

TABLE 1. Acreage Summary, Lea County,
Actual 2025

| | | |
|----------------------|----------------------------------|----------|
| BUDGET AREA..... | SOUTHERN HIGH PLAINS, LEA COUNTY | |
| FARM SIZE..... | 1600 ACRES | |
| IRRIGATION TYPE..... | DRYLAND | |
| NUMBER OF CROPS..... | 2 | |
| <hr/> | | |
| ACREAGE SUMMARY: | LAND USE | (ACRES) |
| <hr/> | | |
| 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,
Actual 2025

| | | | |
|---------------------------------|---------|------------------------------|---------|
| <hr/> | | | |
| Item | | | |
| <hr/> | | | |
| Labor Wage Rate: | | | |
| Equipment operators | | \$/hour | \$19.00 |
| General & Irrigators | | \$/hour | \$16.90 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | | \$/pound | \$0.92 |
| Phosphate (P205) | | \$/pound | \$0.93 |
| Seed: | | | |
| Wheat | | \$/pound | \$0.50 |
| Grain Sorghum | | \$/pound | \$2.05 |
| Fuel: | | | |
| Diesel fuel | | \$/gallon | \$3.33 |
| Gasoline | | \$/gallon | \$2.68 |
| 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 | 8.75% |
| Land Interest Rate | | percent | 7.95% |
| Equipment Interest Rate | | percent | 6.45% |
| Real Interest Rate | | percent | 1.72% |
| 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,
Actual 2025

| | | | |
|------------------------------------|--------|--------------------|----------|
| <hr/> | | | |
| Item | | | |
| <hr/> | | | |
| 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 | @ \$0.700 per mile | \$27,776 |
| 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 | | | \$48,724 |
| Total per planted acre | | | \$31.23 |

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 1600 acre farm with above average management, Lea County,
 Actual 2025
 Planting dates: August 15 - September 30
 Harvest dates: June 15 - July 5

| ITEM | PRICE | YIELD | BASE | | | | | | TOTAL | | |
|----------------------------------|------------|---------------------|---|---------|-------------|---------|------------|----------------|------------|---------|---------|
| GROSS RETURNS | | | | | | | | | | | |
| WHEAT | \$4.64 | 20.00 BUSHEL | | | | | | | \$92.80 | | |
| PROGRAM PAYMENT | \$0.00 | 20.00 BUSHEL | 0.85 | | | | | | \$0.00 | | |
| PLC PAYMENT | \$0.00 | | | | | | | | \$0.00 | | |
| TOTAL | | | | | | | | \$92.80 | | | |
| PURCHASED INPUTS | | | | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | | | FIXED COST | TOTAL | |
| SEED | \$0.50 | 30 LBS | \$15.00 | | | | | | | \$15.00 | |
| NITROGEN (N) | \$0.92 | 16 LBS | \$14.78 | | | | | | | \$14.78 | |
| PHOSPHATE (P205) | \$0.93 | 20 LBS | \$18.60 | | | | | | | \$18.60 | |
| INSECTICIDE | \$16.99 | 1 X/ACRE | \$16.99 | | | | | | | \$16.99 | |
| CROP INSURANCE | \$0.05 | | \$0.05 | | | | | | | \$0.05 | |
| SUBTOTAL | | | | | | | | \$65.42 | | | |
| PREHARVEST OPERATIONS | | | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | | | |
| CHISEL | 225 HP | 0.05 HR | | \$0.95 | \$1.87 | \$0.80 | \$1.88 | \$5.51 | | | |
| DRILL | 225 HP | 0.05 HR | | \$0.95 | \$1.87 | \$0.57 | \$3.14 | \$6.53 | | | |
| FERT SPREADER | 225 HP | 0.05 HR | | \$0.95 | \$1.87 | \$0.39 | \$1.35 | \$4.56 | | | |
| SUBTOTAL | | 0.15 HR | \$0.00 | \$2.85 | \$5.62 | \$1.76 | \$6.37 | \$16.61 | | | |
| HARVEST OPERATIONS | | | | | | | | | | | |
| COMBINE | | 0.14 HR | | \$2.66 | \$3.89 | \$3.56 | \$5.91 | \$16.02 | | | |
| HAUL | 2 TON | 0.14 HR | | \$2.66 | \$2.96 | \$0.96 | \$3.11 | \$9.68 | | | |
| SUBTOTAL | | 0.28 HR | \$0.00 | \$5.32 | \$6.84 | \$4.52 | \$9.02 | \$25.70 | | | |
| OVERHEAD EXPENSES | | | | | | | | | | | |
| DOWNTIME | | 0.11 HR | | \$2.04 | | | | | | \$2.04 | |
| EMPLOYEE BENEFITS | | | | \$1.47 | | | | | | \$1.47 | |
| INSURANCE | | | \$0.16 | | | | | | \$0.16 | | |
| LAND TAXES | | | | | | | | | \$0.43 | | |
| SUPERVISION AND MANAGEMENT | | | | \$13.76 | | | | | | \$13.76 | |
| OTHER EXPENSES | | | \$31.23 | | | | | | \$31.23 | | |
| SUBTOTAL | | 0.11 HR | \$31.40 | \$17.28 | | | | | | \$0.43 | \$49.10 |
| TOTAL OPERATING EXPENSES | | 0.54 HR | \$96.82 | \$25.45 | \$12.47 | \$6.28 | \$15.82 | \$156.84 | | | |
| NET OPERATING PROFIT | | | | | | | | | (\$64.04) | | |
| INTEREST ON OPERATING CAPITAL | | (| \$35.51 | @ | 8.75% |) | | | | \$3.11 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$6.19 | | |
| RETURN TO LAND AND RISK | | | | | | | | | (\$73.34) | | |
| BUDGET SUMMARY | | | | | | | | | | | |
| GROSS RETURN | | \$92.80 | | | | | | | | | |
| VARIABLE OPERATING EXPENSES | \$115.57 | | | | | | | | | | |
| RETURN OVER VARIABLE EXPENSES | | (\$22.77) | (GROSS MARGIN) | | | | | | | | |
| FIXED EXPENSES | \$15.82 | | | | | | | | | | |
| NET FARM INCOME | | (\$38.59) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | | | | | | | | |
| LABOR AND MANAGEMENT COST | \$25.45 | | | | | | | | | | |
| NET OPERATING PROFIT | | (\$64.04) | (RETURN TO CAPITAL, LAND & RISK) | | | | | | | | |
| CAPITAL COSTS | \$9.30 | | | | | | | | | | |
| RETURN TO LAND AND RISK | | (\$73.34) | | | | | | | | | |

TABLE 6. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,600 acre farm with above average management, Lea County,
 Actual 2025
 Planting dates: May 15 - June 10
 Harvest dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|----------------------|--------|-----------|------|----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$6.00 | 12.00 CWT | | \$72.00 |
| PROGRAM PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| PLC PAYMENT | \$0.00 | 12.00 CWT | 0.85 | \$0.00 |
| TOTAL | | | | \$72.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|------------------|---------|----------|------------------|------------|----------------|
| SEED | \$2.05 | 3 LBS | \$6.15 | | \$6.15 |
| NITROGEN (N) | \$0.92 | 16 LBS | \$14.78 | | \$14.78 |
| PHOSPHATE (P205) | \$0.93 | 20 LBS | \$18.60 | | \$18.60 |
| HERBICIDE | \$18.82 | 1 X/ACRE | \$18.82 | | \$18.82 |
| CROP INSURANCE | \$0.08 | | \$0.08 | | \$0.08 |
| SUBTOTAL | | | \$58.43 | | \$58.43 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------------|----------------|---------------|----------------|----------------|
| FERT SPREADER | 225 HP | 0.05 HR | | \$0.95 | \$1.87 | \$0.39 | \$1.35 | \$4.56 |
| CHISEL & SPRAY | 225 HP | 0.07 HR | | \$1.33 | \$2.62 | \$1.20 | \$3.14 | \$8.30 |
| PLANTER | 225 HP | 0.08 HR | | \$1.52 | \$3.00 | \$0.94 | \$4.93 | \$10.40 |
| CULTIVATOR (2X) | 225 HP | 0.12 HR | | \$2.28 | \$4.50 | \$1.67 | \$4.35 | \$12.80 |
| SUBTOTAL | | 0.32 HR | | \$6.08 | \$12.00 | \$4.20 | \$13.78 | \$36.06 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|------------|---------------------|------------------|---------------|---------------|---------------|---------------|----------------|
| COMBINE | | 0.14 HR | | \$2.66 | \$3.89 | \$3.89 | \$5.91 | \$16.35 |
| HAUL | 2 TON | 0.14 HR | | \$2.66 | \$2.96 | \$1.09 | \$3.11 | \$9.81 |
| SUBTOTAL | | 0.28 HR | | \$5.32 | \$6.84 | \$4.98 | \$9.02 | \$26.16 |

| 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 | | | \$15.18 | | | | \$15.18 |
| OTHER EXPENSES | | \$31.23 | | | | | \$31.23 |
| SUBTOTAL | 0.15 HR | \$31.46 | \$20.08 | | | \$0.43 | \$51.97 |

TOTAL OPERATING EXPENSES 0.75 HR \$89.89 \$31.48 \$18.84 \$9.18 \$23.23 \$172.62

NET OPERATING PROFIT (\$100.62)

INTEREST ON OPERATING CAPITAL (\$34.25 @ 8.75%) \$3.00
 INTEREST ON EQUIPMENT INVESTMENT \$9.37

RETURN TO LAND AND RISK (\$112.99)

BUDGET SUMMARY

| | | | |
|-------------------------------|------------|---|--|
| GROSS RETURN | \$72.00 | | |
| VARIABLE OPERATING EXPENSES | \$117.91 | | |
| RETURN OVER VARIABLE EXPENSES | (\$45.91) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$23.23 | | |
| NET FARM INCOME | (\$69.14) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$31.48 | | |
| NET OPERATING PROFIT | (\$100.62) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$12.37 | | |
| RETURN TO LAND AND RISK | (\$112.99) | | |

TABLE 7. Summary of per acre costs and returns for a 1,600 acre farm with above average management, Lea County, Actual 2025

| | WHEAT | GRAIN SORGHUM |
|--|-----------|------------------|
| | BU | CWT |
| PRIMARY YIELD | 20.00 | 12.00 |
| PRIMARY PRICE | \$4.64 | \$6.00 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 |
| SECOND INCOME | \$0.00 | \$0.00 |
| GROSS RETURN | \$92.80 | \$72.00 |
| VARIABLE OPERATING EXPENSES | | |
| SEED | \$15.00 | \$6.15 |
| FERTILIZER | \$33.38 | \$33.38 |
| CHEMICALS | \$16.99 | \$18.82 |
| CROP INSURANCE | \$0.05 | \$0.08 |
| OTHER PURCHASED INPUTS | | |
| CANAL WATER | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$12.47 | \$18.84 |
| FUEL-IRRIGATION | | |
| REPAIRS | \$6.28 | \$9.18 |
| CUSTOM CHARGES | \$0.00 | \$0.00 |
| LAND TAXES | \$0.43 | \$0.43 |
| OTHER EXPENSES | \$31.40 | \$31.46 |
| TOTAL VARIABLE EXPENSES | \$116.00 | \$118.34 |
| RETURN OVER VARIABLE EXPENSES | (\$23.20) | (\$46.34) |
| FIXED EXPENSES | \$15.39 | \$22.80 |
| TOTAL EXPENSES | \$131.39 | \$141.14 |
| RETURNS TO CAPITAL, LABOR, LAND & RISK | (\$38.59) | (\$69.14) |
| LABOR AND MANAGEMENT COSTS | \$25.45 | \$31.48 |
| RETURNS TO CAPITAL, LAND & RISK | (\$64.04) | (\$100.62) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | \$3.11 | \$3.00 |
| INTEREST ON EQUIPMENT INVESTMENT | \$6.19 | \$9.37 |
| TOTAL CAPITAL COSTS | \$9.30 | \$12.37 |
| RETURN TO LAND AND RISK | (\$73.34) | (\$112.99) |

TABLE 8. Whole farm summary, Lea County,
Actual 2025

| | | |
|----------------------------------|--------------|--------------------|
| GROSS RETURNS | | |
| WHEAT | 914.00 ACRES | |
| CROP | | \$84,819 |
| PROGRAM PAYMENT | | \$0 |
| PLC PAYMENT | | \$0 |
| GRAIN SORGHUM | 646.00 ACRES | |
| CROP | | \$46,512 |
| PROGRAM PAYMENT | | \$0 |
| PLC PAYMENT | | |
| GROSS RETURN | | <u>\$131,331</u> |
| | | |
| VARIABLE OPERATING EXPENSES | | |
| SEED | | \$17,683 |
| FERTILIZER | | \$52,077 |
| CHEMICALS | | \$27,680 |
| CROP INSURANCE | | \$100 |
| OTHER PURCHASED INPUTS | | \$0 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$23,567 |
| FUEL-IRRIGATION | | \$0 |
| REPAIRS | | \$11,676 |
| CUSTOM CHARGES | | \$0 |
| LAND TAXES | | \$674 |
| OTHER EXPENSES | | \$49,020 |
| TOTAL VARIABLE EXPENSES | | <u>\$182,476</u> |
| RETURN OVER VARIABLE EXPENSES | | (\$51,145) |
| FIXED EXPENSES | | \$28,792 |
| TOTAL EXPENSES | | \$211,268 |
| NET FARM INCOME | | (\$79,937) |
| LABOR AND MANAGEMENT COSTS | | \$43,595 |
| NET OPERATING PROFIT | | (\$123,532) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$4,775 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$11,714 |
| TOTAL CAPITAL COSTS | | <u>\$16,489</u> |
| RETURN TO LAND AND RISK | | <u>(\$140,022)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|-------------|-----------------|------------------------|
| \$150 /ACRE | (\$144,138) | -29.86% |
| \$200 /ACRE | (\$145,510) | -25.02% |
| \$250 /ACRE | (\$146,882) | -21.53% |
| \$300 /ACRE | (\$148,254) | -18.90% |
| \$350 /ACRE | (\$149,626) | -16.84% |

* 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)