	0.000340	0.000190	0.000710	0.000450
500	0.000050	0.000070	0.000080	0.000100	0.000300	0.000370	0.000170	0.000800	0.000530
600	0.000030	0.000090	0.000040	0.000120	0.000310	0.000390	0.000190	0.000860	0.000550
700	0.000050	0.000100	0.000060	0.000130	0.000320	0.000410	0.000200	0.000910	0.000560
800	0.000030	0.000110	0.000020	0.000160	0.000350	0.000430	0.000210	0.000980	0.000590
900	0.000050	0.000120	0.000020	0.000180	0.000370	0.000460	0.000220	0.001020	0.000600
1000	0.000090	0.000130	0.000010	0.000180	0.000380	0.000480	0.000230	0.001070	0.000630
1200	0.000045	0.000145	0.000025	0.000205	0.000405	0.000490	0.000245	0.001135	0.000710
1400	0.000045	0.000170	0.000030	0.000230	0.000435	0.000510	0.000410	0.001280	0.000795
1500	0.000150	0.000170	0.000030	0.000230	0.000435	0.000510	0.000410	0.001280	0.000795
1600	0.000150	0.000190	0.000285	0.000255	0.000485	0.000525	0.000135	0.001235	0.000805
1800	0.000075	0.000170	0.000285	0.000285	0.000485	0.000550	0.000225	0.000925	0.000805
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	0.000108								
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, 1985.

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windrowers, pickups
- 3 rotary hoes, disks, moldboard plows, chisels, field cultivators
- non-cultivators, laser plane
- 4 hammers, wigwags, feeds, roto buck, drag, roller, water furrow, bed-nipper
- 5 balerwagons, cotton pickers, cotton strippers, corn pickers
- corn heads, forage equipment, rotary mowers, disk choppers, feed wagons, farm trucks
- 6 tires, cultivator 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 2008.  
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<b>PURCHASED INPUTS</b>								
ALFALFA SEED	\$3.45	10 LBS		\$34.50				\$34.50
WHEAT SEED	\$0.28	30 LBS		\$8.40				\$8.40
SUBTOTAL				\$42.90				\$42.90
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.75	\$2.73	\$0.85	\$3.77	\$8.09
RODWEEDER	96 HP	0.08 HR		\$0.60	\$1.49	\$0.23	\$0.46	\$2.77
DRILL WHEAT	96 HP	0.09 HR		\$0.67	\$1.67	\$0.28	\$1.73	\$4.35
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.01	\$5.89	\$1.36	\$5.95	\$19.71
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.07 HR		\$0.50				\$0.50
EMPLOYEE BENEFITS				\$0.36				\$0.36
INSURANCE			\$0.04					\$0.04
SUPERVISION AND MANAGEMENT				\$4.72				\$4.72
SUBTOTAL		0.07 HR	\$0.04	\$5.59				\$5.63
<b>TOTAL OPERATING EXPENSES</b>		0.34 HR	\$47.44	\$7.60	\$5.89	\$1.36	\$5.95	\$68.24

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 2008.  
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALF/FA HAY	\$130.00	1.50 TONS (IN FIELD)						\$195.00
GRAZING	\$12.00	1.00 ACRE						\$12.00
<b>TOTAL</b>								<b>\$207.00</b>
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE	\$3.50	13 LBS	\$44.99					\$44.99
ESTABLISHMENT: Principal		6 YEARS					\$11.37	\$11.37
: Interest							\$2.99	\$2.99
<b>SUBTOTAL</b>			<b>\$44.99</b>				<b>\$14.36</b>	<b>\$59.36</b>
<b>HARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	14 FT SP	0.48 HR		\$3.58	\$5.48	\$0.28	\$26.40	\$35.73
BALER (3X)	96 HP	0.63 HR		\$4.69	\$11.70	\$1.38	\$5.71	\$23.48
<b>SUBTOTAL</b>		<b>1.11 HR</b>		<b>\$8.27</b>	<b>\$17.18</b>	<b>\$1.66</b>	<b>\$32.10</b>	<b>\$59.22</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.28 HR		\$2.07				\$2.07
EMPLOYEE BENEFITS				\$1.49				\$1.49
INSURANCE			\$0.17					\$0.17
LAND TAXES							\$0.35	\$0.35
SUPERVISION AND MANAGEMENT				\$15.60				\$15.60
OTHER EXPENSES			\$33.55					\$33.55
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$33.72</b>	<b>\$19.16</b>		<b>\$0.35</b>	<b>\$53.22</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>1.39 HR</b>		<b>\$78.71</b>	<b>\$27.43</b>	<b>\$17.18</b>	<b>\$1.66</b>	<b>\$171.79</b>
<b>NET OPERATING PROFIT</b>								<b>\$35.21</b>
INTEREST ON OPERATING CAPITAL		(	\$24.07	@	7.75%	)		
INTEREST ON EQUIPMENT INVESTMENT								\$27.10
<b>RETURN TO LAND AND RISK</b>								<b>\$6.24</b>

<b>BUDGET SUMMARY</b>		
GROSS RETURN		\$207.00
VARIABLE OPERATING EXPENSES	\$97.55	
RETURN OVER VARIABLE EXPENSES	\$109.45	(GROSS MARGIN)
FIXED EXPENSES	\$46.82	
NET FARM INCOME	\$62.63	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$27.43	
NET OPERATING PROFIT	\$35.21	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.97	
RETURN TO LAND AND RISK	\$6.24	

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 2008.  
 Planting dates: June 1 - July 4  
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
GRAIN SORGHUM	\$7.70	16.00 CWT		\$123.20
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>\$128.20</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.89	3 LBS	\$2.23		\$2.23
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
<b>SUBTOTAL</b>			<b>\$17.42</b>		<b>\$17.42</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.75	\$2.73	\$0.85	\$3.77	\$8.09
ROD WEED	96 HP	0.08 HR		\$0.60	\$1.49	\$0.23	\$0.46	\$2.77
LISTER/PLANTER	96 HP	0.18 HR		\$1.34	\$3.34	\$0.67	\$2.63	\$7.98
CULTIVATOR (2X)	96 HP	0.26 HR		\$1.94	\$4.83	\$1.18	\$1.94	\$9.89
<b>SUBTOTAL</b>		<b>0.62 HR</b>		<b>\$4.62</b>	<b>\$12.39</b>	<b>\$2.93</b>	<b>\$8.80</b>	<b>\$28.74</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.04	\$3.57	\$0.39	\$12.83	\$17.83
HAUL	2 TON	0.14 HR		\$1.04	\$2.71	\$0.86	\$6.22	\$10.84
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.09</b>	<b>\$6.28</b>	<b>\$1.26</b>	<b>\$19.05</b>	<b>\$28.67</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.23 HR		\$1.68				\$1.68
EMPLOYEE BENEFITS			\$1.51				\$1.51
INSURANCE		\$0.13					\$0.13
LAND TAXES						\$0.35	\$0.35
SUPERVISION AND MANAGEMENT			\$9.87				\$9.87
OTHER EXPENSES		\$33.55					\$33.55
<b>SUBTOTAL</b>	<b>0.23 HR</b>	<b>\$33.69</b>	<b>\$13.06</b>			<b>\$0.35</b>	<b>\$47.09</b>

TOTAL OPERATING EXPENSES 1.35 HR \$35.91 \$19.76 \$18.67 \$4.18 \$28.19 \$106.72

NET OPERATING PROFIT \$21.48

INTEREST ON OPERATING CAPITAL ( \$13.17 @ 7.75% ) \$1.02  
 INTEREST ON EQUIPMENT INVESTMENT \$15.31

RETURN TO LAND AND RISK \$5.15

BUDGET SUMMARY

GROSS RETURN		\$128.20	
VARIABLE OPERATING EXPENSES	\$58.76		
RETURN OVER VARIABLE EXPENSES	\$69.44	(GROSS MARGIN)	
FIXED EXPENSES	\$28.19		
NET FARM INCOME	\$41.24	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$19.76		
NET OPERATING PROFIT	\$21.48	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$16.33		
RETURN TO LAND AND RISK		\$5.15	

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 2008.  
 Planting dates: September 1 - September 15  
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE					TOTAL
<b>GROSS RETURNS</b>								
WHEAT	\$9.50	14.00 BUSHEL						\$133.00
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>\$135.00</b>
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.28	25 LBS	\$7.00					\$7.00
CROP INSURANCE	\$0.15		\$0.15					\$0.15
<b>SUBTOTAL</b>			<b>\$7.15</b>					<b>\$7.15</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$1.94	\$7.11	\$2.21	\$9.79	\$21.04
RODWEED	145 HP	0.16 HR		\$1.19	\$4.38	\$0.99	\$5.75	\$12.30
DRILL	96 HP	0.09 HR		\$0.67	\$1.67	\$0.28	\$1.73	\$4.35
<b>SUBTOTAL</b>		<b>0.51 HR</b>		<b>\$3.80</b>	<b>\$13.16</b>	<b>\$3.47</b>	<b>\$17.26</b>	<b>\$37.69</b>
<b>HARVEST OPERATIONS</b>								
COMBINE	22 FT	0.14 HR		\$1.04	\$3.57	\$0.39	\$13.53	\$18.53
HAUL	2 TON	0.14 HR		\$1.04	\$2.71	\$0.86	\$6.22	\$10.84
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.09</b>	<b>\$6.28</b>	<b>\$1.26</b>	<b>\$19.75</b>	<b>\$29.37</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.20 HR		\$0.74				\$0.74
EMPLOYEE BENEFITS				\$0.88				\$0.88
INSURANCE			\$0.12					\$0.12
LAND TAXES							\$0.35	\$0.35
SUPERVISION AND MANAGEMENT				\$6.75				\$6.75
OTHER EXPENSES			\$33.55					\$33.55
<b>SUBTOTAL</b>		<b>0.20 HR</b>	<b>\$33.67</b>	<b>\$8.37</b>			<b>\$0.35</b>	<b>\$42.39</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>0.99 HR</b>	<b>\$40.67</b>	<b>\$14.26</b>	<b>\$19.44</b>	<b>\$4.73</b>	<b>\$37.36</b>	<b>\$116.45</b>
<b>NET OPERATING PROFIT</b>								<b>\$18.55</b>
INTEREST ON OPERATING CAPITAL		( \$8.36 @ 7.75% )						\$0.65
INTEREST ON EQUIPMENT INVESTMENT								\$19.02
<b>RETURN TO LAND AND RISK</b>								<b>(\$1.12)</b>
<b>BUDGET SUMMARY</b>								
GROSS RETURN			\$135.00					
VARIABLE OPERATING EXPENSES	\$64.83							
RETURN OVER VARIABLE EXPENSES		\$70.17	(GROSS MARGIN)					
FIXED EXPENSES	\$37.36							
NET FARM INCOME		\$32.80	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$14.26							
NET OPERATING PROFIT		\$18.55	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$19.67							
<b>RETURN TO LAND AND RISK</b>			<b>(\$1.12)</b>					

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County  
Projected 2008.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$130.00	\$7.70	\$9.50
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$207.00	\$128.20	\$135.00
CASH OPERATING EXPENSES				
SEED	\$34.50		\$2.23	\$7.00
FERTILIZER	\$8.40			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.04	\$45.16	\$0.13	\$0.12
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.89	\$17.18	\$18.67	\$19.44
FUEL-IRRIGATION				
REPAIRS	\$1.36	\$1.66	\$4.18	\$4.73
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.35	\$0.35	\$0.35
OTHER EXPENSES		\$33.55	\$33.55	\$33.55
TOTAL CASH EXPENSES	\$54.69	\$97.90	\$59.24	\$65.33
RETURN OVER CASH EXPENSES	(\$54.69)	\$109.10	\$68.96	\$69.67
FIXED EXPENSES	\$5.95	\$46.47	\$27.84	\$37.01
TOTAL EXPENSES	\$60.64	\$144.37	\$87.08	\$102.34
NET FARM INCOME	(\$60.64)	\$62.63	\$41.12	\$32.66
LABOR AND MANAGEMENT COSTS	\$7.60	\$27.43	\$19.76	\$14.26
NET OPERATING PROFIT	(\$68.24)	\$35.21	\$21.35	\$18.40
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.87	\$1.02	\$0.65
INTEREST ON EQUIPMENT INVESTMENT		\$27.10	\$15.31	\$19.02
TOTAL CAPITAL COSTS	\$0.00	\$28.97	\$16.33	\$19.67
RETURN TO LAND AND RISK	(\$68.24)	\$6.24	\$5.02	(\$1.27)



TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,  
Projected 2008.

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$11,700
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$49,280
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$45,220
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$109,600</u>
CASH OPERATING EXPENSES		
SEED		\$3,477
FERTILIZER		\$50
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,803
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$15,143
FUEL-IRRIGATION		\$0
REPAIRS		\$3,388
CUSTOM CHARGES		\$27
LAND TAXES		\$280
OTHER EXPENSES		\$26,841
TOTAL CASH EXPENSES		<u>\$52,111</u>
RETURN OVER CASH EXPENSES		\$57,489
FIXED EXPENSES		\$25,863
TOTAL EXPENSES		<u>\$77,974</u>
NET FARM INCOME		\$31,626
LABOR AND MANAGEMENT COSTS		\$14,444
NET OPERATING PROFIT		\$17,182
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$740
INTEREST ON EQUIPMENT INVESTMENT		\$14,217
TOTAL CAPITAL COSTS		<u>\$14,957</u>
RETURN TO LAND AND RISK		<u>\$2,225</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$1,375)	6.58%
\$300 /ACRE	(\$4,975)	4.51%
\$450 /ACRE	(\$8,575)	3.43%
\$600 /ACRE	(\$12,175)	2.77%
\$750 /ACRE	(\$15,775)	2.32%
\$900 /ACRE	(\$19,375)	1.99%

\* 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)