

TABLE 1. Acreage Summary, Curry County,  
Projected 2019

| BUDGET AREA..... CURRY COUNTY               |                     |                     |                  |
|---|---------------------|---------------------|------------------|
| FARM SIZE.....640 ACRES                     |                     |                     |                  |
| IRRIGATION TYPE.....SPRINKLER               |                     |                     |                  |
| NUMBER OF CROPS.....2.....                  |                     |                     |                  |
| ACREAGE SUMMARY:                            | LAND USE<br>(ACRES) | WATER USE           |                  |
|   |                     | AC. IN.<br>PER ACRE | TOTAL<br>AC. IN. |
| WHEAT                                       | 119                 | 10                  | 1,190            |
| ARP   | 0                   |                     |                  |
| FLEX IN WHEAT                               | 21                  | 10                  | 210              |
| CORN  | 306                 | 20                  | 6,120            |
| ARP   | 0                   |                     |                  |
| FLEX IN WHEAT                               | 54                  | 10                  | 540              |
| CORNERS, ROADS,<br>HOMESTEAD                | <u>140</u>          |                     |                  |
| TOTAL                                       | 640                 |                     | 8,060            |
| ACRE FEET PER ACRE PER ACRE OF WATER RIGHTS |                     |                     | 1.05             |

TABLE 2. Basic cost information for Curry County,  
Projected 2019

| Item                            |      |                             |          |
|---------------------------------|------|-----------------------------|----------|
| <b>Labor Wage Rate:</b>         |      |                             |          |
| Equipment operators             |      | \$/hour                     | \$7.75   |
| General & Irrigators            |      | \$/hour                     | \$7.50   |
| <b>Purchased Inputs:</b>        |      |                             |          |
| <b>Fertilizer:</b>              |      |                             |          |
| Nitrogen (N)                    |      | \$/pound                    | \$0.42   |
| Phosphate (P205)                |      | \$/pound                    | \$0.49   |
| <b>Seed:</b>                    |      |                             |          |
| Corn                            |      | \$/bag                      | \$245.00 |
| Wheat                           |      | \$/pound                    | \$0.40   |
| Diesel fuel                     |      | \$/gallon                   | \$2.65   |
| Gasoline                        |      | \$/gallon                   | \$2.35   |
| Electricity (SWPS)              |      | cents/KwHr                  | 7.74     |
| LP gas                          |      | \$/gallon                   | \$2.55   |
| Natural gas (Gas NM)            |      | \$/MCF                      | \$4.00   |
| Employee Liability Insurance    |      | \$/1,000 wages              | \$20.00  |
| Employee Benefits               |      | percent/wages               | 18.00%   |
| Labor Downtime                  |      | percent                     | 25.00%   |
| <b>Financial Rates:</b>         |      |                             |          |
| Operating Capital Interest Rate |      | percent                     | 5.50%    |
| Land Interest Rate              |      | percent                     | 5.00%    |
| Equipment Interest Rate         |      | percent                     | 5.50%    |
| Real Interest Rate              |      | percent                     | 3.00%    |
| Land Taxes                      |      | \$109.00 /acre (full value) | \$0.75   |
| Personal Property Tax Rate      | - NR | \$/1,000 (Assessed Value)   | \$20.61  |
|                                 | - R  |                             | \$20.29  |
| <b>Supervision Factors</b>      |      |                             |          |
| Field Crop-Irrigation           |      | \$/labor hour               | \$1.00   |
| Field Crop-Equipment & General  |      | \$/labor hour               | \$0.50   |
| Management Rate                 |      | percent                     | 7.00%    |

TABLE 3. Overhead cost information for Curry County,  
Projected 2019

| Item                               |        |                    |                 |
|------------------------------------|--------|--------------------|-----------------|
| Electricity (Domestic & Shop)      |        | \$256.00 per month | \$3,072         |
| Telephone                          |        | \$128.00 per month | \$1,536         |
| Accounting & Legal                 |        |                    | \$1,875         |
| Misc. Supplies & Hand Tools        |        |                    | \$2,810         |
| Pickup and Auto                    |        |                    |                 |
| miles                              | 25,600 | @ \$0.50 per mile  | \$12,800        |
| <b>Insurance</b>                   |        |                    |                 |
| - general liability (non-employee) |        |                    | \$2,522         |
| - fire/theft                       |        |                    | \$2,022         |
| <b>Property Taxes</b>              |        |                    |                 |
| - non-planted land                 |        |                    | \$0             |
| - other than land & machinery      |        |                    | \$0             |
| Building repairs and maintenance   |        |                    | \$1,670         |
| Dues, fees, publications           |        |                    | \$448           |
| Farmstead Equipment                |        |                    | \$192           |
| Total                              |        |                    | <u>\$28,947</u> |
| Total Per Planted Acre             |        |                    | \$57.89         |

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2019  
 Planting Dates: August 15 - September 15  
 Harvesting Dates: June 15 - July 15

| ITEM                             | PRICE      | YIELD               | BASE             |          |             |         |                 | TOTAL           |          |
|----------------------------------|------------|---------------------|------------------|----------|-------------|---------|-----------------|-----------------|----------|
| <b>GROSS RETURNS</b>             |            |                     |                  |          |             |         |                 |                 |          |
| WHEAT                            | \$5.10     | 75.00 BUSHELS       |                  |          |             |         |                 | \$382.50        |          |
| PROGRAM PAYMENT                  | \$0.00     | 75.00 BUSHELS       | 0.85             |          |             |         |                 | \$0.00          |          |
| PLC PAYMENT                      | \$0.00     |                     |                  |          |             |         |                 | \$0.00          |          |
| GRAZING                          | \$40.00    | 1.00 ACRE           |                  |          |             |         |                 | \$40.00         |          |
| <b>TOTAL</b>                     |            |                     |                  |          |             |         |                 | <b>\$422.50</b> |          |
| <b>PURCHASED INPUTS</b>          |            |                     |                  |          |             |         |                 |                 |          |
|                                  | PRICE      | QUANTITY            | PURCHASED INPUTS |          | FIXED COST  |         | TOTAL           |                 |          |
| SEED                             | \$0.40     | 80 LBS              | \$32.00          |          |             |         | \$32.00         |                 |          |
| LIQUID FERT (28-0-0)             | \$0.07     | 460 LBS             | \$33.35          |          |             |         | \$33.35         |                 |          |
| NITROGEN (N)                     | \$0.42     | 18 LBS              | \$7.56           |          |             |         | \$7.56          |                 |          |
| PHOSPHATE (P205)                 | \$0.49     | 46 LBS              | \$22.54          |          |             |         | \$22.54         |                 |          |
| INSECTICIDE (CUSTOM)             | \$11.16    | 1 ACRE              | \$11.16          |          |             |         | \$11.16         |                 |          |
| HERBICIDE (CUSTOM)               | \$11.16    | 1 ACRE              | \$11.16          |          |             |         | \$11.16         |                 |          |
| PUMP WATER*                      |            | 10 AC. IN.          |                  |          |             |         |                 |                 |          |
| CROP INSURANCE                   | \$0.26     |                     | \$0.26           |          |             |         | \$0.26          |                 |          |
| <b>SUBTOTAL</b>                  |            |                     | <b>\$118.03</b>  |          |             |         | <b>\$118.03</b> |                 |          |
| <b>PREHARVEST OPERATIONS</b>     |            |                     |                  |          |             |         |                 |                 |          |
|                                  | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR    | FUEL & LUBE | REPAIRS | FIXED COST      | TOTAL           |          |
| CHISEL                           | 185 HP     | 0.15 HR             |                  | \$1.16   | \$4.12      | \$1.15  | \$4.56          | \$10.99         |          |
| DISC (3X)                        | 185 HP     | 0.33 HR             |                  | \$2.56   | \$9.06      | \$4.92  | \$11.12         | \$27.66         |          |
| FERT SPREADER-ANHY               | 140 HP     | 0.05 HR             |                  | \$0.39   | \$1.04      | \$0.21  | \$1.76          | \$3.40          |          |
| DRILL                            | 140 HP     | 0.13 HR             |                  | \$1.01   | \$2.69      | \$0.78  | \$8.41          | \$12.89         |          |
| IRRIGATE (7X)                    |            | 0.70 HR             |                  | \$5.25   | \$47.91     | \$0.00  | \$4.16          | \$57.32         |          |
| <b>SUBTOTAL</b>                  |            | 1.36 HR             |                  | \$10.37  | \$64.81     | \$7.07  | \$30.02         | \$112.26        |          |
| <b>HARVEST OPERATIONS</b>        |            |                     |                  |          |             |         |                 |                 |          |
| COMBINE (CUSTOM)                 |            |                     |                  | \$8.76   |             |         |                 | \$8.76          |          |
| HAUL (CUSTOM)                    |            |                     |                  | \$12.00  |             |         |                 | \$12.00         |          |
| <b>SUBTOTAL</b>                  |            |                     |                  | \$20.76  |             |         |                 | \$20.76         |          |
| <b>OVERHEAD EXPENSES</b>         |            |                     |                  |          |             |         |                 |                 |          |
| DOWNTIME                         |            | 0.17 HR             |                  | \$1.28   |             |         |                 | \$1.28          |          |
| EMPLOYEE BENEFITS                |            |                     |                  | \$1.87   |             |         |                 | \$1.87          |          |
| INSURANCE                        |            |                     |                  | \$0.21   |             |         |                 | \$0.21          |          |
| LAND TAXES                       |            |                     |                  |          |             |         | \$0.75          | \$0.75          |          |
| SUPERVISION AND MANAGEMENT       |            |                     |                  | \$30.53  |             |         |                 | \$30.53         |          |
| OTHER EXPENSES                   |            |                     |                  | \$57.89  |             |         |                 | \$57.89         |          |
| <b>SUBTOTAL</b>                  |            | 0.17 HR             |                  | \$58.10  | \$33.67     |         | \$0.75          | \$92.52         |          |
| <b>TOTAL OPERATING EXPENSES</b>  |            | 1.53 HR             |                  | \$196.90 | \$44.04     | \$64.81 | \$7.07          | \$30.77         | \$343.58 |
| <b>NET OPERATING PROFIT</b>      |            |                     |                  |          |             |         |                 | \$78.92         |          |
| INTEREST ON OPERATING CAPITAL    |            | ( \$78.72 @         | 5.50%            | )        |             |         |                 | \$4.33          |          |
| INTEREST ON EQUIPMENT INVESTMENT |            |                     |                  |          |             |         |                 | \$11.59         |          |
| <b>RETURN TO LAND AND RISK</b>   |            |                     |                  |          |             |         |                 | <b>\$63.00</b>  |          |

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

**BUDGET SUMMARY**

|                                |          |                |   |
|--------------------------------|----------|----------------|---|
| GROSS RETURN                   |          | \$422.50       |   |
| VARIABLE OPERATING EXPENSES    | \$268.77 |                |   |
| RETURN OVER VARIABLE EXPENSES  |          | \$153.73       | (GROSS MARGIN)                          |
| FIXED EXPENSES                 | \$30.77  |                |   |
| NET FARM INCOME                |          | \$122.96       | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST      | \$44.04  |                |   |
| NET OPERATING PROFIT           |          | \$78.92        | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                  | \$15.92  |                |   |
| <b>RETURN TO LAND AND RISK</b> |          | <b>\$63.00</b> |   |

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County,  
 Projected 2019  
 Planting Dates: April 15 - May 15  
 Harvesting Dates: September 1 - October 15

| ITEM            | PRICE   | YIELD      | BASE | TOTAL           |
|-----------------|---------|------------|------|-----------------|
| GROSS RETURNS   |         |            |      |                 |
| CORN FOR GRAIN  | \$6.88  | 105.00 CWT |      | \$721.88        |
| PROGRAM PAYMENT | \$0.00  | 105.00 CWT | 0.85 | \$0.00          |
| PLC PAYMENT     | \$0.00  | 0.00 CWT   |      | \$0.00          |
| GRAZING         | \$20.00 | 1.00 ACRE  |      | \$20.00         |
| <b>TOTAL</b>    |         |            |      | <b>\$741.88</b> |

| PURCHASED INPUTS     | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST | TOTAL           |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED                 | \$3.06  | 34 000     | \$104.13         |            | \$104.13        |
| LIQUID FERT (28-0-0) | \$0.08  | 525 LBS    | \$42.00          |            | \$42.00         |
| LIQUID FERT (46-0-0) | \$0.08  | 325 LBS    | \$26.00          |            | \$26.00         |
| K-MAG                | \$0.09  | 45 LBS     | \$4.05           |            | \$4.05          |
| PHOSPHATE (P205)     | \$0.49  | 100 LBS    | \$49.00          |            | \$49.00         |
| NITROGEN (N)         | \$0.42  | 50 LBS     | \$21.00          |            | \$21.00         |
| HERBICIDE (SYSTEM)   | \$16.99 | 1 X/ACRE   | \$16.99          |            | \$16.99         |
| INSECTICIDE (SYSTEM) | \$11.16 | 2 X/ACRE   | \$22.32          |            | \$22.32         |
| TRACE ELEMENTS       | \$16.00 | 1 ACRE     | \$16.00          |            | \$16.00         |
| PUMP WATER*          |         | 20 AC. IN. |                  |            |                 |
| CROP INSURANCE       | \$0.16  |            | \$0.16           |            | \$0.16          |
| <b>SUBTOTAL</b>      |         |            | <b>\$301.65</b>  |            | <b>\$301.65</b> |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE     | REPAIRS       | FIXED COST     | TOTAL           |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|---------------|----------------|-----------------|
| DISC                  | 185 HP     | 0.11 HR             |                  | \$0.85         | \$3.02          | \$1.64        | \$3.71         | \$9.22          |
| CHISEL                | 185 HP     | 0.15 HR             |                  | \$1.16         | \$4.12          | \$1.15        | \$4.56         | \$10.99         |
| DISC (2X)             | 185 HP     | 0.22 HR             |                  | \$1.71         | \$6.04          | \$3.28        | \$7.42         | \$18.44         |
| FERT SPREADER         | 140 HP     | 0.05 HR             |                  | \$0.39         | \$1.04          | \$0.21        | \$1.76         | \$3.40          |
| PLANTER               | 140 HP     | 0.17 HR             |                  | \$1.32         | \$3.52          | \$1.07        | \$8.85         | \$14.76         |
| CULTIVATOR            | 140 HP     | 0.13 HR             |                  | \$1.01         | \$2.69          | \$1.04        | \$5.95         | \$10.69         |
| IRRIGATE (14X)        |            | 1.40 HR             |                  | \$10.50        | \$95.82         | \$0.00        | \$8.02         | \$114.34        |
| <b>SUBTOTAL</b>       |            | <b>2.23 HR</b>      |                  | <b>\$16.93</b> | <b>\$116.24</b> | <b>\$8.40</b> | <b>\$40.26</b> | <b>\$181.83</b> |

|                           |  |  |                |  |  |  |  |                |
|---------------------------|--|--|----------------|--|--|--|--|----------------|
| <b>HARVEST OPERATIONS</b> |  |  |                |  |  |  |  |                |
| COMBINE (CUSTOM)          |  |  | \$20.00        |  |  |  |  | \$20.00        |
| HAUL (CUSTOM)             |  |  | \$18.90        |  |  |  |  | \$18.90        |
| <b>SUBTOTAL</b>           |  |  | <b>\$38.90</b> |  |  |  |  | <b>\$38.90</b> |

|                            |  |                |                |                |  |               |  |                 |
|----------------------------|--|----------------|----------------|----------------|--|---------------|--|-----------------|
| <b>OVERHEAD EXPENSES</b>   |  |                |                |                |  |               |  |                 |
| DOWNTIME                   |  | 0.21 HR        |                | \$1.61         |  |               |  | \$1.61          |
| EMPLOYEE BENEFITS          |  |                |                | \$3.05         |  |               |  | \$3.05          |
| INSURANCE                  |  |                | \$0.34         |                |  |               |  | \$0.34          |
| LAND TAXES                 |  |                |                |                |  | \$0.75        |  | \$0.75          |
| SUPERVISION AND MANAGEMENT |  |                |                | \$53.75        |  |               |  | \$53.75         |
| OTHER EXPENSES             |  |                | \$57.89        |                |  |               |  | \$57.89         |
| <b>SUBTOTAL</b>            |  | <b>0.21 HR</b> | <b>\$58.23</b> | <b>\$58.40</b> |  | <b>\$0.75</b> |  | <b>\$117.38</b> |

TOTAL OPERATING EXPENSES 2.44 HR \$398.78 \$75.33 \$116.24 \$8.40 \$41.01 \$639.77

NET OPERATING PROFIT \$102.11

INTEREST ON OPERATING CAPITAL ( \$185.22 @ 5.50% ) \$10.19  
 INTEREST ON EQUIPMENT INVESTMENT \$16.15

**RETURN TO LAND AND RISK \$75.77**

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

|                                |          |                |   |
|--------------------------------|----------|----------------|---|
| GROSS RETURN                   |          | \$741.88       |   |
| VARIABLE OPERATING EXPENSES    | \$523.42 |                |   |
| RETURN OVER VARIABLE EXPENSES  |          | \$218.46       | (GROSS MARGIN)                          |
| FIXED EXPENSES                 | \$41.01  |                |   |
| NET FARM INCOME                |          | \$177.44       | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST      | \$75.33  |                |   |
| NET OPERATING PROFIT           |          | \$102.11       | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                  | \$26.33  |                |   |
| <b>RETURN TO LAND AND RISK</b> |          | <b>\$75.77</b> |   |

TABLE 8. Summary of per acre costs and returns for a 640 acre farm with above average management Curry County, Projected 2019

|                                  | WHEAT        | CORN FOR GRAIN |
|----------------------------------|--------------|----------------|
|                                  | BUSHEL       | CWT            |
| PRIMARY YIELD                    | 75.00        | 105.00         |
| PRIMARY PRICE                    | \$5.10       | \$6.88         |
| GOVERNMENT PAYMENTS              | \$0.00       | \$0.00         |
| SECOND INCOME                    | \$40.00 ACRE | \$20.00 ACRE   |
| GROSS RETURN                     | \$422.50     | \$741.88       |
| CASH OPERATING EXPENSES          |              |                |
| SEED                             | \$32.00      | \$104.13       |
| FERTILIZER                       | \$63.45      | \$158.05       |
| CHEMICALS                        | \$22.32      | \$39.31        |
| CROP INSURANCE                   | \$0.26       | \$0.16         |
| OTHER PURCHASED INPUTS           |              |                |
| CANAL WATER                      |              |                |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$16.90      | \$20.42        |
| FUEL-IRRIGATION                  | \$47.91      | \$95.82        |
| REPAIRS                          | \$7.07       | \$8.40         |
| CUSTOM CHARGES                   | \$20.76      | \$38.90        |
| LAND TAXES                       | \$0.75       | \$0.75         |
| OTHER EXPENSES                   | \$58.10      | \$58.23        |
| TOTAL CASH EXPENSES              | \$269.52     | \$524.17       |
| RETURN OVER CASH EXPENSES        | \$152.98     | \$217.71       |
| FIXED EXPENSES                   | \$30.02      | \$40.26        |
| TOTAL EXPENSES                   | \$299.54     | \$564.43       |
| NET FARM INCOME                  | \$122.96     | \$177.44       |
| LABOR AND MANAGEMENT COSTS       | \$44.04      | \$75.33        |
| NET OPERATING PROFIT             | \$78.92      | \$102.11       |
| CAPITAL COSTS                    |              |                |
| INTEREST ON OPERATING CAPITAL    | \$4.33       | \$10.19        |
| INTEREST ON EQUIPMENT INVESTMENT | \$11.59      | \$16.15        |
| TOTAL CAPITAL COSTS              | \$15.92      | \$26.33        |
| RETURN TO LAND AND RISK          | \$63.00      | \$75.77        |
| Flex Computation                 | 104.61       | 132.19         |

TABLE 9. Whole farm summary, Curry County,  
Projected 2019

|                                  |           |                        |
|----------------------------------|-----------|------------------------|
| GROSS RETURNS                    |           |                        |
| WHEAT                            | 194 ACRES |                        |
| CROP                             |           | \$74,205               |
| GRAZING                          |           | \$7,760                |
| PROGRAM PAYMENT                  |           | \$0                    |
| PLC PAYMENT                      |           | \$0                    |
| CORN FOR GRAIN                   | 306 ACRES |                        |
| CROP                             |           | \$220,894              |
| GRAZING                          |           | \$6,120                |
| PROGRAM PAYMENT                  |           | \$0                    |
| PLC PAYMENT                      |           | \$0                    |
| GROSS RETURN                     |           | <u>\$308,979</u>       |
| CASH OPERATING EXPENSES          |           |                        |
| SEED                             |           | \$38,070               |
| FERTILIZER                       |           | \$60,673               |
| CHEMICALS                        |           | \$16,359               |
| CROP INSURANCE                   |           | \$100                  |
| OTHER PURCHASED INPUTS           |           | \$0                    |
| CANAL WATER                      |           | \$0                    |
| FUEL, OIL & LUBRICANTS-EQUIPMENT |           | \$9,529                |
| FUEL-IRRIGATION                  |           | \$38,614               |
| REPAIRS                          |           | \$3,940                |
| CUSTOM CHARGES                   |           | \$15,931               |
| LAND TAXES                       |           | \$374                  |
| OTHER EXPENSES                   |           | \$29,091               |
| TOTAL CASH EXPENSES              |           | <u>\$212,682</u>       |
| RETURN OVER CASH EXPENSES        |           | \$96,296               |
| FIXED EXPENSES                   |           | \$18,144               |
| TOTAL EXPENSES                   |           | \$230,826              |
| NET FARM INCOME                  |           | \$78,152               |
| LABOR AND MANAGEMENT COSTS       |           | \$31,596               |
| NET OPERATING PROFIT             |           | \$46,556               |
| CAPITAL COSTS                    |           |                        |
| INTEREST ON OPERATING CAPITAL    |           | \$3,957                |
| INTEREST ON EQUIPMENT INVESTMENT |           | \$7,189                |
| TOTAL CAPITAL COSTS              |           | <u>\$11,147</u>        |
| RETURN TO LAND AND RISK          |           | <u><u>\$35,410</u></u> |

| LAND VALUE    | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE   | \$25,810        | 10.35%                 |
| \$1,000 /ACRE | \$16,210        | 6.05%                  |
| \$1,500 /ACRE | \$6,610         | 4.27%                  |
| \$2,000 /ACRE | (\$2,990)       | 3.30%                  |
| \$2,500 /ACRE | (\$12,590)      | 2.69%                  |

\* 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)