

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... PORTALES VALLEY, ROOSEVELT COUNTY, Projected 2010.  
FARM SIZE..... 320.00 ACRES  
IRRIGATION TYPE..... FLOOD  
NUMBER OF CROPS..... 5

VERSION 1.0

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TABLE 1. Acreage Summary, Roosevelt County, Projected 2010.

| BUDGET AREA..... PORTALES VALLEY, ROOSEVELT COUNTY |                  |                |              |
|--|------------------|----------------|--------------|
| FARM SIZE..... 320 ACRES                           |                  |                |              |
| IRRIGATION TYPE..... FLOOD                         |                  |                |              |
| NUMBER OF CROPS... 5                               |                  |                |              |
| WATER USE  |                  |                |              |
| ACREAGE SUMMARY:                                   | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN. |
| WHEAT  | 68.00            | 25             | 1,700        |
| ARP  | 0.00             |                |              |
| FLEX IN COTTON                                     | 12.00            | 15             | 180          |
| CORN   | 51.00            | 38             | 1,938        |
| ARP  | 0.00             |                |              |
| FLEX IN COTTON                                     | 9.00             | 15             | 135          |
| GRAIN SORGHUM                                      | 51.00            | 20             | 1,020        |
| ARP  | 0.00             |                |              |
| FLEX IN COTTON                                     | 9.00             | 15             | 135          |
| COTTON   | 34.00            | 15             | 510          |
| ARP  | 0.00             |                |              |
| FLEX IN COTTON                                     | 6.00             | 15             | 90           |
| PEANUTS  | 60.00            | 24             | 1,440        |
| ROADS, HOMESTEAD                                   | 20.00            |                |              |
| TOTAL  | 320.00           |                | 7,148        |
| ACRE FEET PER ACRE OF WATER RIGHTS                 |                  |                | 1.86         |

TABLE 2. Basic cost information for the Portales Valley, Roosevelt County, Projected 2010.

| Item                            |      |                              |          |
|---------------------------------|------|------------------------------|----------|
| <b>Labor Wage Rate:</b>         |      |                              |          |
| Equipment operators             |      | \$/hour                      | \$8.55   |
| General & Irrigators            |      | \$/hour                      | \$7.25   |
| <b>Purchased Inputs:</b>        |      |                              |          |
| <b>Fertilizer:</b>              |      |                              |          |
| Nitrogen (N)                    |      | \$/pound                     | \$0.58   |
| Phosphate (P205)                |      | \$/pound                     | \$0.51   |
| <b>Seed:</b>                    |      |                              |          |
| Wheat                           |      | \$/pound                     | \$0.26   |
| Corn                            |      | \$/bag                       | \$225.00 |
| Grain Sorghum                   |      | \$/pound                     | \$2.10   |
| Cotton                          |      | \$/pound                     | \$2.15   |
| Peanuts                         |      | \$/pound                     | \$0.80   |
| <b>Energy:</b>                  |      |                              |          |
| Natural gas (Gas NM)            |      | \$/MCF                       | \$5.88   |
| Diesel fuel                     |      | \$/gallon                    | \$2.80   |
| Gasoline                        |      | \$/gallon                    | \$2.50   |
| Electricity (SWPS)              |      | cents/KwHr                   | 10.50    |
| LP Gas                          |      | \$/gallon                    | \$2.55   |
| 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                      | 7.50%    |
| Land Interest Rate              |      | percent                      | 7.00%    |
| Equipment Interest Rate         |      | percent                      | 7.50%    |
| Real Interest Rate              |      | percent                      | 3.00%    |
| Land Taxes                      |      | \$89.00 /acre (full value)   | \$0.66   |
| Personal Property Tax Rate      | - NR | \$/ \$1,000 (Assessed Value) | \$22.08  |
|                                 | - R  |                              | \$22.75  |
| <b>Supervision Factors</b>      |      |                              |          |
| 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 the Portales Valley, Roosevelt County, Projected 2010.

| Item                               |        |                    |          |
|------------------------------------|--------|--------------------|----------|
| Electricity (Domestic & Shop)      |        | \$236.00 per month | \$2,832  |
| Telephone                          |        | \$118.00 per month | \$1,416  |
| Accounting & Legal                 |        |                    | \$1,729  |
| Misc. Supplies & Hand Tools        |        |                    | \$2,602  |
| Pickup and Auto                    |        |                    |          |
| miles                              | 24,308 | @ \$0.415 per mile | \$10,088 |
| <b>Insurance</b>                   |        |                    |          |
| - general liability (non-employee) |        |                    | \$1,864  |
| - fire/theft                       |        |                    | \$1,475  |
| <b>Property Taxes</b>              |        |                    |          |
| - non-planted land                 |        |                    | \$0      |
| - other than land & machinery      |        |                    | \$6,010  |
| Building repairs and maintenance   |        |                    | \$1,416  |
| Dues, fees, publications           |        |                    | \$425    |
| Farmstead Equipment                |        |                    | \$177    |
| Total                              |        |                    | \$30,034 |
| Total Per Planted Acre             |        |                    | \$100.11 |



TABLE 6. Wheat, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2010.

Planting Dates: August 20 - September 15

Harvest Dates: June 1 - June 25

| ITEM                     | PRICE   | YIELD         | BASE | TOTAL           |
|--------------------------|---------|---------------|------|-----------------|
| <b>GROSS RETURNS</b>     |         |               |      |                 |
| WHEAT                    | \$6.00  | 50.00 BUSHELS |      | \$300.00        |
| DIRECT PAYMENT           | \$0.00  | 50.00 BUSHELS | 0.85 | \$0.00          |
| COUNTER CYCLICAL PAYMENT | \$0.00  |               |      | \$0.00          |
| GRAZING                  | \$40.00 | 1.00 ACRE     |      | \$40.00         |
| <b>TOTAL</b>             |         |               |      | <b>\$340.00</b> |

| PURCHASED INPUTS     | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST | TOTAL           |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED                 | \$0.26  | 60 LBS     | \$15.60          |            | \$15.60         |
| NITROGEN (N)         | \$0.58  | 100 LBS    | \$58.00          |            | \$58.00         |
| PHOSPHATE (P205)     | \$0.51  | 40 LBS     | \$20.40          |            | \$20.40         |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE   | \$20.01          |            | \$20.01         |
| PUMP WATER*          |         | 25 AC. IN. |                  |            |                 |
| CROP INSURANCE       | \$0.74  |            | \$0.74           |            | \$0.74          |
| <b>SUBTOTAL</b>      |         |            | <b>\$114.74</b>  |            | <b>\$114.74</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS       | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| ROD WEEDER            | 126 HP     | 0.08 HR             |                  | \$0.68         | \$1.65         | \$0.38        | \$0.96         | \$3.68          |
| PLOW                  | 185 HP     | 0.48 HR             |                  | \$4.10         | \$12.05        | \$4.97        | \$9.32         | \$30.44         |
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20         | \$3.51         | \$1.27        | \$2.69         | \$8.68          |
| FERT SPREADER         | 126 HP     | 0.05 HR             |                  | \$0.43         | \$1.03         | \$0.20        | \$0.42         | \$2.08          |
| DRILL                 | 126 HP     | 0.18 HR             |                  | \$1.54         | \$3.71         | \$0.90        | \$8.06         | \$14.21         |
| IRRIGATE (5X)         |            | 2.50 HR             |                  | \$18.13        | \$52.93        | \$0.00        | \$2.57         | \$73.62         |
| <b>SUBTOTAL</b>       |            | <b>3.43 HR</b>      |                  | <b>\$26.08</b> | <b>\$74.89</b> | <b>\$7.72</b> | <b>\$24.02</b> | <b>\$132.70</b> |

|                           |  |  |                |  |  |  |  |                |
|---------------------------|--|--|----------------|--|--|--|--|----------------|
| <b>HARVEST OPERATIONS</b> |  |  |                |  |  |  |  |                |
| COMBINE (CUSTOM)          |  |  | \$20.20        |  |  |  |  | \$20.20        |
| HAUL (CUSTOM)             |  |  | \$8.00         |  |  |  |  | \$8.00         |
| <b>SUBTOTAL</b>           |  |  | <b>\$28.20</b> |  |  |  |  | <b>\$28.20</b> |

|                            |  |                |                 |                |  |        |               |                 |
|----------------------------|--|----------------|-----------------|----------------|--|--------|---------------|-----------------|
| <b>OVERHEAD EXPENSES</b>   |  |                |                 |                |  |        |               |                 |
| DOWNTIME                   |  | 0.23 HR        |                 | \$1.99         |  |        |               | \$1.99          |
| EMPLOYEE BENEFITS          |  |                |                 | \$4.69         |  |        |               | \$4.69          |
| INSURANCE                  |  |                | \$0.52          |                |  |        |               | \$0.52          |
| LAND TAXES                 |  |                |                 |                |  | \$0.66 |               | \$0.66          |
| SUPERVISION AND MANAGEMENT |  |                |                 | \$26.77        |  |        |               | \$26.77         |
| OTHER EXPENSES             |  |                | \$100.11        |                |  |        |               | \$100.11        |
| <b>SUBTOTAL</b>            |  | <b>0.23 HR</b> | <b>\$100.63</b> | <b>\$33.45</b> |  |        | <b>\$0.66</b> | <b>\$134.74</b> |

TOTAL OPERATING EXPENSES 3.66 HR \$243.58 \$59.52 \$74.89 \$7.72 \$24.67 \$410.38

NET OPERATING PROFIT (\$70.38)

INTEREST ON OPERATING CAPITAL ( \$80.37 @ 7.50% ) \$6.03  
 INTEREST ON EQUIPMENT INVESTMENT \$13.36

RETURN TO LAND AND RISK (\$89.77)

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

BUDGET SUMMARY

|                               |           |   |  |
|-------------------------------|-----------|---|--|
| GROSS RETURN                  |           | \$340.00                                |  |
| VARIABLE OPERATING EXPENSES   | \$326.18  |   |  |
| RETURN OVER VARIABLE EXPENSES | \$13.82   | (GROSS MARGIN)                          |  |
| FIXED EXPENSES                | \$24.67   |   |  |
| NET FARM INCOME               | (\$10.86) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |  |
| LABOR AND MANAGEMENT COST     | \$59.52   |   |  |
| NET OPERATING PROFIT          | (\$70.38) | (RETURN TO CAPITAL, LAND & RISK)        |  |
| CAPITAL COSTS                 | \$19.39   |   |  |
| RETURN TO LAND AND RISK       | (\$89.77) |   |  |

TABLE 7. Corn for grain, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2010.  
 Planting Dates: April 15 - May 15  
 Harvest Dates: November 1 - November 30

| ITEM                     | PRICE   | YIELD     | BASE | TOTAL           |
|--------------------------|---------|-----------|------|-----------------|
| <b>GROSS RETURNS</b>     |         |           |      |                 |
| CORN FOR GRAIN           | \$7.32  | 65.00 CWT |      | \$475.89        |
| DIRECT PAYMENT           | \$0.00  | 65.00 CWT | 0.85 | \$0.00          |
| COUNTER CYCLICAL PAYMENT | \$0.00  | 0.00 CWT  |      | \$0.00          |
| GRAZING                  | \$15.00 | 1.00 ACRE |      | \$15.00         |
| <b>TOTAL</b>             |         |           |      | <b>\$490.89</b> |

| PURCHASED INPUTS     | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST | TOTAL           |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED                 | \$2.81  | 28 000     | \$78.75          |            | \$78.75         |
| NITROGEN (N)         | \$0.58  | 150 LBS    | \$87.00          |            | \$87.00         |
| PHOSPHATE (P205)     | \$0.51  | 60 LBS     | \$30.60          |            | \$30.60         |
| HERBICIDE            | \$15.88 | 1 X/ACRE   | \$15.88          |            | \$15.88         |
| INSECTICIDE (CUSTOM) | \$16.96 | 2 X/ACRE   | \$33.92          |            | \$33.92         |
| PUMP WATER*          |         | 38 AC. IN. |                  |            |                 |
| CROP INSURANCE       | \$0.98  |            | \$0.98           |            | \$0.98          |
| <b>SUBTOTAL</b>      |         |            | <b>\$247.14</b>  |            | <b>\$247.14</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE     | REPAIRS        | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20         | \$3.51          | \$1.27         | \$2.69         | \$8.68          |
| PLOW                  | 185 HP     | 0.48 HR             |                  | \$4.10         | \$12.05         | \$4.97         | \$9.32         | \$30.44         |
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20         | \$3.51          | \$1.27         | \$2.69         | \$8.68          |
| FERT SPREADER         | 126 HP     | 0.05 HR             |                  | \$0.43         | \$1.03          | \$0.20         | \$0.42         | \$2.08          |
| SPRAY & DISC          | 185 HP     | 0.17 HR             |                  | \$1.45         | \$4.27          | \$1.66         | \$4.12         | \$11.50         |
| LISTER                | 126 HP     | 0.12 HR             |                  | \$1.03         | \$2.47          | \$0.80         | \$2.04         | \$6.34          |
| TRACK                 | 126 HP     | 0.40 HR             |                  | \$3.42         | \$8.25          | \$1.59         | \$3.35         | \$16.60         |
| PRE-IRRIGATE          |            | 0.75 HR             |                  | \$6.41         | \$13.41         | \$0.00         | \$0.65         | \$20.47         |
| ROD WEED              | 185 HP     | 0.08 HR             |                  | \$0.68         | \$2.01          | \$0.49         | \$1.53         | \$4.72          |
| PLANTER               | 185 HP     | 0.17 HR             |                  | \$1.45         | \$4.27          | \$1.26         | \$6.43         | \$13.42         |
| CULTIVATOR (2X)       | 126 HP     | 0.26 HR             |                  | \$2.22         | \$5.36          | \$2.00         | \$3.99         | \$13.58         |
| IRRIGATE (5X)         |            | 2.50 HR             |                  | \$18.13        | \$67.04         | \$0.00         | \$3.25         | \$88.42         |
| <b>SUBTOTAL</b>       |            | <b>5.26 HR</b>      |                  | <b>\$41.72</b> | <b>\$127.19</b> | <b>\$15.52</b> | <b>\$40.48</b> | <b>\$224.91</b> |

| HARVEST OPERATIONS |  |  |                |  |  |  |  |                |
|--------------------|--|--|----------------|--|--|--|--|----------------|
| COMBINE (CUSTOM)   |  |  | \$22.75        |  |  |  |  | \$22.75        |
| HAUL (CUSTOM)      |  |  | \$11.70        |  |  |  |  | \$11.70        |
| <b>SUBTOTAL</b>    |  |  | <b>\$34.45</b> |  |  |  |  | <b>\$34.45</b> |

| OVERHEAD EXPENSES          |  |                |          |                 |                |        |               |                 |
|----------------------------|--|----------------|----------|-----------------|----------------|--------|---------------|-----------------|
| DOWNTIME                   |  | 0.36 HR        |          | \$3.06          |                |        |               | \$3.06          |
| EMPLOYEE BENEFITS          |  |                |          | \$7.51          |                |        |               | \$7.51          |
| INSURANCE                  |  |                | \$0.83   |                 |                |        |               | \$0.83          |
| LAND TAXES                 |  |                |          |                 |                | \$0.66 |               | \$0.66          |
| SUPERVISION AND MANAGEMENT |  |                |          | \$37.71         |                |        |               | \$37.71         |
| OTHER EXPENSES             |  |                | \$100.11 |                 |                |        |               | \$100.11        |
| <b>SUBTOTAL</b>            |  | <b>0.36 HR</b> |          | <b>\$100.95</b> | <b>\$48.27</b> |        | <b>\$0.66</b> | <b>\$149.88</b> |

|                                 |  |                |  |                 |                |                 |                |                |                 |
|---------------------------------|--|----------------|--|-----------------|----------------|-----------------|----------------|----------------|-----------------|
| <b>TOTAL OPERATING EXPENSES</b> |  | <b>5.62 HR</b> |  | <b>\$382.53</b> | <b>\$90.00</b> | <b>\$127.19</b> | <b>\$15.52</b> | <b>\$41.14</b> | <b>\$656.38</b> |
|---------------------------------|--|----------------|--|-----------------|----------------|-----------------|----------------|----------------|-----------------|

|                             |  |  |  |  |  |  |  |  |                   |
|-----------------------------|--|--|--|--|--|--|--|--|-------------------|
| <b>NET OPERATING PROFIT</b> |  |  |  |  |  |  |  |  | <b>(\$165.48)</b> |
|-----------------------------|--|--|--|--|--|--|--|--|-------------------|

|                                  |   |          |   |       |   |  |  |  |         |
|----------------------------------|---|----------|---|-------|---|--|--|--|---------|
| INTEREST ON OPERATING CAPITAL    | ( | \$162.12 | @ | 7.50% | ) |  |  |  | \$12.16 |
| INTEREST ON EQUIPMENT INVESTMENT |   |          |   |       |   |  |  |  | \$24.46 |

|                                |  |  |  |  |  |  |  |  |                   |
|--------------------------------|--|--|--|--|--|--|--|--|-------------------|
| <b>RETURN TO LAND AND RISK</b> |  |  |  |  |  |  |  |  | <b>(\$202.10)</b> |
|--------------------------------|--|--|--|--|--|--|--|--|-------------------|

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

**BUDGET SUMMARY**

|                               |          |            |   |  |  |
|-------------------------------|----------|------------|---|--|--|
| GROSS RETURN                  |          | \$490.89   |   |  |  |
| VARIABLE OPERATING EXPENSES   | \$525.24 |            |   |  |  |
| RETURN OVER VARIABLE EXPENSES |          | (\$34.35)  | (GROSS MARGIN)                          |  |  |
| FIXED EXPENSES                | \$41.14  |            |   |  |  |
| NET FARM INCOME               |          | (\$75.49)  | (RETURN TO CAPITAL, LABOR, LAND & RISK) |  |  |
| LABOR AND MANAGEMENT COST     | \$90.00  |            |   |  |  |
| NET OPERATING PROFIT          |          | (\$165.48) | (RETURN TO CAPITAL, LAND & RISK)        |  |  |
| CAPITAL COSTS                 | \$36.62  |            |   |  |  |
| RETURN TO LAND AND RISK       |          | (\$202.10) |   |  |  |

TABLE 8. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2010.

Planting Dates: May 15 - June 10  
Harvest Dates: October 15 - November 15

| ITEM                     | PRICE  | YIELD     | BASE | TOTAL           |
|--------------------------|--------|-----------|------|-----------------|
| <b>GROSS RETURNS</b>     |        |           |      |                 |
| GRAIN SORGHUM            | \$7.70 | 55.00 CWT |      | \$423.50        |
| DIRECT PAYMENT           | \$0.00 | 55.00 CWT | 0.85 | \$0.00          |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT  |      | \$0.00          |
| GRAZING                  | \$9.00 | 1.00 ACRE |      | \$9.00          |
| <b>TOTAL</b>             |        |           |      | <b>\$432.50</b> |

| PURCHASED INPUTS     | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST | TOTAL           |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED                 | \$2.10  | 6 LBS      | \$12.60          |            | \$12.60         |
| NITROGEN (N)         | \$0.58  | 100 LBS    | \$58.00          |            | \$58.00         |
| PHOSPHATE (P205)     | \$0.51  | 40 LBS     | \$20.40          |            | \$20.40         |
| HERBICIDE            | \$15.88 | 1 ACRE     | \$15.88          |            | \$15.88         |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 ACRE     | \$20.01          |            | \$20.01         |
| PUMP WATER*          |         | 20 AC. IN. |                  |            |                 |
| CROP INSURANCE       | \$0.98  |            | \$0.98           |            | \$0.98          |
| <b>SUBTOTAL</b>      |         |            | <b>\$127.87</b>  |            | <b>\$127.87</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS        | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20         | \$3.51         | \$1.27         | \$2.69         | \$8.68          |
| PLOW                  | 185 HP     | 0.48 HR             |                  | \$4.10         | \$12.05        | \$4.97         | \$9.32         | \$30.44         |
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20         | \$3.51         | \$1.27         | \$2.69         | \$8.68          |
| FERT SPREADER         | 126 HP     | 0.05 HR             |                  | \$0.43         | \$1.03         | \$0.20         | \$0.42         | \$2.08          |
| DISC & SPRAY          | 185 HP     | 0.17 HR             |                  | \$1.45         | \$4.27         | \$1.66         | \$4.12         | \$11.50         |
| LISTER                | 126 HP     | 0.12 HR             |                  | \$1.03         | \$2.47         | \$0.80         | \$2.04         | \$6.34          |
| TRACK                 | 126 HP     | 0.40 HR             |                  | \$3.42         | \$8.25         | \$1.59         | \$3.35         | \$16.60         |
| PRE-IRRIGATE          |            | 0.75 HR             |                  | \$5.44         | \$10.59        | \$0.00         | \$0.51         | \$16.54         |
| ROD WEED              | 126 HP     | 0.08 HR             |                  | \$0.68         | \$1.65         | \$0.38         | \$0.96         | \$3.68          |
| PLANTER               | 185 HP     | 0.17 HR             |                  | \$1.45         | \$4.27         | \$1.26         | \$6.43         | \$13.42         |
| CULTIVATOR (2X)       | 126 HP     | 0.26 HR             |                  | \$2.22         | \$5.36         | \$2.00         | \$3.99         | \$13.58         |
| IRRIGATE (3X)         |            | 1.50 HR             |                  | \$10.88        | \$31.76        | \$0.00         | \$1.54         | \$44.17         |
| <b>SUBTOTAL</b>       |            | <b>4.26 HR</b>      |                  | <b>\$33.50</b> | <b>\$88.73</b> | <b>\$15.40</b> | <b>\$38.06</b> | <b>\$175.69</b> |

| HARVEST OPERATIONS |  |  |                |  |  |  |  |                |
|--------------------|--|--|----------------|--|--|--|--|----------------|
| COMBINE (CUSTOM)   |  |  | \$26.18        |  |  |  |  | \$26.18        |
| HAUL (CUSTOM)      |  |  | \$10.45        |  |  |  |  | \$10.45        |
| <b>SUBTOTAL</b>    |  |  | <b>\$36.63</b> |  |  |  |  | <b>\$36.63</b> |

| OVERHEAD EXPENSES          |  |                |          |                 |                |        |               |                 |
|----------------------------|--|----------------|----------|-----------------|----------------|--------|---------------|-----------------|
| DOWNTIME                   |  | 0.66 HR        |          | \$5.60          |                |        |               | \$5.60          |
| EMPLOYEE BENEFITS          |  |                |          | \$6.03          |                |        |               | \$6.03          |
| INSURANCE                  |  |                | \$0.67   |                 |                |        |               | \$0.67          |
| LAND TAXES                 |  |                |          |                 |                | \$0.66 |               | \$0.66          |
| SUPERVISION AND MANAGEMENT |  |                |          | \$33.09         |                |        |               | \$33.09         |
| OTHER EXPENSES             |  |                | \$100.11 |                 |                |        |               | \$100.11        |
| <b>SUBTOTAL</b>            |  | <b>0.66 HR</b> |          | <b>\$100.78</b> | <b>\$44.71</b> |        | <b>\$0.66</b> | <b>\$146.15</b> |

|                                 |  |                |  |                 |                |                |                |                |                 |
|---------------------------------|--|----------------|--|-----------------|----------------|----------------|----------------|----------------|-----------------|
| <b>TOTAL OPERATING EXPENSES</b> |  | <b>4.92 HR</b> |  | <b>\$265.29</b> | <b>\$78.21</b> | <b>\$88.73</b> | <b>\$15.40</b> | <b>\$38.72</b> | <b>\$486.35</b> |
|---------------------------------|--|----------------|--|-----------------|----------------|----------------|----------------|----------------|-----------------|

|                             |  |  |  |  |  |  |  |  |                  |
|-----------------------------|--|--|--|--|--|--|--|--|------------------|
| <b>NET OPERATING PROFIT</b> |  |  |  |  |  |  |  |  | <b>(\$53.85)</b> |
|-----------------------------|--|--|--|--|--|--|--|--|------------------|

|                                  |   |         |   |       |   |  |  |  |         |
|----------------------------------|---|---------|---|-------|---|--|--|--|---------|
| INTEREST ON OPERATING CAPITAL    | ( | \$93.02 | @ | 7.50% | ) |  |  |  | \$6.98  |
| INTEREST ON EQUIPMENT INVESTMENT |   |         |   |       |   |  |  |  | \$22.78 |

|                                |  |  |  |  |  |  |  |  |                  |
|--------------------------------|--|--|--|--|--|--|--|--|------------------|
| <b>RETURN TO LAND AND RISK</b> |  |  |  |  |  |  |  |  | <b>(\$83.61)</b> |
|--------------------------------|--|--|--|--|--|--|--|--|------------------|

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

**BUDGET SUMMARY**

|                               |          |           |   |  |  |
|-------------------------------|----------|-----------|---|--|--|
| GROSS RETURN                  |          | \$432.50  |   |  |  |
| VARIABLE OPERATING EXPENSES   | \$369.42 |           |   |  |  |
| RETURN OVER VARIABLE EXPENSES |          | \$63.08   | (GROSS MARGIN)                          |  |  |
| FIXED EXPENSES                | \$38.72  |           |   |  |  |
| NET FARM INCOME               |          | \$24.37   | (RETURN TO CAPITAL, LABOR, LAND & RISK) |  |  |
| LABOR AND MANAGEMENT COST     | \$78.21  |           |   |  |  |
| NET OPERATING PROFIT          |          | (\$53.85) | (RETURN TO CAPITAL, LAND & RISK)        |  |  |
| CAPITAL COSTS                 | \$29.76  |           |   |  |  |
| RETURN TO LAND AND RISK       |          | (\$83.61) |   |  |  |

TABLE 9. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2010.

Planting Dates: May 1 - May 15  
Harvest Dates: November 15 - December 30

| ITEM                     | PRICE    | YIELD      | BASE | TOTAL           |
|--------------------------|----------|------------|------|-----------------|
| <b>GROSS RETURNS</b>     |          |            |      |                 |
| LINT                     | \$0.76   | 500.00 LBS |      | \$380.00        |
| SEED                     | \$0.07   | 800 LBS    |      | \$56.00         |
| DIRECT PAYMENT           | \$0.0000 | 500.00 LBS | 0.85 | \$0.00          |
| COUNTER CYCLICAL PAYMENT | \$0.1373 | 500.00 LBS | 0.85 | \$58.35         |
| <b>TOTAL</b>             |          |            |      | <b>\$494.35</b> |

| PURCHASED INPUTS     | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST | TOTAL           |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED                 | \$2.15  | 25 LB      | \$53.75          |            | \$53.75         |
| NITROGEN (N)         | \$0.58  | 80 LB      | \$46.40          |            | \$46.40         |
| PHOSPHATE (P205)     | \$0.51  | 60 LB      | \$30.60          |            | \$30.60         |
| HERBICIDE            | \$15.88 | 1 X/ACRE   | \$15.88          |            | \$15.88         |
| INSECTICIDE          | \$10.28 | 1 X/ACRE   | \$10.28          |            | \$10.28         |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE   | \$20.01          |            | \$20.01         |
| PUMP WATER*          |         | 15 AC. IN. |                  |            |                 |
| CROP INSURANCE       | \$0.71  |            | \$0.71           |            | \$0.71          |
| <b>SUBTOTAL</b>      |         |            | <b>\$177.63</b>  |            | <b>\$177.63</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS        | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20         | \$3.51         | \$1.27         | \$2.69         | \$8.68          |
| PLOW                  | 185 HP     | 0.48 HR             |                  | \$4.10         | \$12.05        | \$4.97         | \$9.32         | \$30.44         |
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20         | \$3.51         | \$1.27         | \$2.69         | \$8.68          |
| FERT SPREADER         | 126 HP     | 0.05 HR             |                  | \$0.43         | \$1.03         | \$0.20         | \$0.42         | \$2.08          |
| DISC & SPRAY          | 185 HP     | 0.17 HR             |                  | \$1.45         | \$4.27         | \$1.66         | \$4.12         | \$11.50         |
| LISTER                | 126 HP     | 0.12 HR             |                  | \$1.03         | \$2.47         | \$0.80         | \$2.04         | \$6.34          |
| TRACK                 | 126 HP     | 0.40 HR             |                  | \$3.42         | \$8.25         | \$1.59         | \$3.35         | \$16.60         |
| PRE-IRRIGATE          |            | 0.75 HR             |                  | \$5.44         | \$10.59        | \$0.00         | \$0.51         | \$16.54         |
| ROD WEED              | 126 HP     | 0.08 HR             |                  | \$0.68         | \$1.65         | \$0.38         | \$0.96         | \$3.68          |
| PLANTER               | 185 HP     | 0.17 HR             |                  | \$1.45         | \$4.27         | \$1.26         | \$6.43         | \$13.42         |
| CULTIVATOR (2X)       | 126 HP     | 0.26 HR             |                  | \$2.22         | \$5.36         | \$2.00         | \$3.99         | \$13.58         |
| HAND HOE (CUSTOM)     |            |                     | \$10.00          |                |                |                |                | \$10.00         |
| IRRIGATE (2X)         |            | 1.00 HR             |                  | \$7.25         | \$21.17        | \$0.00         | \$1.03         | \$29.45         |
| <b>SUBTOTAL</b>       |            | <b>3.76 HR</b>      | <b>\$10.00</b>   | <b>\$29.87</b> | <b>\$78.14</b> | <b>\$15.40</b> | <b>\$37.55</b> | <b>\$170.97</b> |

| HARVEST OPERATIONS  | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS       | FIXED COST     | TOTAL           |
|---------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| COTTON STRIPPER MTD | 126 HP     | 0.62 HR             |                  | \$5.30         | \$15.57        | \$3.91        | \$21.17        | \$45.95         |
| HAUL                | 126 HP     | 0.75 HR             |                  | \$6.41         | \$15.47        | \$3.01        | \$9.95         | \$34.85         |
| GIN COTTON (CUSTOM) |            |                     | \$82.70          |                |                |               |                | \$82.70         |
| <b>SUBTOTAL</b>     |            | <b>1.37 HR</b>      | <b>\$82.70</b>   | <b>\$11.71</b> | <b>\$31.03</b> | <b>\$6.92</b> | <b>\$31.13</b> | <b>\$163.50</b> |

| POSTHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR  | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL   |
|------------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| SHREDDER               | 126 HP     | 0.14 HR             |                  | \$1.20 | \$2.89      | \$0.61  | \$6.20     | \$10.89 |

| OVERHEAD EXPENSES          | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE | REPAIRS       | FIXED COST | TOTAL           |
|----------------------------|------------|---------------------|------------------|----------------|-------------|---------------|------------|-----------------|
| DOWNTIME                   |            | 0.92 HR             |                  | \$7.84         |             |               |            | \$7.84          |
| EMPLOYEE BENEFITS          |            |                     |                  | \$7.70         |             |               |            | \$7.70          |
| INSURANCE                  |            |                     | \$0.86           |                |             |               |            | \$0.86          |
| LAND TAXES                 |            |                     |                  |                |             | \$0.66        |            | \$0.66          |
| SUPERVISION AND MANAGEMENT |            |                     |                  | \$37.50        |             |               |            | \$37.50         |
| OTHER EXPENSES             |            |                     | \$100.11         |                |             |               |            | \$100.11        |
| <b>SUBTOTAL</b>            |            | <b>0.92 HR</b>      | <b>\$100.97</b>  | <b>\$53.05</b> |             | <b>\$0.66</b> |            | <b>\$154.67</b> |

|                                 |  |                |                 |                |                 |                |                |                 |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|
| <b>TOTAL OPERATING EXPENSES</b> |  | <b>6.19 HR</b> | <b>\$371.30</b> | <b>\$95.83</b> | <b>\$112.06</b> | <b>\$22.94</b> | <b>\$75.53</b> | <b>\$677.66</b> |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|

|                             |  |  |  |  |  |  |  |                   |
|-----------------------------|--|--|--|--|--|--|--|-------------------|
| <b>NET OPERATING PROFIT</b> |  |  |  |  |  |  |  | <b>(\$183.30)</b> |
|-----------------------------|--|--|--|--|--|--|--|-------------------|

|                                  |   |          |   |       |   |  |  |         |
|----------------------------------|---|----------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL    | ( | \$123.13 | @ | 7.50% | ) |  |  | \$9.23  |
| INTEREST ON EQUIPMENT INVESTMENT |   |          |   |       |   |  |  | \$43.99 |

|                                |  |  |  |  |  |  |  |                   |
|--------------------------------|--|--|--|--|--|--|--|-------------------|
| <b>RETURN TO LAND AND RISK</b> |  |  |  |  |  |  |  | <b>(\$236.52)</b> |
|--------------------------------|--|--|--|--|--|--|--|-------------------|

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

**BUDGET SUMMARY**

|                                |          |                   |   |
|--------------------------------|----------|-------------------|---|
| GROSS RETURN                   |          | \$494.35          |   |
| VARIABLE OPERATING EXPENSES    | \$506.30 |                   |   |
| RETURN OVER VARIABLE EXPENSES  |          | (\$11.95)         | (GROSS MARGIN)                          |
| FIXED EXPENSES                 | \$75.53  |                   |   |
| NET FARM INCOME                |          | (\$87.48)         | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST      | \$95.83  |                   |   |
| NET OPERATING PROFIT           |          | (\$183.30)        | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                  | \$53.22  |                   |   |
| <b>RETURN TO LAND AND RISK</b> |          | <b>(\$236.52)</b> |   |

TABLE 10. Peanuts, flood-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2010.

Planting Dates: May 10 - June 10

Harvest Dates: October 10 - November 10

| ITEM          | PRICE  | YIELD        | TOTAL    |
|---------------|--------|--------------|----------|
| GROSS RETURNS |        |              |          |
| PEANUTS       | \$0.15 | 2,600.00 LBS | \$393.90 |
| TOTAL         |        |              | \$393.90 |

| PURCHASED INPUTS     | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST | TOTAL    |
|----------------------|---------|------------|------------------|------------|----------|
| SEED                 | \$0.80  | 100 LB     | \$80.00          |            | \$80.00  |
| NITROGEN (N)         | \$0.58  | 50 LB      | \$29.00          |            | \$29.00  |
| PHOSPHATE (P205)     | \$0.51  | 80 LB      | \$40.80          |            | \$40.80  |
| HERBICIDE            | \$16.96 | 1 X/ACRE   | \$16.96          |            | \$16.96  |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE   | \$20.01          |            | \$20.01  |
| FUNGICIDE            | \$37.67 | 1 X/ACRE   | \$37.67          |            | \$37.67  |
| TRACE ELEMENTS       | \$11.92 | 1 X/ACRE   | \$11.92          |            | \$11.92  |
| PUMP WATER*          |         | 24 AC. IN. |                  |            |          |
| SUBTOTAL             |         |            | \$236.35         |            | \$236.35 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20  | \$3.51      | \$1.27  | \$2.69     | \$8.68   |
| PLOW                  | 185 HP     | 0.48 HR             |                  | \$4.10  | \$12.05     | \$4.97  | \$9.32     | \$30.44  |
| DISC                  | 185 HP     | 0.14 HR             |                  | \$1.20  | \$3.51      | \$1.27  | \$2.69     | \$8.68   |
| FERT SPREADER         | 126 HP     | 0.05 HR             |                  | \$0.43  | \$1.03      | \$0.20  | \$0.42     | \$2.08   |
| SPRAY & DISC          | 185 HP     | 0.17 HR             |                  | \$1.45  | \$4.27      | \$1.66  | \$4.12     | \$11.50  |
| LISTER                | 126 HP     | 0.12 HR             |                  | \$1.03  | \$2.47      | \$0.80  | \$2.04     | \$6.34   |
| TRACK                 | 126 HP     | 0.40 HR             |                  | \$3.42  | \$8.25      | \$1.59  | \$3.35     | \$16.60  |
| PRE-IRRIGATE          |            | 0.75 HR             |                  | \$5.44  | \$12.70     | \$0.00  | \$0.62     | \$18.76  |
| LISTER                | 126 HP     | 0.12 HR             |                  | \$1.03  | \$2.47      | \$0.80  | \$2.04     | \$6.34   |
| ROD WEEDER            | 126 HP     | 0.08 HR             |                  | \$0.68  | \$1.65      | \$0.38  | \$0.96     | \$3.68   |
| PLANTER               | 185 HP     | 0.17 HR             |                  | \$1.45  | \$4.27      | \$1.26  | \$6.43     | \$13.42  |
| CULTIVATOR (2X)       | 126 HP     | 0.26 HR             |                  | \$2.22  | \$5.36      | \$2.00  | \$3.99     | \$13.58  |
| HAND HOE (CUSTOM)     |            |                     | \$12.00          |         |             |         |            | \$12.00  |
| IRRIGATE (3X)         |            | 1.50 HR             |                  | \$10.88 | \$38.11     | \$0.00  | \$1.85     | \$50.83  |
| SUBTOTAL              |            | 4.38 HR             | \$12.00          | \$34.52 | \$99.67     | \$16.20 | \$40.51    | \$202.91 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
|--------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DIG AND INVERT     | 185 HP     | 0.24 HR             |                  | \$2.05  | \$6.03      | \$1.30  | \$5.19     | \$14.56  |
| COMBINE PEANUTS    | 185 HP     | 0.80 HR             |                  | \$6.84  | \$20.08     | \$5.24  | \$80.41    | \$112.57 |
| HAUL               | 126 HP     | 0.80 HR             |                  | \$6.84  | \$16.50     | \$3.29  | \$14.90    | \$41.53  |
| SUBTOTAL           |            | 1.84 HR             | \$0.00           | \$15.73 | \$42.61     | \$9.82  | \$100.49   | \$168.66 |

| OVERHEAD EXPENSES          | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
|----------------------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DOWNTIME                   | 0.81 HR             |                  | \$6.90  |             |         |            | \$6.90   |
| EMPLOYEE BENEFITS          |                     |                  | \$9.05  |             |         |            | \$9.05   |
| INSURANCE                  |                     | \$1.01           |         |             |         |            | \$1.01   |
| LAND TAXES                 |                     |                  |         |             |         | \$0.66     | \$0.66   |
| SUPERVISION AND MANAGEMENT |                     |                  | \$33.03 |             |         |            | \$33.03  |
| OTHER EXPENSES             |                     | \$100.11         |         |             |         |            | \$100.11 |
| SUBTOTAL                   | 0.81 HR             | \$101.12         | \$48.98 |             |         | \$0.66     | \$150.76 |

TOTAL OPERATING EXPENSES 7.03 HR \$349.47 \$99.24 \$142.28 \$26.03 \$141.66 \$758.67

NET OPERATING PROFIT (\$364.77)

INTEREST ON OPERATING CAPITAL ( \$151.51 @ 7.50% ) \$11.36

INTEREST ON EQUIPMENT INVESTMENT \$80.30

RETURN TO LAND AND RISK (\$456.44)

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

BUDGET SUMMARY

|                               |            |   |  |
|-------------------------------|------------|---|--|
| GROSS RETURN                  | \$393.90   |   |  |
| VARIABLE OPERATING EXPENSES   | \$517.77   |   |  |
| RETURN OVER VARIABLE EXPENSES | (\$123.87) | (GROSS MARGIN)                          |  |
| FIXED EXPENSES                | \$141.66   |   |  |
| NET FARM INCOME               | (\$265.54) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |  |
| LABOR AND MANAGEMENT COST     | \$99.24    |   |  |
| NET OPERATING PROFIT          | (\$364.77) | (RETURN TO CAPITAL, LAND & RISK)        |  |
| CAPITAL COSTS                 | \$91.66    |   |  |
| RETURN TO LAND AND RISK       | (\$456.44) |   |  |



TABLE 11. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, New Mexico, Projected 2010.

|                                  | WHEAT     | CORN       | GRAIN<br>SORGHUM | STRIPPER<br>COTTON | PEANUTS    |
|----------------------------------|-----------|------------|------------------|--------------------|------------|
|                                  | BU        | CWT        | CWT              | LBS                | LBS        |
| PRIMARY YIELD                    | 50.00     | 65.00      | 55.00            | 500.00             | 2,600.00   |
| PRIMARY PRICE                    | \$6.00    | \$7.32     | \$7.70           | \$0.76             | \$0.15     |
| GOVERNMENT PAYMENTS              | \$0.00    | \$0.00     | \$0.00           | \$0.00             | \$0.00     |
| SECOND INCOME                    | \$40.00   | \$15.00    | \$9.00           | \$56.00            | \$0.00     |
| GROSS RETURN                     | \$340.00  | \$490.89   | \$432.50         | \$494.35           | \$393.90   |
| CASH OPERATING EXPENSES          |           |            |                  |                    |            |
| SEED                             | \$15.60   | \$78.75    | \$12.60          | \$53.75            | \$80.00    |
| FERTILIZER                       | \$78.40   | \$117.60   | \$78.40          | \$77.00            | \$69.80    |
| CHEMICALS                        | \$20.01   | \$49.80    | \$35.89          | \$46.17            | \$74.64    |
| CROP INSURANCE                   | \$0.74    | \$0.98     | \$0.98           | \$0.71             |            |
| OTHER PURCHASED INPUTS           |           |            |                  |                    | \$11.92    |
| CANAL WATER                      |           |            |                  |                    |            |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$21.96   | \$46.74    | \$46.38          | \$80.30            | \$91.47    |
| FUEL-IRRIGATION                  | \$52.93   | \$80.45    | \$42.34          | \$31.76            | \$50.81    |
| REPAIRS                          | \$7.72    | \$15.52    | \$15.40          | \$22.94            | \$26.03    |
| CUSTOM CHARGES                   | \$28.20   | \$34.45    | \$36.63          | \$92.70            | \$12.00    |
| LAND TAXES                       | \$0.66    | \$0.66     | \$0.66           | \$0.66             | \$0.66     |
| OTHER EXPENSES                   | \$100.63  | \$100.95   | \$100.78         | \$100.97           | \$101.12   |
| TOTAL CASH EXPENSES              | \$326.84  | \$525.90   | \$370.07         | \$506.96           | \$518.43   |
| RETURN OVER CASH EXPENSES        | \$13.16   | (\$35.00)  | \$62.43          | (\$12.60)          | (\$124.53) |
| FIXED EXPENSES                   | \$24.02   | \$40.48    | \$38.06          | \$74.87            | \$141.01   |
| TOTAL EXPENSES                   | \$350.86  | \$566.38   | \$408.13         | \$581.83           | \$659.44   |
| NET FARM INCOME                  | (\$10.86) | (\$75.49)  | \$24.37          | (\$87.48)          | (\$265.54) |
| LABOR AND MANAGEMENT COSTS       | \$59.52   | \$90.00    | \$78.21          | \$95.83            | \$99.24    |
| NET OPERATING PROFIT             | (\$70.38) | (\$165.48) | (\$53.85)        | (\$183.30)         | (\$364.77) |
| CAPITAL COSTS                    |           |            |                  |                    |            |
| INTEREST ON OPERATING CAPITAL    | \$6.03    | \$12.16    | \$6.98           | \$9.23             | \$11.36    |
| INTEREST ON EQUIPMENT INVESTMENT | \$13.36   | \$24.46    | \$22.78          | \$43.99            | \$80.30    |
| TOTAL CAPITAL COSTS              | \$19.39   | \$36.62    | \$29.76          | \$53.22            | \$91.66    |
| RETURN TO LAND AND RISK          | (\$89.77) | (\$202.10) | (\$83.61)        | (\$236.52)         | (\$456.44) |
| Flex Computation                 | -52.39    | -137.16    | -22.76           | -117.67            | -235.13    |

TABLE 12. Whole farm summary, Portales Valley, Roosevelt County,  
Projected 2010.

|                                  |                 |                        |
|----------------------------------|-----------------|------------------------|
| GROSS RETURNS                    |                 |                        |
| WHEAT                            | 68.00 ACRES     |                        |
| CROP                             |                 | \$20,400               |
| GRAZING                          |                 | \$2,720                |
| DIRECT PAYMENT                   |                 | \$0                    |
| COUNTER CYCLICAL PAYMENT         |                 | \$0                    |
| CORN FOR GRAIN                   | 51.00 ACRES     |                        |
| CROP                             |                 | \$24,271               |
| GRAZING                          |                 | \$765                  |
| DIRECT PAYMENT                   |                 | \$0                    |
| COUNTER CYCLICAL PAYMENT         |                 | \$0                    |
| GRAIN SORGHUM                    | 51.00 ACRES     |                        |
| CROP                             |                 | \$21,599               |
| GRAZING                          |                 | \$459                  |
| DIRECT PAYMENT                   |                 | \$0                    |
| COUNTER CYCLICAL PAYMENT         |                 | \$0                    |
| UPLAND COTTON                    | 70.00 ACRES     |                        |
| LINT                             |                 | \$26,600               |
| SEED                             |                 | \$3,920                |
| DIRECT PAYMENT                   |                 | \$0                    |
| PEANUTS                          | 60.00 ACRES     |                        |
| CROP                             |                 | \$23,634               |
| GROSS RETURN                     |                 | <u>\$124,367</u>       |
| CASH OPERATING EXPENSES          |                 |                        |
| SEED                             |                 | \$14,282               |
| FERTILIZER                       |                 | \$24,905               |
| CHEMICALS                        |                 | \$13,441               |
| CROP INSURANCE                   |                 | \$200                  |
| OTHER PURCHASED INPUTS           |                 | \$715                  |
| CANAL WATER                      |                 | \$0                    |
| FUEL, OIL & LUBRICANTS-EQUIPMENT |                 | \$17,352               |
| FUEL-IRRIGATION                  |                 | \$15,133               |
| REPAIRS                          |                 | \$5,269                |
| CUSTOM CHARGES                   |                 | \$12,752               |
| LAND TAXES                       |                 | \$197                  |
| OTHER EXPENSES                   |                 | \$30,266               |
| TOTAL CASH EXPENSES              |                 | <u>\$134,512</u>       |
| RETURN OVER CASH EXPENSES        |                 | (\$10,145)             |
| FIXED EXPENSES                   |                 | \$19,340               |
| TOTAL EXPENSES                   |                 | \$153,852              |
| NET FARM INCOME                  |                 | (\$29,485)             |
| LABOR AND MANAGEMENT COSTS       |                 | \$25,289               |
| NET OPERATING PROFIT             |                 | (\$54,774)             |
| CAPITAL COSTS                    |                 |                        |
| INTEREST ON OPERATING CAPITAL    |                 | \$2,714                |
| INTEREST ON EQUIPMENT INVESTMENT |                 | \$11,215               |
| TOTAL CAPITAL COSTS              |                 | <u>\$13,929</u>        |
| RETURN TO LAND AND RISK          |                 | <u>(\$68,703)</u>      |
|                                  |                 |                        |
| LAND VALUE                       | RETURN TO RISK* | RETURN ON INVESTMENT** |
| \$500 /ACRE                      | (\$73,503)      | -17.55%                |
| \$750 /ACRE                      | (\$75,903)      | -13.97%                |
| \$1,000 /ACRE                    | (\$78,303)      | -11.60%                |
| \$1,250 /ACRE                    | (\$80,703)      | -9.92%                 |
| \$1,500 /ACRE                    | (\$83,103)      | -8.67%                 |
| \$1,750 /ACRE                    | (\$85,503)      | -7.69%                 |
| \$2,000 /ACRE                    | (\$87,903)      | -6.91%                 |

\* 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)