

TABLE 1. Acreage Summary, Chaves County, Roswell-Hagerman Area, Projected 2016

| BUDGET AREA..... ROSWELL-HAGERMAN AREA, CHAVES COUNTY | | | |
|---|------------------|----------------|--------------|
| FARM SIZE.....640 ACRES | | | |
| IRRIGATION TYPE.....FLOOD | | | |
| NUMBER OF CROPS.....6 | | | |
| ACREAGE SUMMARY: | LAND USE (ACRES) | WATER USE | |
| | | AC.IN. PER AC. | TOTAL AC.IN. |
| ALFALFA ESTABLISHMENT | 60.00 * | 16 | 960 |
| ALFALFA | 300.00 | 54 | 16,200 |
| WHEAT | 51.00 | 28 | 1,428 |
| ARP | 0.00 | | |
| FLEX IN OAT HAY | 9.00 | 28 | 252 |
| OAT HAY | 60.00 | 21 | 1,260 |
| PICKER COTTON | 51.00 | 28 | 1,428 |
| ARP | 0.00 | | |
| FLEX IN OAT HAY | 9.00 | 28 | 252 |
| STRIPPER COTTON | 51.00 | 28 | 1,428 |
| ARP | 0.00 | | |
| FLEX IN OAT HAY | 9.00 | 28 | 252 |
| CORN SILAGE | 60.00 | 48 | 2,880 |
| ROADS, DITCHES, HOMESTEAD | 40.00 | | |
| TOTAL | 640.00 | | 26,340 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 3.43 |

* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Roswell-Hagerman area, Chaves County, Projected 2016

| Item | | |
|---------------------------------|------------------------------|----------|
| Labor Wage Rate: | | |
| Equipment operators | \$/hour | \$8.55 |
| General & Irrigators | \$/hour | \$7.50 |
| Purchased Inputs: | | |
| Fertilizer: | | |
| Nitrogen (N) | \$/pound | \$0.48 |
| Phosphate (P205) | \$/pound | \$0.61 |
| Seed: | | |
| Alfalfa | \$/pound | \$6.00 |
| Wheat | \$/pound | \$0.30 |
| Cotton picker | \$/pound | \$7.55 |
| stripper | \$/pound | \$7.55 |
| Oat | \$/pound | \$0.40 |
| Corn | \$/bag | \$300.00 |
| Plastic Twine: | \$/roll | \$0.85 |
| Natural gas (service charge) | \$/MCF | \$3.00 |
| | \$/month | \$8.00 |
| Diesel fuel | \$/gallon | \$2.55 |
| Gasoline | \$/gallon | \$2.40 |
| Electricity | cents/kWhr | 7.84 |
| LP Gas | \$/gallon | \$2.45 |
| Employee Liability Insurance | \$/wages | \$20.00 |
| Employee Benefits | percent/wages | 18.00% |
| Labor Downtime | percent | 25.00% |
| Financial Rates: | | |
| Operating Capital Interest Rate | percent | 5.50% |
| Land Interest Rate | percent | 5.00% |
| Equipment Interest Rate | percent | 5.50% |
| Real Interest Rate | percent | 3.00% |
| Land Taxes | \$185.00 /acre (full value) | \$1.45 |
| Personal Property Tax Rate - NR | \$/ \$1,000 (Assessed Value) | \$23.49 |
| - R | | \$19.21 |
| Supervision Factors | | |
| 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 Roswell-Hagerman area, Chaves County, Projected 2016

| Item | | |
|------------------------------------|---------------------------|----------|
| Electricity (Domestic & Shop) | \$245.00 per month | \$2,940 |
| Telephone | \$122.50 per month | \$1,470 |
| Accounting & Legal | | \$1,738 |
| Misc. Supplies & Hand Tools | | \$2,614 |
| Pickup and Auto | | |
| miles | 25,000 @ \$0.500 per mile | \$12,500 |
| Insurance | | |
| - general liability (non-employee) | | \$1,899 |
| - fire/theft | | \$1,500 |
| Property Taxes | | |
| - non-planted land | | \$0 |
| - other than land & machinery | | \$0 |
| Building repairs and maintenance | | \$1,435 |
| Dues, fees, publications | | \$438 |
| Farmstead Equipment | | \$186 |
| Total | | \$26,719 |
| Total Per Planted Acre | | \$44.53 |

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area, Projected 2016
Planting dates: September 1 - September 31

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | | TOTAL |
|---------------------------------|---------------|------------------------|---------------------|---------|----------------|---------|---------------|----------|----------|
| PURCHASED INPUTS | | | | | | | | | |
| SEED | \$6.00 | 30.00 LBS | \$180.00 | | | | | | \$180.00 |
| INSECTICIDE (CUSTOM) | \$13.38 | 1 ACRE | \$13.38 | | | | | | \$13.38 |
| PUMP WATER* | | 16.00 AC. IN. | | | | | | | |
| SUBTOTAL | | | \$193.38 | | | | | | \$193.38 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| DISC | 145 HP | 0.17 HR | | \$1.45 | \$7.15 | \$1.89 | \$2.74 | \$13.24 | |
| PLOW | 145 HP | 0.48 HR | | \$4.10 | \$10.10 | \$4.94 | \$6.68 | \$25.82 | |
| DISC (2X) | 145 HP | 0.34 HR | | \$2.91 | \$7.15 | \$3.77 | \$5.49 | \$19.32 | |
| PLANE (2X) | 130 HP | 0.48 HR | | \$4.10 | \$10.10 | \$1.95 | \$13.01 | \$29.17 | |
| DRILL | 96 HP | 0.21 HR | | \$1.80 | \$3.07 | \$0.41 | \$2.58 | \$7.86 | |
| DITCHER (2X) | 130 HP | 0.10 HR | | \$0.86 | \$2.10 | \$0.40 | \$2.04 | \$5.40 | |
| IRRIGATE (2X) | | 1.00 HR | | \$7.50 | \$18.11 | \$0.00 | \$2.17 | \$27.78 | |
| SUBTOTAL | | 2.78 HR | | \$22.72 | \$57.78 | \$13.37 | \$34.71 | \$128.58 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.45 HR | | \$3.80 | | | | | \$3.80 |
| EMPLOYEE BENEFITS | | | | \$4.09 | | | | | \$4.09 |
| INSURANCE | | | \$0.45 | | | | | \$0.45 | |
| SUPERVISION AND MANAGEMENT | | | | \$24.38 | | | | | \$24.38 |
| SUBTOTAL | | 0.45 HR | \$0.45 | \$32.27 | | | | | \$32.73 |
| TOTAL OPERATING EXPENSES | | 3.23 HR | \$193.83 | \$54.99 | \$57.78 | \$13.37 | \$34.71 | \$354.68 | |

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area, Projected 2016
Harvesting dates: May 20 - October 15

| ITEM | PRICE | YIELD | TOTAL |
|---------------|----------|----------------------|------------|
| GROSS RETURNS | | | |
| ALFALFA HAY | \$205.00 | 6.5 TONS (DELIVERED) | \$1,332.50 |
| TOTAL | | | \$1,332.50 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|--------------------------|---------|------------|------------------|------------|----------|
| FERTILIZER (10-26-10) | \$0.42 | 200 LBS | \$84.00 | | \$84.00 |
| INSECTICIDE (CUSTOM) | \$44.48 | 1 ACRE | \$44.48 | | \$44.48 |
| HERBICIDE (CUSTOM) | \$28.11 | 1 ACRE | \$28.11 | | \$28.11 |
| PLASTIC TWINE | \$0.85 | 170 FT/TON | \$0.23 | | \$0.23 |
| ESTABLISHMENT: Principal | | 5 YEARS | | \$70.94 | \$70.94 |
| : Interest | | | | \$10.94 | \$10.94 |
| PUMP WATER* | | 54 AC. IN. | | | |
| SUBTOTAL | | | \$156.82 | \$81.87 | \$238.70 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|---------|
| IRRIGATE (6X) | | 3.00 HR | | \$22.50 | \$61.11 | \$0.00 | \$7.32 | \$90.93 |
| SUBTOTAL | | 3.00 HR | | \$22.50 | \$61.11 | \$0.00 | \$7.32 | \$90.93 |

HARVEST OPERATIONS

| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|---------|
| SWATHER (5X) | 14 FT | 0.55 HR | | \$4.70 | \$5.25 | \$0.80 | \$12.00 | \$22.75 |
| RAKE (5X) | 96 HP | 0.25 HR | | \$2.14 | \$3.65 | \$0.47 | \$1.54 | \$7.81 |
| BALER (5X) | 145 HP | 0.35 HR | | \$2.99 | \$7.36 | \$2.00 | \$22.64 | \$34.99 |
| FRONT END LOADER (5X) | 130 HP | 0.25 HR | | \$2.14 | \$5.26 | \$1.78 | \$4.58 | \$13.76 |
| HAUL | SEMI | 0.50 HR | | \$4.28 | \$0.00 | \$1.40 | \$9.40 | \$15.07 |
| SUBTOTAL | | 1.90 HR | | \$16.25 | \$21.53 | \$6.45 | \$50.16 | \$94.38 |

OVERHEAD EXPENSES

| | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|----------|-------------|---------|------------|----------|
| DOWNTIME | 0.48 HR | | \$4.06 | | | | \$4.06 |
| EMPLOYEE BENEFITS | | | \$6.97 | | | | \$6.97 |
| INSURANCE | | | \$0.77 | | | | \$0.77 |
| LAND TAXES | | | | | | \$1.45 | \$1.45 |
| SUPERVISION AND MANAGEMENT | | | \$97.23 | | | | \$97.23 |
| OTHER EXPENSES | | | \$44.53 | | | | \$44.53 |
| SUBTOTAL | 0.48 HR | \$45.31 | \$108.26 | | | \$1.45 | \$155.02 |

TOTAL OPERATING EXPENSES 5.38 HR \$202.13 \$147.01 \$82.63 \$6.45 \$140.80 \$579.03

NET OPERATING PROFIT \$753.47

INTEREST ON OPERATING CAPITAL (\$96.02 @ 5.50%) \$5.28
INTEREST ON EQUIPMENT INVESTMENT \$23.06

RETURN TO LAND AND RISK \$725.14

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

BUDGET SUMMARY

| | | |
|-------------------------------|------------|---|
| GROSS RETURN | \$1,332.50 | |
| VARIABLE OPERATING EXPENSES | \$291.22 | |
| RETURN OVER VARIABLE EXPENSES | \$1,041.28 | (GROSS MARGIN) |
| FIXED EXPENSES | \$140.80 | |
| NET FARM INCOME | \$900.48 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$147.01 | |
| NET OPERATING PROFIT | \$753.47 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$28.34 | |
| RETURN TO LAND AND RISK | \$725.14 | |

TABLE 8. Wheat, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area,
 Projected 2016
 Planting dates: August 15 - November 1
 Harvesting dates: June 15 - July 1

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| WHEAT | \$8.33 | 40.00 CWT | | \$333.33 |
| DIRECT PAYMENT | \$0.00 | 40.00 CWT | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | \$0.00 |
| GRAZING | \$44.00 | 1.00 ACRE | | \$44.00 |
| TOTAL | | | | \$377.33 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$0.30 | 100 LBS | \$30.00 | | \$30.00 |
| NITROGEN (N) | \$0.48 | 150 LBS | \$72.00 | | \$72.00 |
| PHOSPHATE (P205) | \$0.61 | 50 LBS | \$30.50 | | \$30.50 |
| INSECTICIDE | \$19.17 | 1 ACRE | \$19.17 | | \$19.17 |
| PUMP WATER* | | 28 AC. IN. | | | |
| CROP INSURANCE | \$0.98 | | \$0.98 | | \$0.98 |
| SUBTOTAL | | | \$152.65 | | \$152.65 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|----------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| PLOW | 145 HP | 0.48 HR | | \$4.10 | \$10.10 | \$4.94 | \$6.68 | \$25.82 |
| DISC (2X) | 145 HP | 0.34 HR | | \$2.91 | \$7.15 | \$3.77 | \$5.49 | \$19.32 |
| FERTILIZE | DEALER APPLIED | | | | | | | |
| DRILL | 96 HP | 0.21 HR | | \$1.80 | \$3.07 | \$0.41 | \$2.58 | \$7.86 |
| DITCHER (2X) | 130 HP | 0.10 HR | | \$0.86 | \$2.10 | \$0.40 | \$2.04 | \$5.40 |
| IRRIGATE (4X) | | 2.00 HR | | \$15.00 | \$31.69 | \$0.00 | \$3.80 | \$50.48 |
| SUBTOTAL | | 3.13 HR | | \$24.66 | \$54.11 | \$9.53 | \$20.58 | \$108.89 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|----------------|--|--|--|--|----------------|
| COMBINE (CUSTOM) | | | \$28.04 | | | | | \$28.04 |
| HAUL (CUSTOM) | | | \$6.80 | | | | | \$6.80 |
| SUBTOTAL | | | \$34.84 | | | | | \$34.84 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|----------------|----------------|--|---------------|--|----------------|
| DOWNTIME | | 0.28 HR | | \$2.42 | | | | \$2.42 |
| EMPLOYEE BENEFITS | | | | \$4.44 | | | | \$4.44 |
| INSURANCE | | | \$0.49 | | | | | \$0.49 |
| LAND TAXES | | | | | | \$1.45 | | \$1.45 |
| SUPERVISION AND MANAGEMENT | | | | \$28.93 | | | | \$28.93 |
| OTHER EXPENSES | | | \$44.53 | | | | | \$44.53 |
| SUBTOTAL | | 0.28 HR | \$45.02 | \$35.78 | | \$1.45 | | \$82.26 |

TOTAL OPERATING EXPENSES 3.41 HR \$232.52 \$60.44 \$54.11 \$9.53 \$22.03 \$378.64

NET OPERATING PROFIT (\$1.30)

INTEREST ON OPERATING CAPITAL (\$95.14 @ 5.50%) \$5.23
 INTEREST ON EQUIPMENT INVESTMENT \$9.13

RETURN TO LAND AND RISK (\$15.66)

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

BUDGET SUMMARY

| | | | |
|-------------------------------|-----------|---|--|
| GROSS RETURN | | \$377.33 | |
| VARIABLE OPERATING EXPENSES | \$296.16 | | |
| RETURN OVER VARIABLE EXPENSES | \$81.17 | (GROSS MARGIN) | |
| FIXED EXPENSES | \$22.03 | | |
| NET FARM INCOME | \$59.14 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$60.44 | | |
| NET OPERATING PROFIT | (\$1.30) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$14.36 | | |
| RETURN TO LAND AND RISK | (\$15.66) | | |

TABLE 9. Oat hay, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area,
 Projected 2016
 Planting dates: February 15 - April 1
 Harvesting dates: June 15 - July 1

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|---------------|----------|-----------------------|--|--|--|--|--|----------|
| GROSS RETURNS | | | | | | | | |
| OAT HAY | \$155.00 | 5.00 TONS (DELIVERED) | | | | | | \$775.00 |
| TOTAL | | | | | | | | \$775.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
|------------------|--------|------------|------------------|--|--|--|------------|---------|
| SEED | \$0.40 | 80 LBS | \$32.00 | | | | | \$32.00 |
| NITROGEN (N) | \$0.48 | 85 LBS | \$40.80 | | | | | \$40.80 |
| PUMP WATER* | | 21 AC. IN. | | | | | | |
| SUBTOTAL | | | \$72.80 | | | | | \$72.80 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|---------|
| DISC (2X) | 145 HP | 0.34 HR | | \$2.91 | \$7.15 | \$3.77 | \$5.49 | \$19.32 |
| DRILL | 96 HP | 0.21 HR | | \$1.80 | \$3.07 | \$0.41 | \$2.58 | \$7.86 |
| DITCHER (2X) | 130 HP | 0.05 HR | | \$0.43 | \$1.05 | \$0.20 | \$1.02 | \$2.70 |
| IRRIGATE (3X) | | 1.50 HR | | \$11.25 | \$23.76 | \$0.00 | \$2.85 | \$37.86 |
| SUBTOTAL | | 2.10 HR | | \$16.38 | \$35.04 | \$4.39 | \$11.94 | \$67.75 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| SWATHER | 14 FT | 0.16 HR | | \$1.37 | \$1.53 | \$0.23 | \$3.49 | \$6.62 |
| RAKE | 96 HP | 0.05 HR | | \$0.43 | \$0.73 | \$0.09 | \$0.31 | \$1.56 |
| BALER | 145 HP | 0.05 HR | | \$0.43 | \$1.05 | \$0.29 | \$3.23 | \$5.00 |
| FRONT END LOADER | 130 HP | 0.05 HR | | \$0.43 | \$1.05 | \$0.36 | \$0.92 | \$2.75 |
| HAUL | SEMI | 0.50 HR | | \$4.28 | \$0.00 | \$1.40 | \$9.40 | \$15.07 |
| SUBTOTAL | | 0.81 HR | | \$6.93 | \$4.36 | \$2.37 | \$17.35 | \$31.00 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DOWNTIME | 0.35 HR | | \$3.01 | | | | \$3.01 |
| EMPLOYEE BENEFITS | | | \$4.19 | | | | \$4.19 |
| INSURANCE | | | \$0.47 | | | | \$0.47 |
| LAND TAXES | | | | | | \$1.45 | \$1.45 |
| SUPERVISION AND MANAGEMENT | | | \$56.43 | | | | \$56.43 |
| OTHER EXPENSES | | | \$44.53 | | | | \$44.53 |
| SUBTOTAL | 0.35 HR | | \$45.00 | \$63.64 | | \$1.45 | \$110.08 |

| | | | | | | | | |
|----------------------------------|---|---------|----------|---------|---------|--------|---------|----------|
| TOTAL OPERATING EXPENSES | | 3.26 HR | \$117.80 | \$86.94 | \$39.40 | \$6.76 | \$30.73 | \$281.63 |
| NET OPERATING PROFIT | | | | | | | | \$493.37 |
| INTEREST ON OPERATING CAPITAL | (| \$46.82 | @ | 5.50% |) | | | \$2.57 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$11.07 |
| RETURN TO LAND AND RISK | | | | | | | | \$479.72 |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$775.00 | |
| VARIABLE OPERATING EXPENSES | \$163.96 | | |
| RETURN OVER VARIABLE EXPENSES | \$611.04 | | (GROSS MARGIN) |
| FIXED EXPENSES | \$30.73 | | |
| NET FARM INCOME | | \$580.31 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$86.94 | | |
| NET OPERATING PROFIT | | \$493.37 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$13.65 | | |
| RETURN TO LAND AND RISK | | \$479.72 | |

TABLE 10. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area, Projected 2016
 Planting dates: April 15 - June 1
 Harvesting dates: October 1 - December 31

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|----------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| COTTON LINT | \$0.72 | 750 LBS | | \$540.00 |
| COTTON SEED | \$0.08 | 1,200 LBS | | \$96.00 |
| DIRECT PAYMENT | \$0.0000 | 750 LBS | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.1373 | 750 LBS | 0.85 | \$87.53 |
| TOTAL | | | | \$723.53 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-------------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$7.55 | 20 LBS | \$151.00 | | \$151.00 |
| NITROGEN (N) | \$0.48 | 32 LBS | \$15.36 | | \$15.36 |
| PHOSPHATE (P205) | \$0.61 | 40 LBS | \$24.40 | | \$24.40 |
| HERBICIDE | \$15.88 | 1 ACRE | \$15.88 | | \$15.88 |
| HERBICIDE (CUSTOM) | \$16.96 | 1 ACRE | \$16.96 | | \$16.96 |
| INSECTICIDE (CUSTOM) 2X | \$37.15 | 1 ACRE | \$37.15 | | \$37.15 |
| CROP INSURANCE | | | \$0.98 | | \$0.98 |
| PUMP WATER* | | 28 AC. IN. | | | |
| SUBTOTAL | | | \$261.73 | | \$261.73 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|----------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC | 145 HP | 0.17 HR | | \$1.45 | \$3.58 | \$1.89 | \$2.74 | \$9.66 |
| PLOW | 145 HP | 0.48 HR | | \$4.10 | \$10.10 | \$4.94 | \$6.68 | \$25.82 |
| FLOAT | 130 HP | 0.16 HR | | \$1.37 | \$3.37 | \$0.64 | \$2.77 | \$8.14 |
| FERTILIZE | DEALER APPLIED | | | | | | | |
| LISTER | 130 HP | 0.18 HR | | \$1.54 | \$3.79 | \$1.07 | \$4.07 | \$10.46 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.63 | \$7.92 | \$0.00 | \$0.95 | \$14.50 |
| CULT & SPRAY | 96 HP | 0.26 HR | | \$2.22 | \$3.80 | \$1.06 | \$2.16 | \$9.24 |
| PLANTER | 130 HP | 0.26 HR | | \$2.22 | \$5.47 | \$1.46 | \$8.22 | \$17.37 |
| CULTIVATOR (3X) | 96 HP | 0.63 HR | | \$5.39 | \$9.21 | \$2.16 | \$2.32 | \$19.07 |
| HAND HOE (CUSTOM) | | | \$20.00 | | | | | \$20.00 |
| DITCHER (2X) | 130 HP | 0.10 HR | | \$0.86 | \$2.10 | \$0.40 | \$2.04 | \$5.40 |
| IRRIGATE (3X) | | 1.50 HR | | \$11.25 | \$23.76 | \$0.00 | \$2.85 | \$37.86 |
| SUBTOTAL | | 4.49 HR | \$20.00 | \$36.03 | \$73.09 | \$13.62 | \$34.80 | \$177.53 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|---------------------|------------|---------------------|------------------|----------------|----------------|---------------|-----------------|-----------------|
| COTTON PICKER (2X) | 2-ROW | 1.24 HR | | \$10.60 | \$19.12 | \$8.87 | \$123.73 | \$162.32 |
| HAUL (2X) | 65 HP | 1.00 HR | | \$8.55 | \$14.62 | \$0.99 | \$7.63 | \$31.79 |
| GIN COTTON (CUSTOM) | | | \$123.60 | | | | | \$123.60 |
| SUBTOTAL | | 2.24 HR | \$123.60 | \$19.15 | \$33.74 | \$9.86 | \$131.36 | \$317.71 |

| POSTHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|------------------------|------------|---------------------|------------------|---------------|---------------|---------------|---------------|---------------|
| SHREDDER | 96 HP | 0.14 HR | | \$1.20 | \$2.94 | \$0.60 | \$3.12 | \$7.86 |
| SUBTOTAL | | 0.14 HR | | \$1.20 | \$2.94 | \$0.60 | \$3.12 | \$7.86 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|----------------|-------------|---------|---------------|-----------------|
| DOWNTIME | 1.16 HR | | \$9.88 | | | | \$9.88 |
| EMPLOYEE BENEFITS | | | \$10.15 | | | | \$10.15 |
| INSURANCE | | \$1.13 | | | | | \$1.13 |
| LAND TAXES | | | | | | \$1.45 | \$1.45 |
| SUPERVISION AND MANAGEMENT | | | \$55.16 | | | | \$55.16 |
| OTHER EXPENSES | | \$44.53 | | | | | \$44.53 |
| SUBTOTAL | 1.16 HR | \$45.66 | \$75.18 | | | \$1.45 | \$122.29 |

TOTAL OPERATING EXPENSES 8.03 HR \$450.99 \$131.56 \$109.77 \$24.08 \$170.72 \$887.12

NET OPERATING PROFIT (\$163.59)

INTEREST ON OPERATING CAPITAL (\$156.47 @ 5.50%) \$8.61
 INTEREST ON EQUIPMENT INVESTMENT \$11.07

RETURN TO LAND AND RISK (\$183.27)

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

| | | |
|-------------------------------|------------|---|
| GROSS RETURN | \$723.53 | |
| VARIABLE OPERATING EXPENSES | \$584.84 | |
| RETURN OVER VARIABLE EXPENSES | \$138.69 | (GROSS MARGIN) |
| FIXED EXPENSES | \$170.72 | |
| NET FARM INCOME | (\$32.03) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$131.56 | |
| NET OPERATING PROFIT | (\$163.59) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$19.68 | |
| RETURN TO LAND AND RISK | (\$183.27) | |

TABLE 11. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area, Projected 2016
 Planting dates: April 15 - June 1
 Harvesting dates: October 1 - December 31

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|----------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| COTTON LINT | \$0.67 | 750 LBS | | \$502.50 |
| COTTON SEED | \$0.08 | 1,200 LBS | | \$96.00 |
| DIRECT PAYMENT | \$0.0000 | 750 LBS | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.1373 | 750 LBS | 0.85 | \$87.53 |
| TOTAL | | | | \$686.03 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-------------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$7.55 | 25 LBS | \$188.75 | | \$188.75 |
| NITROGEN (N) | \$0.48 | 32 LBS | \$15.36 | | \$15.36 |
| PHOSPHATE (P205) | \$0.61 | 40 LBS | \$24.40 | | \$24.40 |
| HERBICIDE | \$15.88 | 1 ACRE | \$15.88 | | \$15.88 |
| HERBICIDE (CUSTOM) | \$15.82 | 1 ACRE | \$15.82 | | \$15.82 |
| INSECTICIDE (CUSTOM) 2X | \$35.20 | 1 X/ACRE | \$35.20 | | \$35.20 |
| CROP INSURANCE | | | \$0.98 | | \$0.98 |
| PUMP WATER* | | 28 AC. IN. | | | |
| SUBTOTAL | | | \$296.40 | | \$296.40 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|----------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC | 145 HP | 0.17 HR | | \$1.45 | \$3.58 | \$1.89 | \$2.74 | \$9.66 |
| PLOW | 145 HP | 0.48 HR | | \$4.10 | \$10.10 | \$4.94 | \$6.68 | \$25.82 |
| FLOAT | 130 HP | 0.16 HR | | \$1.37 | \$3.37 | \$0.64 | \$2.77 | \$8.14 |
| FERTILIZE | DEALER APPLIED | | | | | | | |
| LISTER | 130 HP | 0.18 HR | | \$1.54 | \$3.79 | \$1.07 | \$4.07 | \$10.46 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.63 | \$7.92 | \$0.00 | \$0.95 | \$14.50 |
| CULT & SPRAY | 96 HP | 0.26 HR | | \$2.22 | \$3.80 | \$1.06 | \$2.16 | \$9.24 |
| PLANTER | 130 HP | 0.26 HR | | \$2.22 | \$5.47 | \$1.46 | \$8.22 | \$17.37 |
| CULTIVATOR (3X) | 96 HP | 0.63 HR | | \$5.39 | \$9.21 | \$2.16 | \$2.32 | \$19.07 |
| HAND HOE (CUSTOM) | | | \$20.00 | | | | | \$20.00 |
| DITCHER (2X) | 130 HP | 0.10 HR | | \$0.86 | \$2.10 | \$0.40 | \$2.04 | \$5.40 |
| IRRIGATE (3X) | | 1.50 HR | | \$11.25 | \$23.76 | \$0.00 | \$2.85 | \$37.86 |
| SUBTOTAL | | 4.49 HR | \$20.00 | \$36.03 | \$73.09 | \$13.62 | \$34.80 | \$177.53 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|---------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| COTTON STRIPPER | 96 HP | 1.24 HR | | \$10.60 | \$26.08 | \$6.06 | \$34.33 | \$77.08 |
| HAUL | 130 HP | 1.50 HR | | \$12.83 | \$21.92 | \$1.49 | \$11.45 | \$47.68 |
| GIN COTTON (CUSTOM) | | | \$159.08 | | | | | \$159.08 |
| SUBTOTAL | | 2.74 HR | \$159.08 | \$23.43 | \$48.01 | \$7.55 | \$45.78 | \$283.84 |

| POSTHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|------------------------|------------|---------------------|------------------|---------------|---------------|---------------|---------------|---------------|
| SHREDDER | 130 HP | 0.14 HR | | \$1.20 | \$2.94 | \$0.60 | \$3.12 | \$7.86 |
| SUBTOTAL | | 0.14 HR | | \$1.20 | \$2.94 | \$0.60 | \$3.12 | \$7.86 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|----------------|-------------|---------|---------------|-----------------|
| DOWNTIME | 1.28 HR | | \$10.94 | | | | \$10.94 |
| EMPLOYEE BENEFITS | | | \$10.92 | | | | \$10.92 |
| INSURANCE | | \$1.21 | | | | | \$1.21 |
| LAND TAXES | | | | | \$1.45 | | \$1.45 |
| SUPERVISION AND MANAGEMENT | | | \$52.78 | | | | \$52.78 |
| OTHER EXPENSES | | \$44.53 | | | | | \$44.53 |
| SUBTOTAL | 1.28 HR | \$45.74 | \$74.64 | | | \$1.45 | \$121.84 |

TOTAL OPERATING EXPENSES 8.65 HR \$521.22 \$135.29 \$124.04 \$21.77 \$85.15 \$887.46

NET OPERATING PROFIT (\$201.44)

INTEREST ON OPERATING CAPITAL (\$174.80 @ 5.50%) \$9.61
 INTEREST ON EQUIPMENT INVESTMENT \$31.51

RETURN TO LAND AND RISK (\$242.56)

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

| | | |
|-------------------------------|------------|---|
| GROSS RETURN | \$686.03 | |
| VARIABLE OPERATING EXPENSES | \$667.02 | |
| RETURN OVER VARIABLE EXPENSES | \$19.00 | (GROSS MARGIN) |
| FIXED EXPENSES | \$85.15 | |
| NET FARM INCOME | (\$66.14) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$135.29 | |
| NET OPERATING PROFIT | (\$201.44) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$41.12 | |
| RETURN TO LAND AND RISK | (\$242.56) | |

TABLE 12. Corn silage, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area,
 Projected 2016
 Planting dates: April 1 - April 15
 Harvesting dates: August 1 - August 31

| ITEM | PRICE | YIELD | TOTAL |
|-----------------|------------------|-----------|------------|
| GROSS RETURNS | | | |
| CORN FOR SILAGE | \$40.00 STANDING | 25.0 TONS | \$1,000.00 |
| TOTAL | | | \$1,000.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-------------------------|---------|-------------|------------------|------------|----------|
| SEED | \$3.75 | 32 000 | \$120.00 | | \$120.00 |
| NITROGEN (N) | \$0.48 | 200 LBS | \$96.00 | | \$96.00 |
| INSECTICIDE (CUSTOM) 2X | \$44.42 | 1 ACRE | \$44.42 | | \$44.42 |
| CROP INSURANCE | | 400 DOLLARS | \$20.00 | | \$20.00 |
| PUMP WATER* | | 48 AC. IN. | | | |
| SUBTOTAL | | | \$280.42 | | \$280.42 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|----------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DISC | 145 HP | 0.17 HR | | \$1.45 | \$3.58 | \$1.89 | \$2.74 | \$9.66 |
| PLOW | 145 HP | 0.48 HR | | \$4.10 | \$10.10 | \$4.94 | \$6.68 | \$25.82 |
| FLOAT | 130 HP | 0.16 HR | | \$1.37 | \$3.37 | \$0.64 | \$2.77 | \$8.14 |
| FERTILIZE | DEALER APPLIED | | | | | | | |
| LISTER | 130 HP | 0.18 HR | | \$1.54 | \$3.79 | \$1.07 | \$4.07 | \$10.46 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.63 | \$9.05 | \$0.00 | \$1.09 | \$15.76 |
| CULT & SPRAY | 96 HP | 0.26 HR | | \$2.22 | \$3.80 | \$1.06 | \$2.16 | \$9.24 |
| PLANTER | 130 HP | 0.26 HR | | \$2.22 | \$5.47 | \$1.46 | \$8.22 | \$17.37 |
| CULTIVATOR (2X) | 96 HP | 0.42 HR | | \$3.59 | \$6.14 | \$1.44 | \$1.55 | \$12.72 |
| DITCHER (2X) | 130 HP | 0.10 HR | | \$0.86 | \$2.10 | \$0.40 | \$2.04 | \$5.40 |
| IRRIGATE (5X) | | 2.50 HR | | \$18.75 | \$45.27 | \$0.00 | \$5.43 | \$69.44 |
| SUBTOTAL | | 5.28 HR | | \$41.73 | \$92.65 | \$12.90 | \$36.74 | \$184.02 |

OVERHEAD EXPENSES

| | | | | | | | | |
|----------------------------|---------|---------|---------|---------|--|--|--------|----------|
| DOWNTIME | 0.51 HR | | \$4.57 | | | | | \$4.57 |
| EMPLOYEE BENEFITS | | | \$7.51 | | | | | \$7.51 |
| INSURANCE | | | \$0.83 | | | | | \$0.83 |
| LAND TAXES | | | | | | | \$1.45 | \$1.45 |
| SUPERVISION AND MANAGEMENT | | | | \$74.22 | | | | \$74.22 |
| OTHER EXPENSES | | | \$44.53 | | | | | \$44.53 |
| SUBTOTAL | | 0.51 HR | \$45.37 | \$86.29 | | | \$1.45 | \$133.11 |

TOTAL OPERATING EXPENSES 5.79 HR \$325.78 \$128.03 \$92.65 \$12.90 \$38.19 \$597.55

NET OPERATING PROFIT \$402.45

INTEREST ON OPERATING CAPITAL (\$166.60 @ 5.50%) \$9.16
 INTEREST ON EQUIPMENT INVESTMENT \$14.82

RETURN TO LAND AND RISK \$378.47

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

| | | |
|-------------------------------|------------|---|
| GROSS RETURN | \$1,000.00 | |
| VARIABLE OPERATING EXPENSES | \$431.33 | |
| RETURN OVER VARIABLE EXPENSES | \$568.67 | (GROSS MARGIN) |
| FIXED EXPENSES | \$38.19 | |
| NET FARM INCOME | \$530.48 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$128.03 | |
| NET OPERATING PROFIT | \$402.45 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$23.98 | |
| RETURN TO LAND AND RISK | \$378.47 | |

TABLE 13. Summary of per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area, Chaves County, Projected 2016

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | WHEAT | OAT HAY | PICKER COTTON | STRIPPER COTTON | CORN SILAGE |
|----------------------------------|--------------------------|----------------|-----------|----------|------------------|--------------------|----------------|
| | | TONS | CWT | TONS | LBS | LBS | TONS |
| PRIMARY YIELD | | 6.50 | 40.00 | 5.00 | 750.00 | 750.00 | 25.00 |
| PRIMARY PRICE | | \$205.00 | \$205.00 | \$155.00 | \$0.72 | \$0.67 | \$40.00 |
| GOVERNMENT PAYMENTS | | \$0.00 | \$0.00 | \$0.00 | \$87.53 | \$87.53 | \$0.00 |
| SECOND INCOME | | \$0.00 | \$44.00 | \$0.00 | \$96.00 | \$96.00 | \$0.00 |
| GROSS RETURN | | \$1,332.50 | \$377.33 | \$775.00 | \$723.53 | \$686.03 | \$1,000.00 |
| CASH OPERATING EXPENSES | | | | | | | |
| SEED | \$180.00 | | \$30.00 | \$32.00 | \$151.00 | \$188.75 | \$120.00 |
| FERTILIZER | | \$84.00 | \$102.50 | \$40.80 | \$39.76 | \$39.76 | \$96.00 |
| CHEMICALS | \$13.38 | \$72.59 | \$19.17 | | \$69.99 | \$66.91 | \$44.42 |
| CROP INSURANCE | | | \$0.98 | | \$0.98 | \$0.98 | \$20.00 |
| OTHER PURCHASED INPUTS | | \$0.23 | | | | | |
| CANAL WATER | | | | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$39.67 | \$21.53 | \$22.42 | \$15.63 | \$78.09 | \$92.36 | \$38.34 |
| FUEL-IRRIGATION | \$18.11 | \$61.11 | \$31.69 | \$23.76 | \$31.69 | \$31.69 | \$54.32 |
| REPAIRS | \$13.37 | \$6.45 | \$9.53 | \$6.76 | \$24.08 | \$21.77 | \$12.90 |
| CUSTOM CHARGES | | | \$34.84 | | \$143.60 | \$179.08 | |
| LAND TAXES | | \$1.45 | \$1.45 | \$1.45 | \$1.45 | \$1.45 | \$1.45 |
| OTHER EXPENSES | \$0.45 | \$45.31 | \$45.02 | \$45.00 | \$45.66 | \$45.74 | \$45.37 |
| TOTAL CASH EXPENSES | \$264.98 | \$292.67 | \$297.61 | \$165.40 | \$586.29 | \$668.47 | \$432.78 |
| RETURN OVER CASH EXPENSES | (\$264.98) | \$1,039.83 | \$79.72 | \$609.60 | \$137.24 | \$17.56 | \$567.22 |
| FIXED EXPENSES | \$34.71 | \$139.35 | \$20.58 | \$29.29 | \$169.27 | \$83.70 | \$36.74 |
| TOTAL EXPENSES | \$299.69 | \$432.02 | \$318.19 | \$194.69 | \$755.56 | \$752.17 | \$469.52 |
| NET FARM INCOME | (\$299.69) | \$900.48 | \$59.14 | \$580.31 | (\$32.03) | (\$66.14) | \$530.48 |
| LABOR AND MANAGEMENT COSTS | \$54.99 | \$147.01 | \$60.44 | \$86.94 | \$131.56 | \$135.29 | \$128.03 |
| NET OPERATING PROFIT | (\$354.68) | \$753.47 | (\$1.30) | \$493.37 | (\$163.59) | (\$201.44) | \$402.45 |
| CAPITAL COSTS | | | | | | | |
| INTEREST ON OPERATING CAPITAL | | \$5.28 | \$5.23 | \$2.57 | \$8.61 | \$9.61 | \$9.16 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$23.06 | \$9.13 | \$11.07 | \$11.07 | \$31.51 | \$14.82 |
| TOTAL CAPITAL COSTS | \$0.00 | \$28.34 | \$14.36 | \$13.65 | \$19.68 | \$41.12 | \$23.98 |
| RETURN TO LAND AND RISK | (\$354.68) | \$725.14 | (\$15.66) | \$479.72 | (\$183.27) | (\$242.56) | \$378.47 |

TABLE 14. Whole farm summary, Roswell-Hagerman area, Chaves County,
Projected 2016

| | | |
|----------------------------------|-------------|-------------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 300 ACRES | |
| CROP | | \$399,750 |
| WHEAT | 51 ACRES | |
| CROP | | \$17,000 |
| GRAZING | | \$2,244 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| SMALL GRAINS | 87 ACRES | |
| CROP | | \$67,425 |
| UPLAND COTTON (PICKER) | 51.00 ACRES | |
| COTTON LINT | | \$27,540 |
| COTTON SEED | | \$4,896 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$4,464 |
| UPLAND COTTON (STRIPPER) | 51.00 ACRES | |
| COTTON LINT | | \$25,628 |
| COTTON SEED | | \$4,896 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$4,464 |
| CORN | 60.00 ACRES | |
| CROP | | \$60,000 |
| GROSS RETURN | | <u>\$618,306</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$39,641 |
| FERTILIZER | | \$43,793 |
| CHEMICALS | | |
| CROP INSURANCE | | \$1,350 |
| OTHER PURCHASED INPUTS | | \$70 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$22,334 |
| FUEL-IRRIGATION | | \$29,594 |
| REPAIRS | | \$6,925 |
| CUSTOM CHARGES | | \$18,233 |
| LAND TAXES | | \$869 |
| OTHER EXPENSES | | \$27,214 |
| TOTAL CASH EXPENSES | | <u>\$190,023</u> |
| RETURN OVER CASH EXPENSES | | \$428,283 |
| FIXED EXPENSES | | \$41,312 |
| TOTAL EXPENSES | | \$231,335 |
| NET FARM INCOME | | \$386,972 |
| LABOR AND MANAGEMENT COSTS | | \$79,339 |
| NET OPERATING PROFIT | | \$307,633 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$3,554 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$11,407 |
| TOTAL CAPITAL COSTS | | <u>\$14,961</u> |
| RETURN TO LAND AND RISK | | <u><u>\$292,672</u></u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$1,000 /ACRE | \$273,472 | 35.25% |
| \$3,000 /ACRE | \$235,072 | 14.29% |
| \$5,000 /ACRE | \$196,672 | 8.96% |
| \$7,000 /ACRE | \$158,272 | 6.53% |
| \$9,000 /ACRE | \$119,872 | 5.13% |

* 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)