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

ACREAGE SUMMARY:	LAND USE (ACRES)
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

Item				
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	$32.39
	- R		Value)	$26.99
Supervision Factor		$/labor hour		$0.50
Management Rate		percent		7.00%

TABLE 3. Overhead cost information for Lea County, Actual 2025

Item					
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	BUSHELS		$92.80
PROGRAM PAYMENT	$0.00	20.00	BUSHELS	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		$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	$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								
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								
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				$131,331
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				$182,476
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				$16,489
RETURN TO LAND AND RISK				($140,022)

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)