

TABLE 1. Acreage Summary, Lea County,  
Projected 2024

BUDGET AREA.....	SOUTHERN HIGH PLAINS, LEA COUNTY	
FARM SIZE.....	1600 ACRES	
IRRIGATION TYPE.....	DRYLAND	
NUMBER OF CROPS.....	2	
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ACREAGE SUMMARY:	LAND USE	(ACRES)
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WHEAT	680.00	
ARP	0.00	
FLEX IN WHEAT	120.00	
GRAIN SORGHUM	646.00	
ARP	0.00	
FLEX IN WHEAT	114.00	
FALLOW	0.00	
ROADS, HOMESTEAD	40.00	
TOTAL		1,600.00

TABLE 2. Basic cost information for Lea County,  
Projected 2024

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Item			
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Labor Wage Rate:			
Equipment operators		\$/hour	\$19.00
General & Irrigators		\$/hour	\$16.42
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.60
Phosphate (P205)		\$/pound	\$0.36
Seed:			
Wheat		\$/pound	\$0.40
Grain Sorghum		\$/pound	\$2.05
Fuel:			
Diesel fuel		\$/gallon	\$4.21
Gasoline		\$/gallon	\$3.52
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	10.25%
Land Interest Rate		percent	10.75%
Equipment Interest Rate		percent	7.00%
Real Interest Rate		percent	5.00%
Land Taxes	\$40.00	/acre (full value)	\$0.43
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$32.39
	- R		\$26.99
Supervision Factor		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for Lea County,  
Projected 2024

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Item			
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Electricity (Domestic & Shop)		\$256.00 per month	\$3,072
Telephone		\$128.00 per month	\$1,536
Accounting & Legal			\$1,869
Misc. Supplies & Hand Tools			\$2,810
Pickup and Auto			
miles	39,680	@ \$0.670 per mile	\$26,586
Insurance			
- general liability (non-employee)			\$1,965
- fire/theft			\$1,555
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,491
Dues, fees, publications			\$448
Farmstead Equipment			\$192
Total			\$47,533
Total per planted acre			\$30.47

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 1600 acre farm with above average management, Lea County,  
 Projected 2024  
 Planting dates: August 15 - September 30  
 Harvesting dates: June 15 - July 5

ITEM	PRICE	YIELD	BASE					TOTAL	
<b>GROSS RETURNS</b>									
WHEAT	\$7.67	20.00 BUSHEL						\$153.40	
PROGRAM PAYMENT	\$0.00	20.00 BUSHEL	0.85					\$0.00	
PLC PAYMENT	\$0.00							\$0.00	
<b>TOTAL</b>								<b>\$153.40</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.40	30 LBS	\$12.00					\$12.00	
NITROGEN (N)	\$0.60	16 LBS	\$9.60					\$9.60	
PHOSPHATE (P205)	\$0.36	20 LBS	\$7.20					\$7.20	
INSECTICIDE	\$16.99	1 X/ACRE	\$16.99					\$16.99	
CROP INSURANCE	\$0.05		\$0.05					\$0.05	
<b>SUBTOTAL</b>			<b>\$45.84</b>					<b>\$45.84</b>	
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
CHISEL	225 HP	0.05 HR		\$0.95	\$2.37	\$0.80	\$1.88	\$6.01	
DRILL	225 HP	0.05 HR		\$0.95	\$2.37	\$0.57	\$3.14	\$7.03	
FERT SPREADER	225 HP	0.05 HR		\$0.95	\$2.37	\$0.39	\$1.35	\$5.06	
<b>SUBTOTAL</b>		<b>0.15 HR</b>	<b>\$0.00</b>	<b>\$2.85</b>	<b>\$7.12</b>	<b>\$1.76</b>	<b>\$6.37</b>	<b>\$18.10</b>	
<b>HARVEST OPERATIONS</b>									
COMBINE		0.14 HR		\$2.66	\$4.92	\$3.56	\$5.91	\$17.05	
HAUL	2 TON	0.14 HR		\$2.66	\$3.74	\$0.96	\$3.11	\$10.47	
<b>SUBTOTAL</b>		<b>0.28 HR</b>	<b>\$0.00</b>	<b>\$5.32</b>	<b>\$8.67</b>	<b>\$4.52</b>	<b>\$9.02</b>	<b>\$27.53</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.11 HR		\$2.04				\$2.04	
EMPLOYEE BENEFITS				\$1.47				\$1.47	
INSURANCE			\$0.16					\$0.16	
LAND TAXES							\$0.43	\$0.43	
SUPERVISION AND MANAGEMENT				\$17.80				\$17.80	
OTHER EXPENSES			\$30.47					\$30.47	
<b>SUBTOTAL</b>		<b>0.11 HR</b>	<b>\$30.63</b>	<b>\$21.31</b>			<b>\$0.43</b>	<b>\$52.38</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>0.54 HR</b>	<b>\$76.47</b>	<b>\$29.48</b>	<b>\$15.79</b>	<b>\$6.28</b>	<b>\$15.82</b>	<b>\$143.85</b>	
<b>NET OPERATING PROFIT</b>								<b>\$9.55</b>	
INTEREST ON OPERATING CAPITAL		\$26.24 @	10.25%	)				\$2.69	
INTEREST ON EQUIPMENT INVESTMENT								\$6.72	
<b>RETURN TO LAND AND RISK</b>								<b>\$0.14</b>	
<b>BUDGET SUMMARY</b>									
GROSS RETURN			\$153.40						
VARIABLE OPERATING EXPENSES	\$98.54								
RETURN OVER VARIABLE EXPENSES		\$54.86		(GROSS MARGIN)					
FIXED EXPENSES	\$15.82								
NET FARM INCOME		\$39.03		(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$29.48								
NET OPERATING PROFIT		\$9.55		(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$9.41								
RETURN TO LAND AND RISK		\$0.14							

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,600 acre farm with above average management, Lea County,  
 Projected 2024  
 Planting dates: May 15 - June 10  
 Harvest dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
GRAIN SORGHUM	\$7.64	12.00 CWT		\$91.68
PROGRAM PAYMENT	\$0.00	0.00 CWT		\$0.00
PLC PAYMENT	\$0.00	12.00 CWT	0.85	\$0.00
<b>TOTAL</b>				<b>\$91.68</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.05	3 LBS	\$6.15		\$6.15
NITROGEN (N)	\$0.60	16 LBS	\$9.60		\$9.60
PHOSPHATE (P205)	\$0.36	20 LBS	\$7.20		\$7.20
HERBICIDE	\$18.82	1 X/ACRE	\$18.82		\$18.82
CROP INSURANCE	\$0.08		\$0.08		\$0.08
<b>SUBTOTAL</b>			<b>\$41.84</b>		<b>\$41.84</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	225 HP	0.05 HR		\$0.95	\$2.37	\$0.39	\$1.35	\$5.06
CHISEL & SPRAY	225 HP	0.07 HR		\$1.33	\$3.32	\$1.20	\$3.14	\$8.99
PLANTER	225 HP	0.08 HR		\$1.52	\$3.80	\$0.94	\$4.93	\$11.19
CULTIVATOR (2X)	225 HP	0.12 HR		\$2.28	\$5.70	\$1.67	\$4.35	\$14.00
<b>SUBTOTAL</b>		<b>0.32 HR</b>		<b>\$6.08</b>	<b>\$15.19</b>	<b>\$4.20</b>	<b>\$13.78</b>	<b>\$39.25</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE		0.14 HR		\$2.66	\$4.92	\$3.89	\$5.91	\$17.38
HAUL	2 TON	0.14 HR		\$2.66	\$3.74	\$1.09	\$3.11	\$10.60
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$5.32</b>	<b>\$8.67</b>	<b>\$4.98</b>	<b>\$9.02</b>	<b>\$27.99</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.15 HR		\$2.85				\$2.85
EMPLOYEE BENEFITS			\$2.05				\$2.05
INSURANCE		\$0.23					\$0.23
LAND TAXES						\$0.43	\$0.43
SUPERVISION AND MANAGEMENT			\$16.27				\$16.27
OTHER EXPENSES		\$30.47					\$30.47
<b>SUBTOTAL</b>	<b>0.15 HR</b>	<b>\$30.70</b>	<b>\$21.17</b>			<b>\$0.43</b>	<b>\$52.30</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>0.75 HR</b>	<b>\$72.54</b>	<b>\$32.57</b>	<b>\$23.86</b>	<b>\$9.18</b>	<b>\$23.23</b>	<b>\$161.38</b>
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<b>NET OPERATING PROFIT</b>							<b>(\$69.70)</b>
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INTEREST ON OPERATING CAPITAL	\$26.91	@	10.25%	)			\$2.76
INTEREST ON EQUIPMENT INVESTMENT							\$10.17

<b>RETURN TO LAND AND RISK</b>							<b>(\$82.63)</b>
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**BUDGET SUMMARY**

GROSS RETURN		\$91.68	
VARIABLE OPERATING EXPENSES	\$105.58		
RETURN OVER VARIABLE EXPENSES		(\$13.90)	(GROSS MARGIN)
FIXED EXPENSES	\$23.23		
NET FARM INCOME		(\$37.13)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$32.57		
NET OPERATING PROFIT		(\$69.70)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.93		
RETURN TO LAND AND RISK		(\$82.63)	

TABLE 7. Summary of per acre costs and returns for a 1,600 acre farm with above average management, Lea County, Projected 2024

	WHEAT	GRAIN SORGHUM
	BU	CWT
PRIMARY YIELD	20.00	12.00
PRIMARY PRICE	\$7.67	\$7.64
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$0.00
GROSS RETURN	\$153.40	\$91.68
VARIABLE OPERATING EXPENSES		
SEED	\$12.00	\$6.15
FERTILIZER	\$16.80	\$16.80
CHEMICALS	\$16.99	\$18.82
CROP INSURANCE	\$0.05	\$0.08
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$15.79	\$23.86
FUEL-IRRIGATION		
REPAIRS	\$6.28	\$9.18
CUSTOM CHARGES	\$0.00	\$0.00
LAND TAXES	\$0.43	\$0.43
OTHER EXPENSES	\$30.63	\$30.70
TOTAL VARIABLE EXPENSES	\$98.98	\$106.01
RETURN OVER VARIABLE EXPENSES	\$54.42	(\$14.33)
FIXED EXPENSES	\$15.39	\$22.80
TOTAL EXPENSES	\$114.37	\$128.81
RETURNS TO CAPITAL, LABOR, LAND & RISK	\$39.03	(\$37.13)
LABOR AND MANAGEMENT COSTS	\$29.48	\$32.57
RETURNS TO CAPITAL, LAND & RISK	\$9.55	(\$69.70)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$2.69	\$2.76
INTEREST ON EQUIPMENT INVESTMENT	\$6.72	\$10.17
TOTAL CAPITAL COSTS	\$9.41	\$12.93
RETURN TO LAND AND RISK	\$0.14	(\$82.63)

TABLE 8. Whole farm summary, Lea County,  
Projected 2024

GROSS RETURNS		
WHEAT	914.00 ACRES	
CROP		\$140,208
PROGRAM PAYMENT		\$0
PLC PAYMENT		\$0
GRAIN SORGHUM	646.00 ACRES	
CROP		\$59,225
PROGRAM PAYMENT		\$0
PLC PAYMENT		
GROSS RETURN		<u>\$199,433</u>
VARIABLE OPERATING EXPENSES		
SEED		\$14,941
FERTILIZER		\$26,208
CHEMICALS		\$27,680
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$29,840
FUEL-IRRIGATION		\$0
REPAIRS		\$11,676
CUSTOM CHARGES		\$0
LAND TAXES		\$674
OTHER EXPENSES		\$47,830
TOTAL VARIABLE EXPENSES		<u>\$158,948</u>
RETURN OVER VARIABLE EXPENSES		\$40,485
FIXED EXPENSES		\$28,792
TOTAL EXPENSES		\$187,740
NET FARM INCOME		\$11,693
LABOR AND MANAGEMENT COSTS		\$47,988
NET OPERATING PROFIT		(\$36,295)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$4,240
INTEREST ON EQUIPMENT INVESTMENT		\$12,713
TOTAL CAPITAL COSTS		<u>\$16,953</u>
RETURN TO LAND AND RISK		<u>(\$53,248)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$65,248)	-8.77%
\$200 /ACRE	(\$69,248)	-7.35%
\$250 /ACRE	(\$73,248)	-6.33%
\$300 /ACRE	(\$77,248)	-5.55%
\$350 /ACRE	(\$81,248)	-4.95%

\* 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)