

TABLE 1. Acreage Summary, Roosevelt County, Projected 2021

| BUDGET AREA..... | | PORTALES VALLEY, ROOSEVELT COUNTY | |
|------------------------------------|------------------|-----------------------------------|--------------|
| FARM SIZE..... | | 320 ACRES | |
| IRRIGATION TYPE..... | | SPRINKLER | |
| NUMBER OF CROPS... | | 4 | |
| WATER USE | | | |
| ACREAGE SUMMARY: | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN. |
| WHEAT | 93.55 | 18 | 1,684 |
| ARP | 0.00 | | |
| FLEX IN WHEAT | 9.45 | 18 | 170 |
| CORN | 52.70 | 30 | 1,581 |
| ARP | 0.00 | | |
| FLEX IN WHEAT | 9.30 | 18 | 167 |
| GRAIN SORGHUM | 52.70 | 20 | 1,054 |
| ARP | 0.00 | | |
| FLEX IN WHEAT | 9.30 | 18 | 167 |
| PEANUTS | 20.00 | 22 | 440 |
| CORNERS, ROADS, HOMESTEAD | 70.00 | | |
| TOTAL | 317.00 | | 5,264 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 1.38 |

TABLE 2. Basic cost information for the Portales Valley, Roosevelt County, Projected 2021

| Item | | | |
|---------------------------------|---------|------------------------------|----------|
| Labor Wage Rate: | | | |
| Equipment operators | | \$/hour | \$8.55 |
| General & Irrigators | | \$/hour | \$7.50 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | | \$/pound | \$0.35 |
| Phosphate (P205) | | \$/pound | \$0.75 |
| Seed: | | | |
| Wheat | | \$/pound | \$0.40 |
| Corn | | \$/bag | \$245.00 |
| Grain Sorghum | | \$/pound | \$2.05 |
| Peanuts | | \$/pound | \$1.10 |
| Energy: | | | |
| Natural gas (Gas NM) | | \$/MCF | \$4.00 |
| Diesel fuel | | \$/gallon | \$2.59 |
| Gasoline | | \$/gallon | \$2.41 |
| Electricity (SWPS) | | cents/KwHr | 6.00 |
| LP Gas | | \$/gallon | \$2.29 |
| 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 | 4.25% |
| Land Interest Rate | | percent | 5.25% |
| Equipment Interest Rate | | percent | 3.50% |
| Real Interest Rate | | percent | 5.25% |
| Land Taxes | \$89.00 | /acre (full value) | \$0.60 |
| Personal Property Tax Rate | - NR | \$/ \$1,000 (Assessed Value) | \$20.26 |
| | - R | | \$20.02 |
| Supervision Factor | | \$/labor hour | \$0.50 |
| Management Rate | | percent | 7.00% |

TABLE 3. Overhead cost information for the Portales Valley, Roosevelt County, Projected 2021

| 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 | | | \$2,822 |
| Pickup and Auto | | | |
| miles | 26,368 | @ \$0.500 per mile | \$13,184 |
| Insurance | | | |
| - general liability (non-employee) | | | \$2,022 |
| - fire/theft | | | \$1,600 |
| Property Taxes | | | |
| - non-planted land | | | \$0 |
| - other than land & machinery | | | \$6,010 |
| Building repairs and maintenance | | | \$1,536 |
| Dues, fees, publications | | | \$461 |
| Farmstead Equipment | | | \$192 |
| Total | | | \$34,311 |
| Total Per Planted Acre | | | \$139.87 |

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2021
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

| ITEM | PRICE | YIELD | BASE | TOTAL |
|----------------------|---------|---------------|------|-----------------|
| GROSS RETURNS | | | | |
| WHEAT | \$4.65 | 75.00 BUSHELS | | \$348.75 |
| 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 |
| TOTAL | | | | \$388.75 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$0.40 | 60 LBS | \$24.00 | | \$24.00 |
| NITROGEN (N) | \$0.35 | 120 LBS | \$42.00 | | \$42.00 |
| PHOSPHATE (P205) | \$0.75 | 40 LBS | \$30.00 | | \$30.00 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE | \$20.01 | | \$20.01 |
| PUMP WATER* | | 18 AC. IN. | | | |
| CROP INSURANCE | \$0.41 | | \$0.41 | | \$0.41 |
| SUBTOTAL | | | \$116.42 | | \$116.42 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------------|----------------|---------------|----------------|----------------|
| DISC (2X) | 185 HP | 0.28 HR | | \$2.39 | \$7.51 | \$2.61 | \$10.82 | \$23.34 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$0.99 | \$0.20 | \$1.35 | \$2.97 |
| DRILL | 126 HP | 0.18 HR | | \$1.54 | \$3.58 | \$0.90 | \$8.50 | \$14.52 |
| IRRIGATE (6X) | | 0.60 HR | | \$4.50 | \$41.83 | \$0.00 | \$9.68 | \$56.01 |
| SUBTOTAL | | 1.11 HR | | \$8.86 | \$53.92 | \$3.71 | \$30.35 | \$96.83 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|--|----------------|--|--|--|----------------|
| COMBINE (CUSTOM) | | | | \$25.45 | | | | \$25.45 |
| HAUL (CUSTOM) | | | | \$12.00 | | | | \$12.00 |
| SUBTOTAL | | | | \$37.45 | | | | \$37.45 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|--|-----------------|----------------|--|---------------|-----------------|
| DOWNTIME | | 0.13 HR | | \$1.09 | | | | \$1.09 |
| EMPLOYEE BENEFITS | | | | \$1.59 | | | | \$1.59 |
| INSURANCE | | | | \$0.18 | | | | \$0.18 |
| LAND TAXES | | | | | | | \$0.60 | \$0.60 |
| SUPERVISION AND MANAGEMENT | | | | \$27.77 | | | | \$27.77 |
| OTHER EXPENSES | | | | \$139.87 | | | | \$139.87 |
| SUBTOTAL | | 0.13 HR | | \$140.05 | \$30.45 | | \$0.60 | \$171.10 |

TOTAL OPERATING EXPENSES 1.24 HR \$293.92 \$39.31 \$53.92 \$3.71 \$30.95 \$421.80

NET OPERATING PROFIT (\$33.05)

INTEREST ON OPERATING CAPITAL (\$75.74 @ 4.25%) \$3.22
 INTEREST ON EQUIPMENT INVESTMENT \$8.62

RETURN TO LAND AND RISK (\$44.89)

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

| | | | |
|-------------------------------|-----------|---|--|
| GROSS RETURN | | \$388.75 | |
| VARIABLE OPERATING EXPENSES | \$351.54 | | |
| RETURN OVER VARIABLE EXPENSES | \$37.21 | (GROSS MARGIN) | |
| FIXED EXPENSES | \$30.95 | | |
| NET FARM INCOME | \$6.26 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$39.31 | | |
| NET OPERATING PROFIT | (\$33.05) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$11.84 | | |
| RETURN TO LAND AND RISK | (\$44.89) | | |

TABLE 7. Corn for grain, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2021
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

| ITEM | PRICE | YIELD | BASE | TOTAL |
|----------------------|---------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| CORN FOR GRAIN | \$5.00 | 90.00 CWT | | \$450.00 |
| PROGRAM PAYMENT | \$0.00 | 90.00 CWT | 0.85 | \$0.00 |
| PLC PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$15.00 | 1.00 ACRE | | \$15.00 |
| TOTAL | | | | \$465.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$3.06 | 28 000 | \$85.75 | | \$85.75 |
| NITROGEN (N) | \$0.35 | 150 LBS | \$52.50 | | \$52.50 |
| PHOSPHATE (P205) | \$0.75 | 60 LBS | \$45.00 | | \$45.00 |
| HERBICIDE | \$16.96 | 1 X/ACRE | \$16.96 | | \$16.96 |
| INSECTICIDE (CUSTOM) | \$20.01 | 2 X/ACRE | \$40.01 | | \$40.01 |
| PUMP WATER* | | 30 AC. IN. | | | |
| CROP INSURANCE | \$0.95 | | \$0.95 | | \$0.95 |
| SUBTOTAL | | | \$241.17 | | \$241.17 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.76 | \$1.31 | \$5.41 | \$11.67 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$12.88 | \$5.08 | \$20.79 | \$42.85 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.76 | \$1.31 | \$5.41 | \$11.67 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$0.99 | \$0.20 | \$1.35 | \$2.97 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.45 | \$4.56 | \$1.70 | \$8.13 | \$15.85 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$5.36 | \$0.00 | \$1.24 | \$7.35 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.39 | \$0.80 | \$5.63 | \$9.84 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.68 | \$1.59 | \$0.38 | \$2.98 | \$5.64 |
| PLANT ER | 185 HP | 0.17 HR | | \$1.45 | \$4.56 | \$1.30 | \$12.79 | \$20.10 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.17 | \$1.84 | \$9.79 | \$19.02 |
| IRRIGATE (12X) | | 1.20 HR | | \$9.00 | \$64.35 | \$0.00 | \$14.89 | \$88.24 |
| SUBTOTAL | | 2.91 HR | | \$23.52 | \$109.37 | \$13.90 | \$88.41 | \$235.20 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|----------------|--|--|--|--|----------------|
| COMBINE (CUSTOM) | | | \$31.50 | | | | | \$31.50 |
| HAUL (CUSTOM) | | | \$16.20 | | | | | \$16.20 |
| SUBTOTAL | | | \$47.70 | | | | | \$47.70 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|-----------------|----------------|--|---------------|--|-----------------|
| DOWNTIME | | 0.20 HR | | \$1.67 | | | | \$1.67 |
| EMPLOYEE BENEFITS | | | | \$4.23 | | | | \$4.23 |
| INSURANCE | | | \$0.47 | | | | | \$0.47 |
| LAND TAXES | | | | | | \$0.60 | | \$0.60 |
| SUPERVISION AND MANAGEMENT | | | | \$33.67 | | | | \$33.67 |
| OTHER EXPENSES | | | \$139.87 | | | | | \$139.87 |
| SUBTOTAL | | 0.20 HR | \$140.34 | \$39.57 | | \$0.60 | | \$180.51 |

| | | | | | | | | |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | | 3.11 HR | \$429.21 | \$63.09 | \$109.37 | \$13.90 | \$89.02 | \$704.58 |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|-------------------|
| NET OPERATING PROFIT | | | | | | | | (\$239.58) |
|-----------------------------|--|--|--|--|--|--|--|-------------------|

| | | | | | | | | |
|----------------------------------|---|----------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$155.38 | @ | 4.25% |) | | | \$6.60 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$24.27 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | | (\$270.46) |
|--------------------------------|--|--|--|--|--|--|--|-------------------|

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

BUDGET SUMMARY

| | | | | |
|-------------------------------|----------|------------|---|--|
| GROSS RETURN | | \$465.00 | | |
| VARIABLE OPERATING EXPENSES | \$552.48 | | | |
| RETURN OVER VARIABLE EXPENSES | | (\$87.48) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$89.02 | | | |
| NET FARM INCOME | | (\$176.50) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$63.09 | | | |
| NET OPERATING PROFIT | | (\$239.58) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$30.88 | | | |
| RETURN TO LAND AND RISK | | (\$270.46) | | |

TABLE 8. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2021
 Planting Dates: May 15 - June 10
 Harvest Dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|----------------------|--------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$6.33 | 65.00 CWT | | \$411.13 |
| PROGRAM PAYMENT | \$0.00 | 65.00 CWT | 0.85 | \$0.00 |
| PLC PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$9.00 | 1.00 ACRE | | \$9.00 |
| TOTAL | | | | \$420.13 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$2.05 | 6 LBS | \$12.30 | | \$12.30 |
| NITROGEN (N) | \$0.35 | 150 LBS | \$52.50 | | \$52.50 |
| PHOSPHATE (P205) | \$0.75 | 40 LBS | \$30.00 | | \$30.00 |
| HERBICIDE | \$16.96 | 1 ACRE | \$16.96 | | \$16.96 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 ACRE | \$20.01 | | \$20.01 |
| PUMP WATER* | | 20 AC. IN. | | | |
| CROP INSURANCE | \$0.95 | | \$0.95 | | \$0.95 |
| SUBTOTAL | | | \$132.72 | | \$132.72 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.76 | \$1.31 | \$5.41 | \$11.67 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$12.88 | \$5.08 | \$20.79 | \$42.85 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.76 | \$1.31 | \$5.41 | \$11.67 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$0.99 | \$0.20 | \$1.35 | \$2.97 |
| DISC & SPRAY | 185 HP | 0.17 HR | | \$1.45 | \$4.56 | \$1.70 | \$8.13 | \$15.85 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.39 | \$0.80 | \$5.63 | \$9.84 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$4.23 | \$0.00 | \$0.98 | \$5.95 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.68 | \$1.59 | \$0.38 | \$2.98 | \$5.64 |
| PLANTER | 185 HP | 0.17 HR | | \$1.45 | \$4.56 | \$1.30 | \$12.79 | \$20.10 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.17 | \$1.84 | \$9.79 | \$19.02 |
| IRRIGATE (10X) | | 1.00 HR | | \$7.50 | \$42.25 | \$0.00 | \$9.78 | \$59.53 |
| SUBTOTAL | | 2.71 HR | | \$22.02 | \$86.13 | \$13.90 | \$83.04 | \$205.08 |

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

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|-----------------|----------------|--|---------------|--|-----------------|
| DOWNTIME | | 0.39 HR | | \$3.36 | | | | \$3.36 |
| EMPLOYEE BENEFITS | | | | \$3.96 | | | | \$3.96 |
| INSURANCE | | | \$0.44 | | | | | \$0.44 |
| LAND TAXES | | | | | | \$0.60 | | \$0.60 |
| SUPERVISION AND MANAGEMENT | | | | \$30.69 | | | | \$30.69 |
| OTHER EXPENSES | | | \$139.87 | | | | | \$139.87 |
| SUBTOTAL | | 0.39 HR | \$140.31 | \$38.01 | | \$0.60 | | \$178.93 |

TOTAL OPERATING EXPENSES 3.10 HR \$314.66 \$60.03 \$86.13 \$13.90 \$83.64 \$558.36

NET OPERATING PROFIT (\$138.23)

INTEREST ON OPERATING CAPITAL (\$94.83 @ 4.25%) \$4.03
 INTEREST ON EQUIPMENT INVESTMENT \$22.72

RETURN TO LAND AND RISK (\$164.98)

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$420.13 | |
| VARIABLE OPERATING EXPENSES | \$414.69 | | |
| RETURN OVER VARIABLE EXPENSES | | \$5.44 | (GROSS MARGIN) |
| FIXED EXPENSES | \$83.64 | | |
| NET FARM INCOME | | (\$78.20) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$60.03 | | |
| NET OPERATING PROFIT | | (\$138.23) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$26.75 | | |
| RETURN TO LAND AND RISK | | (\$164.98) | |

TABLE 9. Peanuts, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Portales Valley, Roosevelt County, Projected 2021
 Planting Dates: May 10 - June 10
 Harvest Dates: October 10 - November 10

| ITEM | PRICE | YIELD | TOTAL |
|---------------|--------|--------------|-----------------|
| GROSS RETURNS | | | |
| PEANUTS | \$0.23 | 2,600.00 LBS | \$598.00 |
| TOTAL | | | \$598.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$1.10 | 100 LB | \$110.00 | | \$110.00 |
| NITROGEN (N) | \$0.35 | 60 LB | \$21.00 | | \$21.00 |
| PHOSPHATE (P205) | \$0.75 | 80 LB | \$60.00 | | \$60.00 |
| HERBICIDE | \$16.96 | 1 X/ACRE | \$16.96 | | \$16.96 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE | \$20.01 | | \$20.01 |
| FUNGICIDE | \$37.67 | 1 X/ACRE | \$37.67 | | \$37.67 |
| TRACE ELEMENTS | \$11.89 | 1 X/ACRE | \$11.89 | | \$11.89 |
| PUMP WATER* | | 22 AC. IN. | | | |
| SUBTOTAL | | | \$277.53 | | \$277.53 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------------|------------|---------------------|------------------|----------------|----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.76 | \$1.31 | \$5.41 | \$11.67 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$12.88 | \$5.08 | \$20.79 | \$42.85 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.76 | \$1.31 | \$5.41 | \$11.67 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$0.99 | \$0.20 | \$1.35 | \$2.97 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.45 | \$4.56 | \$1.70 | \$8.13 | \$15.85 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$4.65 | \$0.00 | \$1.08 | \$6.47 |
| LISTE R | 126 HP | 0.12 HR | | \$1.03 | \$2.39 | \$0.80 | \$5.63 | \$9.84 |
| PLANTER | 126 HP | 0.17 HR | | \$1.45 | \$4.56 | \$1.30 | \$12.79 | \$20.10 |
| APPLY FUNGICIDE (CUSTOM) | | | \$27.00 | | | | | \$27.00 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.17 | \$1.84 | \$9.79 | \$19.02 |
| HAND HOE (CUSTOM) | | | \$12.00 | | | | | \$12.00 |
| IRRIGATE (10X) | | 1.00 HR | | \$7.50 | \$46.48 | \$0.00 | \$10.75 | \$64.73 |
| SUBTOTAL | | 2.63 HR | \$39.00 | \$21.33 | \$89.19 | \$13.52 | \$81.13 | \$244.17 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|------------|---------------------|------------------|----------------|----------------|----------------|-----------------|-----------------|
| DIG AND INVERT | 185 HP | 0.24 HR | | \$2.05 | \$6.44 | \$1.35 | \$12.54 | \$22.38 |
| COMBINE PEANUTS | 185 HP | 0.80 HR | | \$6.84 | \$21.46 | \$5.42 | \$230.33 | \$264.05 |
| HAUL | 126 HP | 0.80 HR | | \$6.84 | \$15.90 | \$3.28 | \$46.05 | \$72.07 |
| SUBTOTAL | | 1.84 HR | \$0.00 | \$15.73 | \$43.81 | \$10.05 | \$288.92 | \$358.51 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|----------------|-------------|---------|---------------|-----------------|
| DOWNTIME | 0.61 HR | | \$5.22 | | | | \$5.22 |
| EMPLOYEE BENEFITS | | | \$6.67 | | | | \$6.67 |
| INSURANCE | | \$0.74 | | | | | \$0.74 |
| LAND TAXES | | | | | | \$0.60 | \$0.60 |
| SUPERVISION AND MANAGEMENT | | | \$43.71 | | | | \$43.71 |
| OTHER EXPENSES | | \$139.87 | | | | | \$139.87 |
| SUBTOTAL | 0.61 HR | \$140.61 | \$55.60 | | | \$0.60 | \$196.81 |

| | | | | | | | |
|--------------------------|---------|----------|---------|----------|---------|----------|------------|
| TOTAL OPERATING EXPENSES | 5.08 HR | \$457.14 | \$92.66 | \$132.99 | \$23.57 | \$370.65 | \$1,077.02 |
|--------------------------|---------|----------|---------|----------|---------|----------|------------|

| | | | | | | | |
|----------------------|--|--|--|--|--|--|------------|
| NET OPERATING PROFIT | | | | | | | (\$479.02) |
|----------------------|--|--|--|--|--|--|------------|

| | | | | | | | |
|----------------------------------|----------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | \$168.93 | @ | 4.25% |) | | | \$7.18 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$97.44 |

| | | | | | | | |
|-------------------------|--|--|--|--|--|--|------------|
| RETURN TO LAND AND RISK | | | | | | | (\$583.64) |
|-------------------------|--|--|--|--|--|--|------------|

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$598.00 | |
| VARIABLE OPERATING EXPENSES | \$613.71 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$15.71) | (GROSS MARGIN) |
| FIXED EXPENSES | \$370.65 | | |
| NET FARM INCOME | | (\$386.36) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$92.66 | | |
| NET OPERATING PROFIT | | (\$479.02) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$104.62 | | |
| RETURN TO LAND AND RISK | | (\$583.64) | |

TABLE 10. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, Projected 2021

| | WHEAT | CORN | GRAIN SORGHUM | PEANUTS |
|----------------------------------|-----------|------------|------------------|------------|
| | BU | CWT | CWT | LBS |
| PRIMARY YIELD | 75.00 | 90.00 | 65.00 | 2,600.00 |
| PRIMARY PRICE | \$4.65 | \$5.00 | \$6.33 | \$0.23 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| SECOND INCOME | \$40.00 | \$15.00 | \$9.00 | \$0.00 |
| GROSS RETURN | \$388.75 | \$465.00 | \$420.13 | \$598.00 |
| CASH OPERATING EXPENSES | | | | |
| SEED | \$24.00 | \$85.75 | \$12.30 | \$110.00 |
| FERTILIZER | \$72.00 | \$97.50 | \$82.50 | \$81.00 |
| CHEMICALS | \$20.01 | \$56.97 | \$36.97 | \$74.64 |
| CROP INSURANCE | \$0.41 | \$0.95 | \$0.95 | |
| OTHER PURCHASED INPUTS | | | | \$11.89 |
| CANAL WATER | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$12.08 | \$39.65 | \$39.65 | \$81.87 |
| FUEL-IRRIGATION | \$41.83 | \$69.72 | \$46.48 | \$51.13 |
| REPAIRS | \$3.71 | \$13.90 | \$13.90 | \$23.57 |
| CUSTOM CHARGES | \$37.45 | \$47.70 | \$41.63 | \$39.00 |
| LAND TAXES | \$0.60 | \$0.60 | \$0.60 | \$0.60 |
| OTHER EXPENSES | \$140.05 | \$140.34 | \$140.31 | \$140.61 |
| TOTAL CASH EXPENSES | \$352.14 | \$553.08 | \$415.29 | \$614.31 |
| RETURN OVER CASH EXPENSES | \$36.61 | (\$88.08) | \$4.83 | (\$16.31) |
| FIXED EXPENSES | \$30.35 | \$88.41 | \$83.04 | \$370.05 |
| TOTAL EXPENSES | \$382.49 | \$641.50 | \$498.33 | \$984.36 |
| NET FARM INCOME | \$6.26 | (\$176.50) | (\$78.20) | (\$386.36) |
| LABOR AND MANAGEMENT COSTS | \$39.31 | \$63.09 | \$60.03 | \$92.66 |
| NET OPERATING PROFIT | (\$33.05) | (\$239.58) | (\$138.23) | (\$479.02) |
| CAPITAL COSTS | | | | |
| INTEREST ON OPERATING CAPITAL | \$3.22 | \$6.60 | \$4.03 | \$7.18 |
| INTEREST ON EQUIPMENT INVESTMENT | \$8.62 | \$24.27 | \$22.72 | \$97.44 |
| TOTAL CAPITAL COSTS | \$11.84 | \$30.88 | \$26.75 | \$104.62 |
| RETURN TO LAND AND RISK | (\$44.89) | (\$270.46) | (\$164.98) | (\$583.64) |
| Flex Computation | -5.93 | -157.77 | -59.22 | |

TABLE 11. Whole farm summary, Portales Valley, Roosevelt County,
Projected 2021

| | | |
|----------------------------------|--------------|-------------------|
| GROSS RETURNS | | |
| WHEAT | 121.60 ACRES | |
| CROP | | \$42,408 |
| GRAZING | | \$4,864 |
| PROGRAM PAYMENT | | \$0 |
| PLC PAYMENT | | \$0 |
| CORN FOR GRAIN | 52.70 ACRES | |
| CROP | | \$23,715 |
| GRAZING | | \$791 |
| PROGRAM PAYMENT | | \$0 |
| PLC PAYMENT | | \$0 |
| GRAIN SORGHUM | 52.70 ACRES | |
| CROP | | \$21,666 |
| GRAZING | | \$474 |
| PROGRAM PAYMENT | | \$0 |
| PLC PAYMENT | | \$0 |
| PEANUTS | 20.00 ACRES | |
| CROP | | \$11,960 |
| GROSS RETURN | | <u>\$105,878</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$10,286 |
| FERTILIZER | | \$19,861 |
| CHEMICALS | | \$8,876 |
| CROP INSURANCE | | \$150 |
| OTHER PURCHASED INPUTS | | \$238 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$7,286 |
| FUEL-IRRIGATION | | \$12,233 |
| REPAIRS | | \$2,388 |
| CUSTOM CHARGES | | \$10,042 |
| LAND TAXES | | \$148 |
| OTHER EXPENSES | | \$34,633 |
| TOTAL CASH EXPENSES | | <u>\$106,140</u> |
| RETURN OVER CASH EXPENSES | | (\$262) |
| FIXED EXPENSES | | \$20,127 |
| TOTAL EXPENSES | | \$126,267 |
| NET FARM INCOME | | (\$20,389) |
| LABOR AND MANAGEMENT COSTS | | \$13,122 |
| NET OPERATING PROFIT | | (\$33,510) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$1,095 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$5,473 |
| TOTAL CAPITAL COSTS | | <u>\$6,569</u> |
| RETURN TO LAND AND RISK | | <u>(\$40,079)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | (\$48,479) | -10.69% |
| \$750 /ACRE | (\$52,679) | -8.51% |
| \$1,000 /ACRE | (\$56,879) | -7.08% |
| \$1,250 /ACRE | (\$61,079) | -6.05% |
| \$1,500 /ACRE | (\$65,279) | -5.29% |
| \$1,750 /ACRE | (\$69,479) | -4.70% |
| \$2,000 /ACRE | (\$73,679) | -4.22% |

* 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)