

TABLE 1. Acreage Summary, Quay County,
Actual 2014

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,
Actual 2014

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Seed:			
Alfalfa		\$/pound	\$6.00
Grain Sorghum		\$/pound	\$1.31
Wheat		\$/pound	\$0.45
Energy:			
Diesel fuel		\$/gallon	\$3.83
Gasoline		\$/gallon	\$2.55
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)	\$0.33
Personal Property Tax Rate	-NR - R	\$/(\$1,000 (Assessed Value)	\$25.79 \$20.79
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,
Actual 2014

Item			
Electricity (Domestic & Shop)		\$223.85 per month	\$2,686
Telephone		\$133.10 per month	\$1,597
Accounting & Legal			\$1,531
Misc. Supplies & Hand Tools			\$2,232
Pickup and Auto			
miles	24,926	@ \$0.500 per mile	\$12,463
Insurance			
- general liability (non-employee)			\$1,458
- fire/theft			\$1,228
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$0
Building repairs and maintenance			\$6,010
Dues, fees, publications			\$968
Farmstead Equipment			\$460
Total			\$30,634
Total per planted acre			\$38.29

TABLE 4. Equipment summary for an 800-acre dryland farm, San Jon-Nash Vets. Quincy, Iowa 2014

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
				FUEL OIL LUBRICANT	REPAIR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR
TRACTOR 96 HP	277	1	\$17,395	\$6,470	\$262	\$23.32	\$9.34	\$205	\$68	\$2.73
TRACTOR 165 HP	163	1	\$23,865	\$6,200	\$988	\$34.34	\$5.39	\$5,985	\$386	\$34.74
COMBINE 145 HP	104	1	\$51,677	\$3,314	\$275	\$11.99	\$2.66	\$8,864	\$571	\$91.07
GRAIN HEAD 22 FT	104	1	\$3,900		\$16		\$2.15	\$201	\$32	\$5.15
SWATHER 14 FT SP	29	1	\$3,900	\$413	\$17	\$14.34	\$0.58	\$1,450	\$125	\$54.68
TRUCK 2 TON	104	1	\$23,000	\$2,521	\$667	\$24.33	\$6.44	\$4,600	\$198	\$46.31
ROD WEED 23 FT	87	1	\$625		\$67		\$0.78	\$83	\$5	\$1.02
ROLLING CULTIVATOR 6 ROW	104	1	\$2,000		\$255		\$2.48	\$207	\$17	\$2.73
DRILL 13 FT 13 FT	31	1	\$2,150		\$32		\$1.03	\$430	\$18	\$14.40
LISTER-PLANTER 6 ROW	72	1	\$3,400		\$116		\$1.63	\$680	\$29	\$28.85
BALE PTD 2 WIRE	38	1	\$1,400		\$5		\$2.12	\$190	\$13	\$4.33
SWEEP 19 FT	120	1	\$2,500		\$400		\$3.10	\$333	\$21	\$2.75
			\$156,116	\$19,016	\$3,104	\$128	\$25	\$23,868	\$1,484	

ITEM	NEW VALUE	USED VALUE	YEARS USE	EQUIP COST	MAX HOURS	FUEL LUBR	LUBE COEF	ACCUM HOURS	AGE	INTEREST EXPENSE
TRACTOR 96 HP	17375.00	17344.00	30.00	1.00	800.00	5.54	0.10	6380.68	23.00	432.71
TRACTOR 165 HP	89775.00	40864.00	15.00	1.00	800.00	8.15	0.10	2017.40	11.00	2468.81
COMBINE 145 HP	132665.00	51676.00	15.00	2.00	300.00	6.96	0.20	1346.80	13.00	3656.26
GRAIN HEAD 22 FT	7520.00	3600.00	15.00	2.00	300.00			1346.80	13.00	266.80
SWATHER 14 FT SP	29000.00	3300.00	20.00	2.00	800.00	3.12	0.20	403.20	14.00	797.50
TRUCK 2 TON	46000.00	23000.00	10.00	6.00	800.00			1346.80	13.00	1525.00
ROD WEED 23 FT	1250.00	625.00	15.00	3.00	300.00			1303.20	15.00	34.38
ROLLING CULTIVATOR 6 ROW	4800.00	2000.00	15.00		200.00			1584.00	15.00	110.00
DRILL 13 FT 13 FT	4300.00	2150.00	10.00	8.00	190.00			404.82	13.00	118.25
LISTER-PLANTER 6 ROW	6800.00	3400.00	10.00	8.00	160.00			586.00	13.00	187.00
BALE PTD 2 WIRE	3000.00	1400.00	20.00	7.00	500.00			680.40	18.00	82.50
SWEEP 19 FT	5000.00	2500.00	15.00	3.00	300.00			2064.00	16.00	137.50

ALFALFA EST	ALFALFA HAY	GRAIN SORGHUM	WHEAT	PER ACRE TOTAL
0.17	0.63	0.52	0.09	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
0.08	0.00	0.00	0.00	0.08
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 EST	ALFALFA HAY	GRAIN SORGHUM	WHEAT	TOTAL
1.25	0.81	0.14		2.20
1.35	1.35	0.65		3.35
0.00	4.94	4.94		9.88
0.00	0.28	0.28		0.56
13.29	0.00	0.00		13.29
0.00	1.71	1.71		3.42
0.03	0.03	0.06		0.12
0.00	0.28	0.00		0.28
0.34	0.00	0.34		0.68
0.00	0.47	0.00		0.47
1.38	0.00	0.00		1.38
0.11	0.11	0.28		0.50
17.74	9.97	13.41		41.12

ALFALFA ESTABLISHMENT					
ACRES: 6 PUMP WATER: 0.00					
ACCOMPLISHMENT					
MACHINE	POWER UNT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	0.10	
RODWEEDER	96 HP	1.00	0.08	0.08	
DRILL WHEAT	96 HP	1.00	0.09	0.09	
FLY ON ALFALFA SEED					4.50

ALFALFA HAY					
ACRES: 60 PUMP WATER:					
ACCOMPLISHMENT					
MACHINE	POWER UNT	TIMES OVER	RATE	TOTAL	CUSTOM
SWATHER (X)	14 FT SP	3.00	0.16	0.48	
BALE PTD (X)	96 HP	3.00	0.21	0.63	

GRAIN SORGHUM					
ACRES: 400 PUMP WATER:					
ACCOMPLISHMENT					
MACHINE	POWER UNT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	0.10	
ROD WEED	96 HP	1.00	0.08	0.08	
LISTER-PLANTER	96 HP	1.00	0.18	0.18	
CULTIVATOR (2X)	96 HP	2.00	0.13	0.26	
COMBINE	22 FT	1.00	0.14	0.14	
HAUL	2 TON	1.00	0.14	0.14	

WHEAT					
ACRES: 340 PUMP WATER:					
ACCOMPLISHMENT					
MACHINE	POWER UNT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP (2X)	145 HP	2.00	0.13	0.26	
RODWEED	145 HP	2.00	0.08	0.16	
DRILL	96 HP	1.00	0.09	0.09	
COMBINE	22 FT	1.00	0.14	0.14	
HAUL	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	0.00060	0.00020	0.00020	0.00020	0.00030	0.00040	0.00040	0.00040	0.00020
50	0.00060	0.00020	0.00020	0.00020	0.00030	0.00040	0.00040	0.00040	0.00020
100	0.00060	0.00020	0.00020	0.00020	0.00030	0.00040	0.00040	0.00040	0.00020
200	0.00030	0.00010	0.00010	0.00010	0.00015	0.00020	0.00020	0.00020	0.00010
300	0.00030	0.00005	0.00005	0.00005	0.00007	0.00010	0.00010	0.00010	0.00005
400	0.00030	0.00005	0.00005	0.00005	0.00007	0.00010	0.00010	0.00010	0.00005
500	0.00030	0.00005	0.00005	0.00005	0.00007	0.00010	0.00010	0.00010	0.00005
600	0.00030	0.00005	0.00005	0.00005	0.00007	0.00010	0.00010	0.00010	0.00005
700	0.00030	0.00005	0.00005	0.00005	0.00007	0.00010	0.00010	0.00010	0.00005
800	0.00030	0.00005	0.00005	0.00005	0.00007	0.00010	0.00010	0.00010	0.00005
900	0.00030	0.00005	0.00005	0.00005	0.00007	0.00010	0.00010	0.00010	0.00005
1000	0.00030	0.00005	0.00005	0.00005	0.00007	0.00010	0.00010	0.00010	0.00005
1400	0.00045	0.00015	0.00015	0.00015	0.00020	0.00025	0.00025	0.00025	0.00015
1500	0.00045	0.00015	0.00015	0.00015	0.00020	0.00025	0.00025	0.00025	0.00015
1600	0.00045	0.00015	0.00015	0.00015	0.00020	0.00025	0.00025	0.00025	0.00015
1800	0.00075	0.00025	0.00025	0.00025	0.00035	0.00045	0.00045	0.00045	0.00025
2000	0.00110	0.00035	0.00035	0.00035	0.00050	0.00065	0.00065	0.00065	0.00035
2500	0.00056								
3000	0.00070								
3500	0.00082								
4000	0.00096								
4500	0.00108								
5000	0.00118								
5500	0.00122								
6000	0.00126								
6500	0.00128								
7000	0.00130								

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

** Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1963.

- Codes
- 1 tractors
 - 2 balers, combines, forage harvesters, windrows, pickups
 - 3 rotary hoes, disks, moldboard plows, chisels, field cultivators, row cultivators, laser plans
 - 4 harrows, weepers, flails, rto buck, drag, roller, water, furrow, bed shaper
 - 5 balers, wagons, cotton pickers, cotton strippers, corn pickers, corn heads, forage equipment, rotary mowers, stalk choppers, feed wagons, farm trucks
 - 6 mules, catfish mowers
 - 7 baler w/ engine, manure spreader
 - 8 planters, drills, seeding equipment, mounted sprayers
 - 9 fertilizer distributing equipment

TABLE 5. Alfalfa establishment, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Actual 2014
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$6.00	10 LBS		\$60.00				\$60.00
WHEAT SEED	\$0.45	30 LBS		\$13.50				\$13.50
SUBTOTAL				\$73.50				\$73.50
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$3.43	\$0.85	\$3.75	\$8.89
RODWEEDER	96 HP	0.08 HR		\$0.68	\$1.87	\$0.14	\$0.25	\$2.94
DRILL WHEAT	96 HP	0.09 HR		\$0.77	\$2.10	\$0.18	\$1.49	\$4.53
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.31	\$7.40	\$1.16	\$5.49	\$20.86
OVERHEAD EXPENSES								
DOWNTIME		0.07 HR		\$0.58				\$0.58
EMPLOYEE BENEFITS				\$0.42				\$0.42
INSURANCE			\$0.05					\$0.05
SUPERVISION AND MANAGEMENT				\$6.94				\$6.94
SUBTOTAL		0.07 HR	\$0.05	\$7.94				\$7.98
TOTAL OPERATING EXPENSES		0.34 HR	\$8.05	\$10.24	\$7.40	\$1.16	\$5.49	\$102.34

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,
Actual 2014
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
ALFALF/ FA HAY	\$235.00	1.50 TONS (IN FIELD)						\$352.50	
GRAZING	\$12.00	1.00 ACRE						\$12.00	
TOTAL							\$364.50		
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
WIRE	\$3.12	13 LBS	\$40.11					\$40.11	
ESTABLISHMENT: Principal		6 YEARS					\$17.06	\$17.06	
: Interest							\$3.25	\$3.25	
SUBTOTAL			\$40.11				\$20.30	\$60.41	
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	\$6.88	\$0.28	\$26.24	\$37.51	
BALER (3X)	96 HP	0.63 HR		\$5.39	\$14.69	\$0.67	\$4.06	\$24.81	
SUBTOTAL	1.11 HR			\$9.49	\$21.58	\$0.95	\$30.30	\$62.32	
OVERHEAD EXPENSES									
DOWNTIME		0.28 HR		\$2.37				\$2.37	
EMPLOYEE BENEFITS				\$1.71				\$1.71	
INSURANCE			\$0.19					\$0.19	
LAND TAXES							\$0.33	\$0.33	
SUPERVISION AND MANAGEMENT				\$26.63				\$26.63	
OTHER EXPENSES			\$38.29					\$38.29	
SUBTOTAL	0.28 HR		\$38.48	\$30.71				\$0.33	\$69.51
TOTAL OPERATING EXPENSES	1.39 HR		\$78.59	\$40.20	\$21.58	\$0.95	\$50.93	\$192.24	
NET OPERATING PROFIT								\$172.26	
INTEREST ON OPERATING CAPITAL		(\$21.93 @	5.50%)				\$1.21	
INTEREST ON EQUIPMENT INVESTMENT								\$17.74	
RETURN TO LAND AND RISK								\$153.31	
BUDGET SUMMARY									
GROSS RETURN		\$364.50							
VARIABLE OPERATING EXPENSES	\$101.11								
RETURN OVER VARIABLE EXPENSES		\$263.39	(GROSS MARGIN)						
FIXED EXPENSES	\$50.93								
NET FARM INCOME		\$212.45	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$40.20								
NET OPERATING PROFIT		\$172.26	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$18.95								
RETURN TO LAND AND RISK								\$153.31	

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,
 Actual 2014
 Planting dates: June 1 - July 4
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$7.06	16.00 CWT							\$113.03
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									\$118.03
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST			TOTAL	
SEED	\$1.31	3 LBS		\$3.28				\$3.28	
HERBICIDE (CUSTOM)	\$15.07	1 ACRE		\$15.07				\$15.07	
CROP INSURANCE	\$0.13			\$0.13				\$0.13	
SUBTOTAL				\$18.47				\$18.47	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWEEP	145 HP	0.10 HR		\$0.86	\$3.43	\$0.85	\$3.75	\$8.89	
ROD WEED	96 HP	0.08 HR		\$0.68	\$1.87	\$0.14	\$0.25	\$2.94	
LISTER/PLANTER	96 HP	0.18 HR		\$1.54	\$4.20	\$0.46	\$2.16	\$8.36	
CULTIVATOR (2X)	96 HP	0.26 HR		\$2.22	\$6.06	\$0.89	\$1.26	\$10.44	
SUBTOTAL		0.62 HR		\$5.30	\$15.56	\$2.34	\$7.42	\$30.63	
HARVEST OPERATIONS									
COMBINE	22 FT	0.14 HR		\$1.20	\$4.48	\$0.39	\$12.77	\$18.84	
HAUL	2 TON	0.14 HR		\$1.20	\$3.41	\$0.90	\$6.48	\$11.99	
SUBTOTAL		0.28 HR		\$2.39	\$7.88	\$1.29	\$19.25	\$30.83	
OVERHEAD EXPENSES									
DOWNTIME		0.23 HR		\$1.92				\$1.92	
EMPLOYEE BENEFITS				\$1.73				\$1.73	
INSURANCE			\$0.15					\$0.15	
LAND TAXES						\$0.33		\$0.33	
SUPERVISION AND MANAGEMENT				\$9.16				\$9.16	
OTHER EXPENSES			\$38.29					\$38.29	
SUBTOTAL		0.23 HR	\$38.45	\$12.82		\$0.33		\$51.59	
TOTAL OPERATING EXPENSES		1.35 HR	\$41.72	\$20.51	\$23.45	\$3.64	\$27.00	\$116.32	
NET OPERATING PROFIT								\$1.71	
INTEREST ON OPERATING CAPITAL		(\$14.47 @	5.50%)				\$0.80	
INTEREST ON EQUIPMENT INVESTMENT								\$9.97	
RETURN TO LAND AND RISK								(\$9.05)	

BUDGET SUMMARY

GROSS RETURN		\$118.03	
VARIABLE OPERATING EXPENSES	\$68.80		
RETURN OVER VARIABLE EXPENSES	\$49.23	(GROSS MARGIN)	
FIXED EXPENSES	\$27.00		
NET FARM INCOME	\$22.22	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$20.51		
NET OPERATING PROFIT	\$1.71	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$10.76		
RETURN TO LAND AND RISK		(\$9.05)	

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,
 Actual 2014
 Planting dates: September 1 - September 15
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$7.00	14.00 BUSHELS		\$98.00
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				\$100.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.45	25 LBS	\$11.25		\$11.25
CROP INSURANCE	\$0.15		\$0.15		\$0.15
SUBTOTAL			\$11.40		\$11.40

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$2.22	\$8.93	\$2.21	\$9.75	\$23.11
RODWEED	145 HP	0.16 HR		\$1.37	\$5.49	\$0.99	\$5.72	\$13.57
DRILL	96 HP	0.09 HR		\$0.77	\$2.10	\$0.18	\$1.49	\$4.53
SUBTOTAL		0.51 HR		\$4.36	\$16.52	\$3.37	\$16.96	\$41.21

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$4.48	\$0.39	\$13.47	\$19.54
HAUL	2 TON	0.14 HR		\$1.20	\$3.41	\$0.90	\$6.48	\$11.99
SUBTOTAL		0.28 HR		\$2.39	\$7.88	\$1.29	\$19.95	\$31.53

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						\$0.33	\$0.33
SUPERVISION AND MANAGEMENT			\$5.00				\$5.00
OTHER EXPENSES		\$38.29					\$38.29
SUBTOTAL	0.20 HR	\$38.43	\$6.75			\$0.33	\$45.51

TOTAL OPERATING EXPENSES	0.99 HR	\$49.68	\$13.51	\$24.41	\$4.67	\$37.24	\$129.49
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NET OPERATING PROFIT (\$29.49)

INTEREST ON OPERATING CAPITAL	(\$11.44 @ 5.50%)	\$0.63
INTEREST ON EQUIPMENT INVESTMENT		\$13.41

RETURN TO LAND AND RISK (\$43.53)

BUDGET SUMMARY

GROSS RETURN	\$100.00	
VARIABLE OPERATING EXPENSES	\$78.75	
RETURN OVER VARIABLE EXPENSES	\$21.25	(GROSS MARGIN)
FIXED EXPENSES	\$37.24	
NET FARM INCOME	(\$15.99)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$13.51	
NET OPERATING PROFIT	(\$29.49)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$14.04	
RETURN TO LAND AND RISK	(\$43.53)	

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County,
Actual 2014

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$235.00	\$7.06	\$7.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$364.50	\$118.03	\$100.00
CASH OPERATING EXPENSES				
SEED	\$60.00		\$3.28	\$11.25
FERTILIZER	\$13.50			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.05	\$40.30	\$0.15	\$0.14
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$7.40	\$21.58	\$23.45	\$24.41
FUEL-IRRIGATION				
REPAIRS	\$1.16	\$0.95	\$3.64	\$4.67
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.33	\$0.33	\$0.33
OTHER EXPENSES		\$38.29	\$38.29	\$38.29
TOTAL CASH EXPENSES	\$86.61	\$101.44	\$69.25	\$79.22
RETURN OVER CASH EXPENSES	(\$86.61)	\$263.06	\$48.77	\$20.78
FIXED EXPENSES	\$5.49	\$50.61	\$26.68	\$36.91
TOTAL EXPENSES	\$92.10	\$152.05	\$95.93	\$116.13
NET FARM INCOME	(\$92.10)	\$212.45	\$22.10	(\$16.13)
LABOR AND MANAGEMENT COSTS	\$10.24	\$40.20	\$20.51	\$13.51
NET OPERATING PROFIT	(\$102.34)	\$172.26	\$1.58	(\$29.64)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$1.21	\$0.80	\$0.63
INTEREST ON EQUIPMENT INVESTMENT		\$17.74	\$9.97	\$13.41
TOTAL CAPITAL COSTS	\$0.00	\$18.95	\$10.76	\$14.04
RETURN TO LAND AND RISK	(\$102.34)	\$153.31	(\$9.18)	(\$43.68)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,
Actual 2014

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$21,150
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$45,211
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$33,320
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$103,081</u>
CASH OPERATING EXPENSES		
SEED		\$5,495
FERTILIZER		\$81
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,526
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$19,016
FUEL-IRRIGATION		\$0
REPAIRS		\$3,104
CUSTOM CHARGES		\$27
LAND TAXES		\$261
OTHER EXPENSES		\$30,634
TOTAL CASH EXPENSES		<u>\$61,244</u>
RETURN OVER CASH EXPENSES		\$41,838
FIXED EXPENSES		\$25,267
TOTAL EXPENSES		\$86,511
NET FARM INCOME		\$16,571
LABOR AND MANAGEMENT COSTS		\$15,270
NET OPERATING PROFIT		\$1,301
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$605
INTEREST ON EQUIPMENT INVESTMENT		\$9,610
TOTAL CAPITAL COSTS		<u>\$10,214</u>
RETURN TO LAND AND RISK		<u>(\$8,914)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$12,514)	0.51%
\$300 /ACRE	(\$16,114)	0.35%
\$450 /ACRE	(\$19,714)	0.26%
\$600 /ACRE	(\$23,314)	0.21%
\$750 /ACRE	(\$26,914)	0.18%
\$900 /ACRE	(\$30,514)	0.15%

* 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)