

TABLE 1. Acreage Summary, Quay County,
Projected 2018

BUDGET AREA.....	SAN JON-NARA VISA AREA, QUAY COUNTY
FARM SIZE.....	800 ACRES
IRRIGATION TYPE.....	DRYLAND
NUMBER OF CROPS...	3

ACREAGE SUMMARY:	LAND USE (ACRES)
ALFALFA ESTABLISHMENT	6.00 *
ALFALFA	60.00
GRAIN SORGHUM	289.00
ARP	0.00
FLEX IN GRAIN SORGHUM	51.00
WHEAT	340.00
ARP	0.00
FLEX IN GRAIN SORGHUM	60.00
TOTAL	800.00

* DOUBLE-CROPPED

TABLE 2. Basic cost information for the San Jon-Nara Visa area, Quay County,
Projected 2018

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Seed:			
Alfalfa		\$/pound	\$4.00
Grain Sorghum		\$/pound	\$1.32
Wheat		\$/pound	\$0.44
Energy:			
Diesel fuel		\$/gallon	\$2.70
Gasoline		\$/gallon	\$2.40
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	5.50%
Land Interest Rate		percent	5.00%
Equipment Interest Rate		percent	5.50%
Real Interest Rate		percent	3.00%
Land Taxes	\$38.00 /acre (full value)		\$0.42
Personal Property Tax Rate	-NR - R	\$/ \$1,000 (Assessed Value)	\$33.46 \$25.41
Supervision Factor		\$/labor hour	\$1.00
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for the San Jon-Nara Visa area, Quay County,
Projected 2018

Item				
Electricity (Domestic & Shop)		\$234.95 per month		\$2,819
Telephone		\$139.70 per month		\$1,676
Accounting & Legal				\$1,607
Misc. Supplies & Hand Tools				\$2,343
Pickup and Auto				
miles	26,162	@	\$0.500 per mile	\$13,081
Insurance				
- general liability (non-employee)				\$1,530
- fire/theft				\$1,289
Property Taxes				
- non-planted land				\$0
- other than land & machinery				\$0
Building repairs and maintenance				\$6,010
Dues, fees, publications				\$1,016
Farmstead Equipment				\$483
			Total	\$31,855
			Total per planted acre	\$39.82

TABLE 4. Equipment summary for an 800 acre dryland farm, San Jon-Nara Visa, Quay County, Projected 2018

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
				FUEL, OIL, LUBRICANT	REPAIR PER HR	FUEL, OIL, LUBE PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR
TRACTOR 96 HP	277	1	\$17,335	\$4,561	\$262	\$16.44	\$0.94	\$525	\$88	\$2.21
TRACTOR 145 HP	183	1	\$40,895	\$4,440	\$988	\$24.21	\$3.39	\$5,985	\$501	\$35.36
COMBINE 145 HP	104	1	\$51,677	\$2,236	\$275	\$22.55	\$2.66	\$8,864	\$741	\$92.71
GRAIN HEAD 22 FT	104	1	\$3,600	\$16	\$16	\$0.15	\$0.15	\$501	\$42	\$5.24
SWATHER 14 FT SP	29	1	\$3,900	\$291	\$17	\$10.11	\$0.56	\$1,650	\$162	\$55.96
TRUCK 2 TON	104	1	\$23,000	\$1,777	\$667	\$17.15	\$6.44	\$4,600	\$267	\$46.88
ROD WEED 23 FT	87	1	\$625	\$67	\$67	\$0.78	\$0.78	\$63	\$7	\$1.04
ROLLING CULTIVATOR 6 ROW	104	1	\$2,000	\$258	\$28	\$2.48	\$0.78	\$267	\$22	\$2.78
DRILL 13 FT	31	1	\$2,150	\$32	\$32	\$1.03	\$1.03	\$430	\$24	\$14.68
LISTER-PLANTER 6 ROW	72	1	\$3,400	\$118	\$118	\$1.63	\$1.63	\$690	\$38	\$9.87
BALER PTO 2 WIRE	38	1	\$1,400	\$5	\$5	\$0.12	\$0.12	\$150	\$17	\$4.41
SWEEP 19 FT	129	1	\$2,500	\$400	\$400	\$3.10	\$3.10	\$333	\$28	\$2.80
			\$135,116	\$13,406	\$3,104	\$90	\$25	\$23,868	\$1,928	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL UNIT/HR	LUBE COEF	ACCUM HOURS	AGE	INTEREST EXPENSE
TRACTOR 96 HP	15735.00	17334.50	30.00	1.00	800.00	5.54	0.10	6390.66	23.00	432.71
TRACTOR 145 HP	89775.00	40884.50	15.00	1.00	800.00	8.15	0.10	2077.40	11.00	2468.81
COMBINE 145 HP	132555.00	51676.50	15.00	2.00	300.00	6.98	0.20	1346.80	13.00	6566.26
GRAIN HEAD 22 FT	7520.00	3600.00	15.00	2.00	300.00			1346.80	13.00	206.80
SWATHER 14 FT SP	29000.00	3900.00	20.00	2.00	800.00	3.12	0.20	493.20	14.00	797.50
TRUCK 2 TON	46000.00	23000.00	10.00	6.00	800.00	6.05	0.05	1346.80	13.00	1265.00
ROD WEED 23 FT	1500.00	650.00	15.00	1.00	300.00			1303.20	15.00	34.38
ROLLING CULTIVATOR 6 ROW	4000.00	2000.00	15.00	3.00	300.00			1664.00	16.00	110.00
DRILL 13 FT	4300.00	2150.00	10.00	4.00	100.00			494.82	13.00	118.25
LISTER-PLANTER 6 ROW	6800.00	3400.00	10.00	8.00	100.00			936.00	13.00	187.00
BALER PTO 2 WIRE	3000.00	1400.00	20.00	1.00	500.00			686.40	18.00	82.50
SWEEP 19 FT	5000.00	2500.00	15.00	3.00	300.00			2064.00	16.00	137.50

ALFALFA GRAIN PER ACRE

ALFALFA EST.	ALFALFA HAY	GRAIN SORGHUM	WHEAT	TOTALS
0.17	0.63	0.52	0.29	1.41
0.10	0.00	0.10	0.42	0.62
0.00	0.00	0.14	0.14	0.28
0.00	0.00	0.14	0.14	0.28
0.00	0.48	0.00	0.00	0.48
0.00	0.00	0.14	0.14	0.28
0.08	0.00	0.08	0.16	0.32
0.00	0.00	0.26	0.00	0.26
0.09	0.00	0.00	0.09	0.18
0.00	0.00	0.18	0.00	0.18
0.00	0.63	0.00	0.00	0.63
0.10	0.00	0.10	0.26	0.46

EQUIPMENT INTEREST EXPENSE

ALFALFA GRAIN PER ACRE

ALFALFA EST.	ALFALFA HAY	GRAIN SORGHUM	WHEAT	TOTALS
1.25	0.81	0.14		
1.35	1.35	5.85		
0.00	4.94	4.94		
0.00	0.28	0.28		
13.28	0.00	0.00		
0.00	1.71	1.71		
0.03	0.03	0.06		
0.00	0.28	0.00		
0.34	0.00	0.34		
0.00	0.47	0.00		
1.38	0.00	0.00		
0.11	0.11	0.28		
17.74	9.97	12.41		

ALFALFA ESTABLISHMENT ACRES: 6 PUMP WATER: 0.00

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

ALFALFA HAY ACRES: 60 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWATHER (3X) 14 FT SP	3.00	0.16	0.48	0.48	
BALER (3X) 96 HP	3.00	0.21	0.63	0.63	

GRAIN SORGHUM ACRES: 400 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP 145 HP	1.00	0.10	0.10	0.10	
ROD WEED 96 HP	1.00	0.08	0.08	0.08	
LISTER-PLANTER 96 HP	1.00	0.18	0.18	0.18	
CULTIVATOR (2X) 96 HP	2.00	0.13	0.26	0.26	

COMBINE HAUL 22 FT 2 TON 1.00 0.14 0.14

WHEAT ACRES: 340 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP (2X) 145 HP	2.00	0.13	0.26	0.26	
RODWEED 145 HP	2.00	0.08	0.16	0.16	
DRILL 96 HP	1.00	0.09	0.09	0.09	

COMBINE HAUL 22 FT 2 TON 1.00 0.14 0.14

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	1	2	3	4	5	6	7	8	9
0	0.000060	0.000030	0.000020	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
50	0.000060	0.000020	0.000060	0.000020	0.000080	0.000140	0.000040	0.000240	0.000200
100	0.000060	0.000020	0.000060	0.000020	0.000140	0.000220	0.000140	0.000380	0.000200
200	0.000030	0.000030	0.000040	0.000040	0.000180	0.000260	0.000110	0.000510	0.000260
300	0.000030	0.000050	0.000030	0.000060	0.000220	0.000310	0.000140	0.000630	0.000400
400	0.000030	0.000060	0.000030	0.000090	0.000260	0.000340	0.000150	0.000710	0.000450
500	0.000030	0.000070	0.000030	0.000100	0.000280	0.000370	0.000170	0.000800	0.000500
600	0.000030	0.000090	0.000040	0.000120	0.000310	0.000390	0.000180	0.000880	0.000550
700	0.000030	0.000100	0.000040	0.000130	0.000330	0.000410	0.000200	0.000910	0.000560
800	0.000030	0.000110	0.000040	0.000150	0.000350	0.000430	0.000210	0.000980	0.000590
900	0.000030	0.000120	0.000040	0.000160	0.000370	0.000450	0.000220	0.001020	0.000600
1000	0.000090	0.000130	0.000110	0.000180	0.000380	0.000460	0.000230	0.001070	0.000630
1200	0.000045	0.000140	0.000120	0.000200	0.000400	0.000480	0.000240	0.001120	0.000670
1400	0.000045	0.000170	0.000130	0.000230	0.000430	0.000510	0.000240	0.001160	0.000765
1500	0.000150	0.000170	0.000130	0.000230	0.000435	0.000510	0.000240	0.001160	0.000765
1600	0.000150	0.000190	0.000130	0.000250	0.000465	0.000525	0.000235	0.001235	0.000805
1800	0.000075	0.000170	0.000130	0.000250	0.000465	0.000525	0.000235	0.001235	0.000805
2000	0.000110	0.000285	0.000280	0.000305	0.000505	0.000565	0.000310		
2500	0.000060								
3000	0.000070								
3500	0.000082								
4000	0.000096								
4500	0.000138								
5000	0.000148								
5500	0.000162								
6000	0.000176								
6500	0.000188								
7000	0.000204								

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

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

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windrowers, pickups
- 3 rotary hoe, disks, moldboard plows, chisels, field cultivators
- 4 row cultivators, laser plans
- 5 harrows, weepers, beds, robo buck, drag, roller, water furrow, bed shaper
- 6 balers/wagon, cotton pickers, cotton strippers, corn pickers, corn heads, forage equipment, rotary mowers, stalk choppers, feed wagons, farm trucks
- 7 rakes, cutter-bar mower
- 8 planers, drills, seeding equipment, mounted sprayers
- 9 fertilizer distributing equipment

TABLE 5. Alfalfa establishment, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2018
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$4.00	10 LBS		\$40.00				\$40.00
WHEAT SEED	\$0.44	30 LBS		\$13.20				\$13.20
SUBTOTAL				\$53.20				\$53.20
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.42	\$0.85	\$3.82	\$7.94
RODWEEDER	96 HP	0.08 HR		\$0.68	\$1.32	\$0.14	\$0.26	\$2.40
DRILL WHEAT	96 HP	0.09 HR		\$0.77	\$1.48	\$0.18	\$1.51	\$3.94
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.31	\$5.22	\$1.16	\$5.59	\$18.78
OVERHEAD EXPENSES								
DOWNTIME		0.07 HR		\$0.58				\$0.58
EMPLOYEE BENEFITS				\$0.42				\$0.42
INSURANCE			\$0.05					\$0.05
SUPERVISION AND MANAGEMENT				\$5.38				\$5.38
SUBTOTAL		0.07 HR	\$0.05	\$6.37				\$6.41
TOTAL OPERATING EXPENSES		0.34 HR	\$57.75	\$8.68	\$5.22	\$1.16	\$5.59	\$78.39

TABLE 6. Alfalfa hay, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2018
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALF/ FA HAY	\$175.00	1.50 TONS (IN FIELD)						\$262.50
GRAZING	\$12.00	1.00 ACRE						\$12.00
TOTAL								\$274.50
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	\$3.25	13 LBS	\$41.78					\$41.78
: Interest		6 YEARS					\$13.06	\$13.06
							\$2.44	\$2.44
SUBTOTAL			\$41.78				\$15.50	\$57.28
HARVEST OPERATIONS								
HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	14 FT SP	0.48 HR		\$4.10	\$4.85	\$0.28	\$26.86	\$36.10
BALER (3X)	96 HP	0.63 HR		\$5.39	\$10.36	\$0.67	\$4.17	\$20.58
SUBTOTAL		1.11 HR		\$9.49	\$15.21	\$0.95	\$31.03	\$56.68
OVERHEAD EXPENSES								
DOWNTIME		0.28 HR		\$2.37				\$2.37
EMPLOYEE BENEFITS				\$1.71				\$1.71
INSURANCE			\$0.19					\$0.19
LAND TAXES							\$0.42	\$0.42
SUPERVISION AND MANAGEMENT				\$20.33				\$20.33
OTHER EXPENSES			\$39.82					\$39.82
SUBTOTAL		0.28 HR	\$40.01	\$24.41			\$0.42	\$64.84
TOTAL OPERATING EXPENSES		1.39 HR	\$81.79	\$33.90	\$15.21	\$0.95	\$46.96	\$178.80
NET OPERATING PROFIT								\$95.70
INTEREST ON OPERATING CAPITAL		(\$22.24 @	5.50%)				\$1.22
INTEREST ON EQUIPMENT INVESTMENT								\$17.74
RETURN TO LAND AND RISK								\$76.73
BUDGET SUMMARY								
GROSS RETURN			\$274.50					
VARIABLE OPERATING EXPENSES	\$97.95							
RETURN OVER VARIABLE EXPENSES		\$176.55	(GROSS MARGIN)					
FIXED EXPENSES	\$46.96							
NET FARM INCOME		\$129.59	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$33.90							
NET OPERATING PROFIT		\$95.70	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$18.96							
RETURN TO LAND AND RISK			\$76.73					

TABLE 7. Grain sorghum, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2018
 Planting dates: June 1 - July 4
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$6.08	16.00 CWT		\$97.26
DIRECT PAYMENT	\$0.00	16.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$5.00	1.00 ACRE		\$5.00
TOTAL				\$102.26

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.32	3 LBS	\$3.30		\$3.30
HERBICIDE (CUSTOM)	\$15.07	1 ACRE	\$15.07		\$15.07
CROP INSURANCE	\$0.13		\$0.13		\$0.13
SUBTOTAL			\$18.49		\$18.49

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.42	\$0.85	\$3.82	\$7.94
ROD WEED	96 HP	0.08 HR		\$0.68	\$1.32	\$0.14	\$0.26	\$2.40
LISTER/PLANTER	96 HP	0.18 HR		\$1.54	\$2.96	\$0.46	\$2.19	\$7.15
CULTIVATOR (2X)	96 HP	0.26 HR		\$2.22	\$4.27	\$0.89	\$1.30	\$8.68
SUBTOTAL		0.62 HR		\$5.30	\$10.97	\$2.34	\$7.56	\$26.18

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$3.16	\$0.39	\$13.00	\$17.75
HAUL	2 TON	0.14 HR		\$1.20	\$2.40	\$0.90	\$6.56	\$11.06
SUBTOTAL		0.28 HR		\$2.39	\$5.56	\$1.29	\$19.56	\$28.81

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.23 HR		\$1.92				\$1.92
EMPLOYEE BENEFITS			\$1.73				\$1.73
INSURANCE			\$0.15				\$0.15
LAND TAXES						\$0.42	\$0.42
SUPERVISION AND MANAGEMENT			\$8.06				\$8.06
OTHER EXPENSES			\$39.82				\$39.82
SUBTOTAL	0.23 HR		\$39.97	\$11.71		\$0.42	\$52.11

TOTAL OPERATING EXPENSES 1.35 HR \$43.27 \$19.41 \$16.53 \$3.64 \$27.55 \$110.40

NET OPERATING PROFIT (\$8.14)

INTEREST ON OPERATING CAPITAL (\$13.14 @ 5.50%) \$0.72
 INTEREST ON EQUIPMENT INVESTMENT \$9.97

RETURN TO LAND AND RISK (\$18.83)

BUDGET SUMMARY

GROSS RETURN		\$102.26	
VARIABLE OPERATING EXPENSES	\$63.44		
RETURN OVER VARIABLE EXPENSES		\$38.82	(GROSS MARGIN)
FIXED EXPENSES	\$27.55		
NET FARM INCOME		\$11.27	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$19.41		
NET OPERATING PROFIT		(\$8.14)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.69		
RETURN TO LAND AND RISK		(\$18.83)	

TABLE 8. Wheat, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2018
 Planting dates: September 1 - September 15
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$4.40	14.00 BUSHELS		\$61.60
DIRECT PAYMENT	\$0.00	14.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$2.00	1.00 ACRE		\$2.00
TOTAL				\$63.60

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.44	25 LBS	\$11.00		\$11.00
CROP INSURANCE	\$0.15		\$0.15		\$0.15
SUBTOTAL			\$11.15		\$11.15

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$2.22	\$6.29	\$2.21	\$9.92	\$20.65
RODWEED	145 HP	0.16 HR		\$1.37	\$3.87	\$0.99	\$5.82	\$12.05
DRILL	96 HP	0.09 HR		\$0.77	\$1.48	\$0.18	\$1.51	\$3.94
SUBTOTAL		0.51 HR		\$4.36	\$11.65	\$3.37	\$17.26	\$36.64

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$3.16	\$0.39	\$13.71	\$18.46
HAUL	2 TON	0.14 HR		\$1.20	\$2.40	\$0.90	\$6.56	\$11.06
SUBTOTAL		0.28 HR		\$2.39	\$5.56	\$1.29	\$20.28	\$29.52

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.20 HR		\$0.74				\$0.74
EMPLOYEE BENEFITS			\$1.01				\$1.01
INSURANCE		\$0.14					\$0.14
LAND TAXES						\$0.42	\$0.42
SUPERVISION AND MANAGEMENT			\$3.18				\$3.18
OTHER EXPENSES		\$39.82					\$39.82
SUBTOTAL	0.20 HR	\$39.95	\$4.93			\$0.42	\$45.31

TOTAL OPERATING EXPENSES	0.99 HR	\$50.95	\$11.69	\$17.21	\$4.67	\$37.96	\$122.47
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NET OPERATING PROFIT							(\$58.87)
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INTEREST ON OPERATING CAPITAL	(\$9.90	@	5.50%)		\$0.54
INTEREST ON EQUIPMENT INVESTMENT							\$13.41

RETURN TO LAND AND RISK							(\$72.82)
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BUDGET SUMMARY

GROSS RETURN		\$63.60	
VARIABLE OPERATING EXPENSES	\$72.82		
RETURN OVER VARIABLE EXPENSES	(\$9.22)	(GROSS MARGIN)	
FIXED EXPENSES	\$37.96		
NET FARM INCOME	(\$47.18)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$11.69		
NET OPERATING PROFIT	(\$58.87)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$13.95		
RETURN TO LAND AND RISK		(\$72.82)	

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County,
Projected 2018

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$175.00	\$6.08	\$4.40
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$274.50	\$102.26	\$63.60
CASH OPERATING EXPENSES				
SEED	\$40.00		\$3.30	\$11.00
FERTILIZER	\$13.20			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.05	\$41.97	\$0.15	\$0.14
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.22	\$15.21	\$16.53	\$17.21
FUEL-IRRIGATION				
REPAIRS	\$1.16	\$0.95	\$3.64	\$4.67
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.42	\$0.42	\$0.42
OTHER EXPENSES		\$39.82	\$39.82	\$39.82
TOTAL CASH EXPENSES	\$64.13	\$98.37	\$63.98	\$73.40
RETURN OVER CASH EXPENSES	(\$64.13)	\$176.13	\$38.27	(\$9.80)
FIXED EXPENSES	\$5.59	\$46.54	\$27.13	\$37.53
TOTAL EXPENSES	\$69.71	\$144.91	\$91.11	\$110.93
NET FARM INCOME	(\$69.71)	\$129.59	\$11.14	(\$47.33)
LABOR AND MANAGEMENT COSTS	\$8.68	\$33.90	\$19.41	\$11.69
NET OPERATING PROFIT	(\$78.39)	\$95.70	(\$8.26)	(\$59.02)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.22	\$0.72	\$0.54
INTEREST ON EQUIPMENT INVESTMENT		\$17.74	\$9.97	\$13.41
TOTAL CAPITAL COSTS	\$0.00	\$18.96	\$10.69	\$13.95
RETURN TO LAND AND RISK	(\$78.39)	\$76.73	(\$18.95)	(\$72.97)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,
Projected 2018

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$15,750
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$38,903
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$20,944
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$78,997</u>
CASH OPERATING EXPENSES		
SEED		\$5,300
FERTILIZER		\$79
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,626
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$13,406
FUEL-IRRIGATION		\$0
REPAIRS		\$3,104
CUSTOM CHARGES		\$27
LAND TAXES		\$339
OTHER EXPENSES		\$31,855
TOTAL CASH EXPENSES		<u>\$56,835</u>
RETURN OVER CASH EXPENSES		\$22,162
FIXED EXPENSES		\$25,655
TOTAL EXPENSES		\$82,490
NET FARM INCOME		(\$3,493)
LABOR AND MANAGEMENT COSTS		\$13,822
NET OPERATING PROFIT		(\$17,316)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$548
INTEREST ON EQUIPMENT INVESTMENT		\$9,610
TOTAL CAPITAL COSTS		<u>\$10,157</u>
RETURN TO LAND AND RISK		<u>(\$27,473)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$31,073)	-6.79%
\$300 /ACRE	(\$34,673)	-4.62%
\$450 /ACRE	(\$38,273)	-3.50%
\$600 /ACRE	(\$41,873)	-2.82%
\$750 /ACRE	(\$45,473)	-2.36%
\$900 /ACRE	(\$49,073)	-2.02%

* 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)