

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2015
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

| ITEM | PRICE | YIELD | BASE | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|------------------|
| GROSS RETURNS | | | | | | | | |
| WHEAT | \$7.00 | 60.00 BUSHEL | | | | | | \$420.00 |
| DIRECT PAYMENT | \$0.00 | 60.00 BUSHEL | 0.85 | | | | | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | | | | | \$0.00 |
| GRAZING | \$40.00 | 1.00 ACRE | | | | | | \$40.00 |
| TOTAL | | | | | | | | \$460.00 |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$0.45 | 60 LBS | \$27.00 | | | | | \$27.00 |
| NITROGEN (N) | \$0.45 | 120 LBS | \$54.00 | | | | | \$54.00 |
| PHOSPHATE (P205) | \$0.40 | 40 LBS | \$16.00 | | | | | \$16.00 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE | \$20.01 | | | | | \$20.01 |
| PUMP WATER* | | 18 AC. IN. | | | | | | |
| CROP INSURANCE | \$0.61 | | \$0.61 | | | | | \$0.61 |
| SUBTOTAL | | | \$117.62 | | | | | \$117.62 |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC (2X) | 185 HP | 0.28 HR | | \$2.39 | \$10.15 | \$2.63 | \$7.92 | \$23.09 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.95 | \$2.61 |
| DRILL | 126 HP | 0.18 HR | | \$1.54 | \$3.71 | \$0.90 | \$8.85 | \$15.00 |
| IRRIGATE (6X) | | 0.60 HR | | \$4.50 | \$80.85 | \$0.00 | \$9.23 | \$94.58 |
| SUBTOTAL | | 1.11 HR | | \$8.86 | \$95.75 | \$3.72 | \$26.95 | \$135.28 |
| HARVEST OPERATIONS | | | | | | | | |
| COMBINE (CUSTOM) | | | \$22.30 | | | | | \$22.30 |
| HAUL (CUSTOM) | | | \$9.60 | | | | | \$9.60 |
| SUBTOTAL | | | \$31.90 | | | | | \$31.90 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.13 HR | | \$1.09 | | | | \$1.09 |
| EMPLOYEE BENEFITS | | | | \$1.59 | | | | \$1.59 |
| INSURANCE | | | \$0.18 | | | | | \$0.18 |
| LAND TAXES | | | | | | | \$0.55 | \$0.55 |
| SUPERVISION AND MANAGEMENT | | | | \$32.76 | | | | \$32.76 |
| OTHER EXPENSES | | | \$137.17 | | | | | \$137.17 |
| SUBTOTAL | | 0.13 HR | \$137.35 | \$35.44 | | | \$0.55 | \$173.33 |
| TOTAL OPERATING EXPENSES | | 1.24 HR | \$286.87 | \$44.30 | \$95.75 | \$3.72 | \$27.50 | \$458.13 |
| NET OPERATING PROFIT | | | | | | | | \$1.87 |
| INTEREST ON OPERATING CAPITAL | | (\$86.34 @ 5.50%) | | | | | | \$4.75 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$11.58 |
| RETURN TO LAND AND RISK | | | | | | | | (\$14.46) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|-----------|---|
| GROSS RETURN | | \$460.00 | |
| VARIABLE OPERATING EXPENSES | \$386.34 | | |
| RETURN OVER VARIABLE EXPENSES | | \$73.66 | (GROSS MARGIN) |
| FIXED EXPENSES | \$27.50 | | |
| NET FARM INCOME | | \$46.17 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$44.30 | | |
| NET OPERATING PROFIT | | \$1.87 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$16.33 | | |
| RETURN TO LAND AND RISK | | (\$14.46) | |

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2015
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| CORN FOR GRAIN | \$7.68 | 70.00 CWT | | \$537.50 |
| DIRECT PAYMENT | \$0.00 | 70.00 CWT | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$15.00 | 1.00 ACRE | | \$15.00 |
| TOTAL | | | | \$552.50 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$3.26 | 28 000 | \$91.35 | | \$91.35 |
| NITROGEN (N) | \$0.45 | 150 LBS | \$67.50 | | \$67.50 |
| PHOSPHATE (P205) | \$0.40 | 60 LBS | \$24.00 | | \$24.00 |
| HERBICIDE | \$16.96 | 1 X/ACRE | \$16.96 | | \$16.96 |
| INSECTICIDE (CUSTOM) | \$20.01 | 2 X/ACRE | \$40.01 | | \$40.01 |
| PUMP WATER* | | 30 AC. IN. | | | |
| CROP INSURANCE | \$0.95 | | \$0.95 | | \$0.95 |
| SUBTOTAL | | | \$240.77 | | \$240.77 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.08 | \$1.31 | \$3.96 | \$11.54 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$17.40 | \$5.10 | \$14.85 | \$41.45 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.08 | \$1.31 | \$3.96 | \$11.54 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.95 | \$2.61 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.45 | \$6.16 | \$1.71 | \$5.97 | \$15.29 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$10.37 | \$0.00 | \$1.18 | \$12.30 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.47 | \$0.80 | \$4.06 | \$8.36 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.68 | \$1.65 | \$0.38 | \$2.35 | \$5.06 |
| PLANT ER | 185 HP | 0.17 HR | | \$1.45 | \$6.16 | \$1.31 | \$9.29 | \$18.21 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.36 | \$1.84 | \$7.01 | \$16.44 |
| IRRIGATE (12X) | | 1.20 HR | | \$9.00 | \$124.39 | \$0.00 | \$14.20 | \$147.59 |
| SUBTOTAL | | 2.91 HR | | \$23.52 | \$185.15 | \$13.95 | \$67.77 | \$290.39 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|--|----------------|--|--|--|----------------|
| COMBINE (CUSTOM) | | | | \$24.50 | | | | \$24.50 |
| HAUL (CUSTOM) | | | | \$12.60 | | | | \$12.60 |
| SUBTOTAL | | | | \$37.10 | | | | \$37.10 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|--|-----------------|----------------|--|---------------|-----------------|
| DOWNTIME | | 0.20 HR | | \$1.67 | | | | \$1.67 |
| EMPLOYEE BENEFITS | | | | \$4.23 | | | | \$4.23 |
| INSURANCE | | | | \$0.47 | | | | \$0.47 |
| LAND TAXES | | | | | | | \$0.55 | \$0.55 |
| SUPERVISION AND MANAGEMENT | | | | \$39.80 | | | | \$39.80 |
| OTHER EXPENSES | | | | \$137.17 | | | | \$137.17 |
| SUBTOTAL | | 0.20 HR | | \$137.64 | \$45.70 | | \$0.55 | \$183.88 |

TOTAL OPERATING EXPENSES 3.11 HR \$415.51 \$69.21 \$185.15 \$13.95 \$68.32 \$752.14

NET OPERATING PROFIT (\$199.64)

INTEREST ON OPERATING CAPITAL (\$173.25 @ 5.50%) \$9.53
 INTEREST ON EQUIPMENT INVESTMENT \$29.39

RETURN TO LAND AND RISK (\$238.56)

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

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$552.50 | |
| VARIABLE OPERATING EXPENSES | \$614.61 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$62.11) | (GROSS MARGIN) |
| FIXED EXPENSES | \$68.32 | | |
| NET FARM INCOME | | (\$130.43) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$69.21 | | |
| NET OPERATING PROFIT | | (\$199.64) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$38.92 | | |
| RETURN TO LAND AND RISK | | (\$238.56) | |

TABLE 8. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2015
 Planting Dates: May 15 - June 10
 Harvest Dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|--------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$7.06 | 65.00 CWT | | \$459.18 |
| DIRECT PAYMENT | \$0.00 | 65.00 CWT | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$9.00 | 1.00 ACRE | | \$9.00 |
| TOTAL | | | | \$468.18 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$1.31 | 6 LBS | \$7.86 | | \$7.86 |
| NITROGEN (N) | \$0.45 | 150 LBS | \$67.50 | | \$67.50 |
| PHOSPHATE (P205) | \$0.40 | 40 LBS | \$16.00 | | \$16.00 |
| HERBICIDE | \$16.96 | 1 ACRE | \$16.96 | | \$16.96 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 ACRE | \$20.01 | | \$20.01 |
| PUMP WATER* | | 20 AC. IN. | | | |
| CROP INSURANCE | \$0.95 | | \$0.95 | | \$0.95 |
| SUBTOTAL | | | \$129.28 | | \$129.28 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.08 | \$1.31 | \$3.96 | \$11.54 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$17.40 | \$5.10 | \$14.85 | \$41.45 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.08 | \$1.31 | \$3.96 | \$11.54 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.95 | \$2.61 |
| DISC & SPRAY | 185 HP | 0.17 HR | | \$1.45 | \$6.16 | \$1.71 | \$5.97 | \$15.29 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.47 | \$0.80 | \$4.06 | \$8.36 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$8.17 | \$0.00 | \$0.93 | \$9.85 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.68 | \$1.65 | \$0.38 | \$2.35 | \$5.06 |
| PLANTER | 185 HP | 0.17 HR | | \$1.45 | \$6.16 | \$1.31 | \$9.29 | \$18.21 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.36 | \$1.84 | \$7.01 | \$16.44 |
| IRRIGATE (10X) | | 1.00 HR | | \$7.50 | \$81.67 | \$0.00 | \$9.33 | \$98.49 |
| SUBTOTAL | | 2.71 HR | | \$22.02 | \$140.23 | \$13.95 | \$62.64 | \$238.84 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|--|----------------|--|--|--|----------------|
| COMBINE (CUSTOM) | | | | \$29.28 | | | | \$29.28 |
| HAUL (CUSTOM) | | | | \$12.35 | | | | \$12.35 |
| SUBTOTAL | | | | \$41.63 | | | | \$41.63 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|--|-----------------|----------------|--|---------------|-----------------|
| DOWNTIME | | 0.39 HR | | \$3.36 | | | | \$3.36 |
| EMPLOYEE BENEFITS | | | | \$3.96 | | | | \$3.96 |
| INSURANCE | | | | \$0.44 | | | | \$0.44 |
| LAND TAXES | | | | | | | \$0.55 | \$0.55 |
| SUPERVISION AND MANAGEMENT | | | | \$34.06 | | | | \$34.06 |
| OTHER EXPENSES | | | | \$137.17 | | | | \$137.17 |
| SUBTOTAL | | 0.39 HR | | \$137.61 | \$41.38 | | \$0.55 | \$179.53 |

TOTAL OPERATING EXPENSES 3.10 HR \$308.52 \$63.39 \$140.23 \$13.95 \$63.19 \$589.28

NET OPERATING PROFIT (\$121.10)

INTEREST ON OPERATING CAPITAL (\$106.65 @ 5.50%) \$5.87
 INTEREST ON EQUIPMENT INVESTMENT \$27.05

RETURN TO LAND AND RISK (\$154.02)

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

| | | |
|-------------------------------|------------|---|
| GROSS RETURN | \$468.18 | |
| VARIABLE OPERATING EXPENSES | \$462.70 | |
| RETURN OVER VARIABLE EXPENSES | \$5.48 | (GROSS MARGIN) |
| FIXED EXPENSES | \$63.19 | |
| NET FARM INCOME | (\$57.71) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$63.39 | |
| NET OPERATING PROFIT | (\$121.10) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$32.91 | |
| RETURN TO LAND AND RISK | (\$154.02) | |

TABLE 9. Peanuts, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2015
 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 | \$0.95 | 100 LB | \$95.00 | | \$95.00 |
| NITROGEN (N) | \$0.45 | 60 LB | \$27.00 | | \$27.00 |
| PHOSPHATE (P205) | \$0.40 | 80 LB | \$32.00 | | \$32.00 |
| 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 | \$11.89 | 1 X/ACRE | \$11.89 | | \$11.89 |
| PUMP WATER* | | 22 AC. IN. | | | |
| SUBTOTAL | | | \$240.53 | | \$240.53 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.08 | \$1.31 | \$3.96 | \$11.54 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$17.40 | \$5.10 | \$14.85 | \$41.45 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.08 | \$1.31 | \$3.96 | \$11.54 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$1.03 | \$0.20 | \$0.95 | \$2.61 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.45 | \$6.16 | \$1.71 | \$5.97 | \$15.29 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$8.98 | \$0.00 | \$1.03 | \$10.76 |
| LISTE R | 126 HP | 0.12 HR | | \$1.03 | \$2.47 | \$0.80 | \$4.06 | \$8.36 |
| PLANTER | 126 HP | 0.17 HR | | \$1.45 | \$6.16 | \$1.31 | \$9.29 | \$18.21 |
| APPLY FUNGICIDE (CUSTOM) | | | \$27.00 | | | | | \$27.00 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.36 | \$1.84 | \$7.01 | \$16.44 |
| HAND HOE (CUSTOM) | | | \$12.00 | | | | | \$12.00 |
| IRRIGATE (10X) | | 1.00 HR | | \$7.50 | \$89.84 | \$0.00 | \$10.26 | \$107.59 |
| SUBTOTAL | | 2.63 HR | \$39.00 | \$21.33 | \$147.57 | \$13.57 | \$61.32 | \$282.79 |

| 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 | \$8.70 | \$1.36 | \$7.15 | \$19.27 |
| COMBINE PEANUTS | 185 HP | 0.80 HR | | \$6.84 | \$29.00 | \$5.45 | \$83.43 | \$124.72 |
| HAUL | 126 HP | 0.80 HR | | \$6.84 | \$16.50 | \$3.29 | \$22.95 | \$49.58 |
| SUBTOTAL | | 1.84 HR | \$0.00 | \$15.73 | \$54.20 | \$10.11 | \$113.53 | \$193.57 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DOWNTIME | 0.61 HR | | \$5.22 | | | | \$5.22 |
| EMPLOYEE BENEFITS | | | \$6.67 | | | | \$6.67 |
| INSURANCE | | \$0.74 | | | | | \$0.74 |
| LAND TAXES | | | | | | \$0.55 | \$0.55 |
| SUPERVISION AND MANAGEMENT | | | \$29.42 | | | | \$29.42 |
| OTHER EXPENSES | | \$137.17 | | | | | \$137.17 |
| SUBTOTAL | 0.61 HR | \$137.91 | \$41.31 | | | \$0.55 | \$179.77 |

| | | | | | | | |
|--------------------------|---------|----------|---------|----------|---------|----------|----------|
| TOTAL OPERATING EXPENSES | 5.08 HR | \$417.44 | \$78.37 | \$201.77 | \$23.68 | \$175.40 | \$896.66 |
|--------------------------|---------|----------|---------|----------|---------|----------|----------|

| | | | | | | | |
|----------------------|--|--|--|--|--|--|------------|
| NET OPERATING PROFIT | | | | | | | (\$502.76) |
|----------------------|--|--|--|--|--|--|------------|

| | | | | | | | |
|----------------------------------|----------------------|--|--|--|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (\$165.91 @ 5.50%) | | | | | | \$9.12 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$74.70 |

| | | | | | | | |
|-------------------------|--|--|--|--|--|--|------------|
| RETURN TO LAND AND RISK | | | | | | | (\$586.58) |
|-------------------------|--|--|--|--|--|--|------------|

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

BUDGET SUMMARY

| | | | |
|-------------------------------|------------|---|--|
| GROSS RETURN | \$393.90 | | |
| VARIABLE OPERATING EXPENSES | \$642.89 | | |
| RETURN OVER VARIABLE EXPENSES | (\$248.99) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$175.40 | | |
| NET FARM INCOME | (\$424.38) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$78.37 | | |
| NET OPERATING PROFIT | (\$502.76) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$83.82 | | |
| RETURN TO LAND AND RISK | (\$586.58) | | |

TABLE 10. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, Projected 2015

| | WHEAT | CORN | GRAIN SORGHUM | PEANUTS |
|----------------------------------|-----------|------------|------------------|------------|
| | BU | CWT | CWT | LBS |
| PRIMARY YIELD | 60.00 | 70.00 | 65.00 | 2,600.00 |
| PRIMARY PRICE | \$7.00 | \$7.68 | \$7.06 | \$0.15 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| SECOND INCOME | \$40.00 | \$15.00 | \$9.00 | \$0.00 |
| GROSS RETURN | \$460.00 | \$552.50 | \$468.18 | \$393.90 |
| CASH OPERATING EXPENSES | | | | |
| SEED | \$27.00 | \$91.35 | \$7.86 | \$95.00 |
| FERTILIZER | \$70.00 | \$91.50 | \$83.50 | \$59.00 |
| CHEMICALS | \$20.01 | \$56.97 | \$36.97 | \$74.64 |
| CROP INSURANCE | \$0.61 | \$0.95 | \$0.95 | |
| OTHER PURCHASED INPUTS | | | | \$11.89 |
| CANAL WATER | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$14.89 | \$50.40 | \$50.40 | \$102.95 |
| FUEL-IRRIGATION | \$80.85 | \$134.75 | \$89.84 | \$98.82 |
| REPAIRS | \$3.72 | \$13.95 | \$13.95 | \$23.68 |
| CUSTOM CHARGES | \$31.90 | \$37.10 | \$41.63 | \$39.00 |
| LAND TAXES | \$0.55 | \$0.55 | \$0.55 | \$0.55 |
| OTHER EXPENSES | \$137.35 | \$137.64 | \$137.61 | \$137.91 |
| TOTAL CASH EXPENSES | \$386.88 | \$615.16 | \$463.25 | \$643.43 |
| RETURN OVER CASH EXPENSES | \$73.12 | (\$62.66) | \$4.93 | (\$249.53) |
| FIXED EXPENSES | \$26.95 | \$67.77 | \$62.64 | \$174.85 |
| TOTAL EXPENSES | \$413.83 | \$682.93 | \$525.89 | \$818.28 |
| NET FARM INCOME | \$46.17 | (\$130.43) | (\$57.71) | (\$424.38) |
| LABOR AND MANAGEMENT COSTS | \$44.30 | \$69.21 | \$63.39 | \$78.37 |
| NET OPERATING PROFIT | \$1.87 | (\$199.64) | (\$121.10) | (\$502.76) |
| CAPITAL COSTS | | | | |
| INTEREST ON OPERATING CAPITAL | \$4.75 | \$9.53 | \$5.87 | \$9.12 |
| INTEREST ON EQUIPMENT INVESTMENT | \$11.58 | \$29.39 | \$27.05 | \$74.70 |
| TOTAL CAPITAL COSTS | \$16.33 | \$38.92 | \$32.91 | \$83.82 |
| RETURN TO LAND AND RISK | (\$14.46) | (\$238.56) | (\$154.02) | (\$586.58) |
| Flex Computation | 24.07 | -141.40 | -64.33 | |

TABLE 11. Whole farm summary, Portales Valley, Roosevelt County,
Projected 2015

| | | |
|----------------------------------|-------------|-------------------|
| GROSS RETURNS | | |
| WHEAT | 81.60 ACRES | |
| CROP | | \$34,272 |
| GRAZING | | \$3,264 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| CORN FOR GRAIN | 52.70 ACRES | |
| CROP | | \$28,326 |
| GRAZING | | \$791 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GRAIN SORGHUM | 52.70 ACRES | |
| CROP | | \$24,199 |
| GRAZING | | \$474 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| PEANUTS | 63.00 ACRES | |
| CROP | | \$24,816 |
| GROSS RETURN | | <u>\$116,141</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$13,417 |
| FERTILIZER | | \$18,652 |
| CHEMICALS | | \$11,285 |
| CROP INSURANCE | | \$150 |
| OTHER PURCHASED INPUTS | | \$749 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$13,013 |
| FUEL-IRRIGATION | | \$24,659 |
| REPAIRS | | \$3,266 |
| CUSTOM CHARGES | | \$9,209 |
| LAND TAXES | | \$137 |
| OTHER EXPENSES | | \$34,401 |
| TOTAL CASH EXPENSES | | <u>\$128,938</u> |
| RETURN OVER CASH EXPENSES | | (\$12,797) |
| FIXED EXPENSES | | \$20,088 |
| TOTAL EXPENSES | | \$149,026 |
| NET FARM INCOME | | (\$32,884) |
| LABOR AND MANAGEMENT COSTS | | \$15,541 |
| NET OPERATING PROFIT | | (\$48,425) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$1,774 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$8,625 |
| TOTAL CAPITAL COSTS | | <u>\$10,399</u> |
| RETURN TO LAND AND RISK | | <u>(\$58,824)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | (\$63,624) | -15.98% |
| \$750 /ACRE | (\$66,024) | -12.64% |
| \$1,000 /ACRE | (\$68,424) | -10.46% |
| \$1,250 /ACRE | (\$70,824) | -8.92% |
| \$1,500 /ACRE | (\$73,224) | -7.77% |
| \$1,750 /ACRE | (\$75,624) | -6.89% |
| \$2,000 /ACRE | (\$78,024) | -6.18% |

* 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)