

TABLE 1. Acreage Summary, Quay County,
Projected 2017

BUDGET AREA.....	SAN JON-NARA VISA AREA, QUAY COUNTY	
FARM SIZE.....	800 ACRES	
IRRIGATION TYPE.....	DRYLAND	
NUMBER OF CROPS.....	3..	
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ACREAGE SUMMARY:	LAND USE (ACRES)	
<hr/>		
ALFALFA ESTABLISHMENT	6.00 *	
ALFALFA	60.00	
GRAIN SORGHUM	289.00	
ARP	0.00	
FLEX IN GRAIN SORGHUM	51.00	
WHEAT	340.00	
ARP	0.00	
FLEX IN GRAIN SORGHUM	60.00	
TOTAL		800.00

* DOUBLE-CROPPED

TABLE 2. Basic cost information for the San Jon-Nara Visa area, Quay County,
Projected 2017

Item			
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Labor Wage Rate:			
Equipment operators	\$/hour		\$8.55
General & Irrigators	\$/hour		\$7.50
Purchased Inputs:			
Seed:			
Alfalfa	\$/pound		\$3.05
Grain Sorghum	\$/pound		\$1.70
Wheat	\$/pound		\$0.44
Energy:			
Diesel fuel	\$/gallon		\$2.35
Gasoline	\$/gallon		\$2.10
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		5.50%
Land Interest Rate	percent		5.00%
Equipment Interest Rate	percent		5.50%
Real Interest Rate	percent		3.00%
Land Taxes	\$38.00 /acre (full value)		\$0.42
Personal Property Tax Rate	-NR - R	\$/(\$1,000 (Assessed Value)	\$33.40 \$26.77
Supervision Factor	\$/labor hour		\$1.00
Management Rate	percent		7.00%

TABLE 3. Overhead cost information for the San Jon-Nara Visa area, Quay County,
Projected 2017

Item			
Electricity (Domestic & Shop)		\$223.85 per month	\$2,686
Telephone		\$133.10 per month	\$1,597
Accounting & Legal			\$1,531
Misc. Supplies & Hand Tools			\$2,232
Pickup and Auto			
miles	24,926	@ \$0.500 per mile	\$12,463
Insurance			
- general liability (non-employee)			\$1,458
- fire/theft			\$1,228
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$0
Building repairs and maintenance			\$6,010
Dues, fees, publications			\$968
Farmstead Equipment			\$460
Total			\$30,634
Total per planted acre			\$38.29

TABLE 4. Equipment summary for an 800 acre dryland farm, San Joaquin Valley, California, 2017

EQUIPMENT	ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS				FIXED COSTS			
				TOTAL VALUE	FUEL OIL LUBRICANT	REPAIR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR
TRACTOR	96 HP	277	1	\$17,335	\$3,970	\$262	\$14.31	\$0.84	\$526	\$88	\$2.21
TRACTOR	165 HP	183	1	\$40,865	\$3,864	\$988	\$21.07	\$5.39	\$5,985	\$500	\$36.36
COMBINE	145 HP	104	1	\$51,877	\$2,033	\$275	\$19.63	\$2.56	\$5,864	\$740	\$92.70
GRAIN HEAD	22 FT	104	1	\$3,600	\$16	\$16	\$0.15	\$0.15	\$501	\$42	\$5.24
SWATHER	14 FT SP	29	1	\$3,300	\$253	\$17	\$8.80	\$0.58	\$1,400	\$161	\$55.95
TRUCK	2 TON	104	1	\$23,000	\$1,547	\$607	\$14.93	\$5.44	\$4,600	\$256	\$46.67
RODWEED	23 FT	87	1	\$625	\$67	\$67	\$0.78	\$0.78	\$83	\$7	\$1.04
ROLLING CULTIVATOR	6 ROW	104	1	\$2,000	\$58	\$58	\$2.48	\$2.48	\$267	\$22	\$2.78
DRILL 13 FT	13 FT	31	1	\$2,150	\$32	\$32	\$1.03	\$1.03	\$430	\$24	\$14.58
LISTER-PLANTER	6 ROW	72	1	\$2,600	\$118	\$118	\$1.63	\$1.63	\$900	\$38	\$9.57
BALER PTO	2 WIRE	38	1	\$1,400	\$5	\$5	\$0.12	\$0.12	\$150	\$17	\$4.41
SWEEP	19 FT	129	1	\$2,500	\$400	\$400	\$3.10	\$3.10	\$333	\$28	\$2.80
				\$135,116	\$11,668	\$3,104	\$79	\$25	\$23,868	\$1,922	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL LUBRE ACCUM	INTEREST AGE EXPENSE
TRACTOR	96 HP	15735.00	17334.50	30.00	1.00	800.00	5.54 0.10 6380.66 23.00 432.71
TRACTOR	165 HP	89775.00	40864.50	15.00	1.00	800.00	8.15 0.10 2017.40 11.00 2468.81
COMBINE	145 HP	132955.00	51676.50	15.00	2.00	300.00	6.96 0.20 1346.80 13.00 3656.26
GRAIN HEAD	22 FT	7500.00	3600.00	15.00	2.00	300.00	3.12 0.20 403.20 14.00 797.50
SWATHER	14 FT SP	2900.00	2900.00	10.00	6.00	800.00	6.05 0.05 1346.80 13.00 1265.00
TRUCK	2 TON	46000.00	23000.00	10.00	3.00	300.00	13.03 0.20 155.00 15.00 34.88
RODWEED	23 FT	1250.00	625.00	10.00	3.00	300.00	1664.00 16.00 110.00
ROLLING CULTIVATOR	6 ROW	4000.00	2000.00	15.00	8.00	100.00	404.82 13.00 118.25
DRILL 13 FT	13 FT	4300.00	2150.00	10.00	8.00	100.00	988.00 13.00 187.00
LISTER-PLANTER	6 ROW	6800.00	3400.00	10.00	7.00	500.00	680.40 18.00 82.30
BALER PTO	2 WIRE	3000.00	1500.00	15.00	3.00	300.00	2064.00 16.00 137.50
SWEEP	19 FT	5000.00	2500.00	15.00	3.00	300.00	

ALFALFA HAY SORGHUM WHEAT PER ACRE TOTALS

0.17	0.63	0.52	0.09	1.41
0.10	0.00	0.10	0.42	0.52
0.00	0.00	0.14	0.14	0.28
0.00	0.00	0.14	0.14	0.28
0.00	0.48	0.00	0.00	0.48
0.00	0.00	0.14	0.14	0.28
0.08	0.00	0.08	0.16	0.32
0.00	0.00	0.00	0.00	0.00
0.09	0.00	0.00	0.09	0.18
0.00	0.00	0.18	0.00	0.18
0.00	0.63	0.00	0.00	0.63
0.10	0.00	0.10	0.26	0.46

EQUIPMENT INTEREST EXPENSE

ALFALFA HAY SORGHUM WHEAT	PER ACRE TOTALS	
1.25	0.81	0.14
1.35	1.36	5.65
0.00	4.84	4.84
0.00	0.28	0.28
13.28	0.00	0.00
0.00	1.71	1.71
0.03	0.03	0.06
0.00	0.28	0.00
0.34	0.00	0.34
0.00	0.47	0.00
1.38	0.00	0.00
0.11	0.11	0.28
17.74	9.97	13.41

ALFALFA ESTABLISHMENT ACRES: 6 PUMP WATER: 0.00

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	0.10	
RODWEEDER	96 HP	1.00	0.08	0.08	
DRILL WHEAT	96 HP	1.00	0.09	0.09	4.50
FLY ON ALFALFA SEED					

ALFALFA HAY ACRES: 60 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWATHER (X)	14 FT SP	3.00	0.16	0.48	
BALER (X)	96 HP	3.00	0.21	0.63	

GRAIN SORGHUM ACRES: 400 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP	145 HP	1.00	0.10	0.10	
RODWEED	96 HP	1.00	0.08	0.08	
LISTER-PLANTER	96 HP	1.00	0.18	0.18	
CULTIVATOR (X)	96 HP	2.00	0.13	0.26	
COMBINE	22 FT	1.00	0.14	0.14	
HAUL	2 TON	1.00	0.14	0.14	

WHEAT ACRES: 340 PUMP WATER:

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
SWEEP (X)	145 HP	2.00	0.13	0.26	
RODWEED	96 HP	2.00	0.08	0.16	
DRILL	96 HP	1.00	0.09	0.09	
COMBINE	22 FT	1.00	0.14	0.14	
HAUL	2 TON	1.00	0.14	0.14	

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	1	2	3	4	5	6	7	8	9
0	0.000090	0.000020	0.000020	0.000020	0.000080	0.000140	0.000340	0.000240	0.000200
50	0.000090	0.000020	0.000020	0.000020	0.000080	0.000140	0.000340	0.000240	0.000200
100	0.000090	0.000020	0.000020	0.000020	0.000140	0.000220	0.000100	0.000380	0.000300
200	0.000030	0.000030	0.000420	0.000040	0.000180	0.000260	0.000110	0.000510	0.000280
300	0.000030	0.000030	0.000090	0.000060	0.000230	0.000310	0.000140	0.000400	0.000400
400	0.000030	0.000060	0.000370	0.000090	0.000280	0.000340	0.000150	0.000710	0.000460
500	0.000030	0.000070	0.000360	0.000100	0.000280	0.000370	0.000160	0.000800	0.000630
600	0.000030	0.000090	0.000340	0.000120	0.000310	0.000390	0.000180	0.000860	0.000630
700	0.000030	0.000110	0.000340	0.000130	0.000340	0.000410	0.000200	0.000910	0.000660
800	0.000030	0.000110	0.000320	0.000150	0.000350	0.000430	0.000210	0.000960	0.000690
900	0.000030	0.000110	0.000320	0.000160	0.000350	0.000430	0.000220	0.001020	0.000800
1000	0.000030	0.000130	0.000310	0.000180	0.000380	0.000460	0.000230	0.001070	0.000830
1200	0.000046	0.000146	0.000305	0.000205	0.000405	0.000480	0.000246	0.001195	0.000710
1400	0.000046	0.000170	0.000300	0.000230	0.000435	0.000510	0.000410	0.001260	0.000765
1500	0.000050	0.000170	0.000300	0.000230	0.000435	0.000510	0.000410	0.001260	0.000765
1600	0.000050	0.000190	0.000285	0.000265	0.000465	0.000525	0.000125	0.001295	0.000805
1800	0.000075	0.000170	0.000285	0.000285	0.000485	0.000550	0.000225	0.001295	0.000805
2000	0.000110	0.000285	0.000285	0.000355	0.000505	0.000565	0.000310	0.001295	0.000805
2500	0.000056								
3000	0.000070								
3500	0.000082								
4000	0.000096								
4500	0.000106								
5000	0.000148								
5500	0.000162								
6000	0.000176								
6500	0.000188								
7000	0.000204								

Based on unpublished data of D. R. Hunt, Department of Agricultural Engineering, University of Illinois.
 Based on "Agricultural Machinery Data" in Agricultural Engineers' Yearbook, 1953.

- Codes
- 1 tractors
 - 2 balers, combines, forage harvesters, windrowers, pickups
 - 3 rotary law disks, mowblades/plows, chisels, field cultivators
 - 4 row cultivators, laser plane
 - 5 hammers, wagons, floats, note back, drag, roller, water function, bed shaper
 - 6 balerwagons, cotton pickers, cotton strippers, corn pickers, corn heads, forage equipment, rotary mowers, disk choppers, feed wagons, farm trucks
 - 7 trailer w/ engine, manure spreader
 - 8 planters, drills, seeding equipment, mounted sprayers
 - 9 fertilizer distributing equipment

TABLE 5. Alfalfa establishment, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2017
Planting dates: August 1 - August 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$3.05	10 LBS		\$30.50				\$30.50
WHEAT SEED	\$0.44	30 LBS		\$13.20				\$13.20
SUBTOTAL				\$43.70				\$43.70
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.11	\$0.85	\$3.82	\$7.63
RODWEEDER	96 HP	0.08 HR		\$0.68	\$1.14	\$0.14	\$0.26	\$2.23
DRILL WHEAT	96 HP	0.09 HR		\$0.77	\$1.29	\$0.18	\$1.51	\$3.75
FLY ON ALFALFA SEED			\$4.50					\$4.50
SUBTOTAL		0.27 HR	\$4.50	\$2.31	\$4.54	\$1.16	\$5.59	\$18.10
OVERHEAD EXPENSES								
DOWNTIME		0.07 HR		\$0.58				\$0.58
EMPLOYEE BENEFITS				\$0.42				\$0.42
INSURANCE			\$0.05					\$0.05
SUPERVISION AND MANAGEMENT				\$4.66				\$4.66
SUBTOTAL		0.07 HR	\$0.05	\$5.66				\$5.70
TOTAL OPERATING EXPENSES		0.34 HR	\$48.25	\$7.96	\$4.54	\$1.16	\$5.59	\$67.50

TABLE 6. Alfalfa hay, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2017
Harvesting dates: June 15 - October 1

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
ALFALF/ FA HAY	\$165.00	1.50 TONS (IN FIELD)						\$247.50	
GRAZING	\$12.00	1.00 ACRE						\$12.00	
TOTAL							\$259.50		
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
WIRE	\$2.60	13 LBS	\$33.42					\$33.42	
ESTABLISHMENT: Principal		6 YEARS					\$11.25	\$11.25	
: Interest							\$2.07	\$2.07	
SUBTOTAL			\$33.42				\$13.33	\$46.75	
HARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
SWATHER (3X)	14 FT SP	0.48 HR		\$4.10	\$4.22	\$0.28	\$26.86	\$35.46	
BALER (3X)	96 HP	0.63 HR		\$5.39	\$9.02	\$0.67	\$4.17	\$19.24	
SUBTOTAL		1.11 HR		\$9.49	\$13.24	\$0.95	\$31.03	\$54.70	
OVERHEAD EXPENSES									
DOWNTIME		0.28 HR		\$2.37				\$2.37	
EMPLOYEE BENEFITS				\$1.71				\$1.71	
INSURANCE			\$0.19					\$0.19	
LAND TAXES							\$0.42	\$0.42	
SUPERVISION AND MANAGEMENT				\$19.28				\$19.28	
OTHER EXPENSES			\$38.29					\$38.29	
SUBTOTAL		0.28 HR	\$38.48	\$23.36				\$0.42	\$62.26
TOTAL OPERATING EXPENSES		1.39 HR	\$71.90	\$32.85	\$13.24	\$0.95	\$44.77	\$163.71	
NET OPERATING PROFIT							\$95.79		
INTEREST ON OPERATING CAPITAL		(\$17.89	@	5.50%)	\$0.98		
INTEREST ON EQUIPMENT INVESTMENT							\$17.74		
RETURN TO LAND AND RISK							\$77.06		
BUDGET SUMMARY									
GROSS RETURN		\$259.50							
VARIABLE OPERATING EXPENSES	\$86.09								
RETURN OVER VARIABLE EXPENSES		\$173.41	(GROSS MARGIN)						
FIXED EXPENSES	\$44.77								
NET FARM INCOME		\$128.63	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$32.85								
NET OPERATING PROFIT		\$95.79	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$18.72								
RETURN TO LAND AND RISK		\$77.06							

TABLE 7. Grain sorghum, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2017
 Planting dates: June 1 - July 4
 Harvesting dates: October 5 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
GRAIN SORGHUM	\$5.91	16.00 CWT						\$94.63
DIRECT PAYMENT	\$0.00	16.00 CWT	0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT						\$0.00
GRAZING	\$5.00	1.00 ACRE						\$5.00
TOTAL								\$99.63
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST		TOTAL	
SEED	\$1.70	3 LBS		\$4.25				\$4.25
HERBICIDE (CUSTOM)	\$15.07	1 ACRE		\$15.07				\$15.07
CROP INSURANCE	\$0.13			\$0.13				\$0.13
SUBTOTAL				\$19.44				\$19.44
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.10 HR		\$0.86	\$2.11	\$0.85	\$3.82	\$7.63
ROD WEED	96 HP	0.08 HR		\$0.68	\$1.14	\$0.14	\$0.26	\$2.23
LISTER/PLANTER	96 HP	0.18 HR		\$1.54	\$2.58	\$0.46	\$2.19	\$6.77
CULTIVATOR (2X)	96 HP	0.26 HR		\$2.22	\$3.72	\$0.89	\$1.30	\$8.13
SUBTOTAL		0.62 HR		\$5.30	\$9.55	\$2.34	\$7.56	\$24.75
HARVEST OPERATIONS								
COMBINE	22 FT	0.14 HR		\$1.20	\$2.75	\$0.39	\$13.00	\$17.34
HAUL	2 TON	0.14 HR		\$1.20	\$2.09	\$0.90	\$6.56	\$10.75
SUBTOTAL		0.28 HR		\$2.39	\$4.84	\$1.29	\$19.56	\$28.09
OVERHEAD EXPENSES								
DOWNTIME		0.23 HR		\$1.92				\$1.92
EMPLOYEE BENEFITS				\$1.73				\$1.73
INSURANCE			\$0.15					\$0.15
LAND TAXES						\$0.42		\$0.42
SUPERVISION AND MANAGEMENT				\$7.87				\$7.87
OTHER EXPENSES			\$38.29					\$38.29
SUBTOTAL		0.23 HR	\$38.45	\$11.53		\$0.42		\$50.40
TOTAL OPERATING EXPENSES		1.35 HR	\$42.70	\$19.22	\$14.39	\$3.64	\$27.55	\$107.49
NET OPERATING PROFIT								(\$7.86)
INTEREST ON OPERATING CAPITAL		(\$13.20 @	5.50%)				\$0.73
INTEREST ON EQUIPMENT INVESTMENT								\$9.97
RETURN TO LAND AND RISK								(\$18.55)

BUDGET SUMMARY

GROSS RETURN		\$99.63	
VARIABLE OPERATING EXPENSES	\$60.72		
RETURN OVER VARIABLE EXPENSES		\$38.91	(GROSS MARGIN)
FIXED EXPENSES	\$27.55		
NET FARM INCOME		\$11.36	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$19.22		
NET OPERATING PROFIT		(\$7.86)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.69		
RETURN TO LAND AND RISK		(\$18.55)	

TABLE 8. Wheat, dryland, budgeted per acre costs and returns for an 800 acre farm with above average management, San Jon-Nara Visa area, Quay County, Projected 2017
 Planting dates: September 1 - September 15
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$4.20	14.00 BUSHELS		\$58.80
DIRECT PAYMENT	\$0.00	14.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$2.00	1.00 ACRE		\$2.00
TOTAL				\$60.80

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.44	25 LBS	\$11.00		\$11.00
CROP INSURANCE	\$0.15		\$0.15		\$0.15
SUBTOTAL			\$11.15		\$11.15

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	145 HP	0.26 HR		\$2.22	\$5.48	\$2.21	\$9.92	\$19.83
RODWEED	145 HP	0.16 HR		\$1.37	\$3.37	\$0.99	\$5.82	\$11.55
DRILL	96 HP	0.09 HR		\$0.77	\$1.29	\$0.18	\$1.51	\$3.75
SUBTOTAL		0.51 HR		\$4.36	\$10.14	\$3.37	\$17.26	\$35.12

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE	22 FT	0.14 HR		\$1.20	\$2.75	\$0.39	\$13.71	\$18.05
HAUL	2 TON	0.14 HR		\$1.20	\$2.09	\$0.90	\$6.56	\$10.75
SUBTOTAL		0.28 HR		\$2.39	\$4.84	\$1.29	\$20.27	\$28.80

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.20 HR		\$0.74				\$0.74
EMPLOYEE BENEFITS			\$1.01				\$1.01
INSURANCE		\$0.14					\$0.14
LAND TAXES						\$0.42	\$0.42
SUPERVISION AND MANAGEMENT			\$3.04				\$3.04
OTHER EXPENSES		\$38.29					\$38.29
SUBTOTAL	0.20 HR	\$38.43	\$4.79			\$0.42	\$43.64

TOTAL OPERATING EXPENSES	0.99 HR	\$49.43	\$11.55	\$14.98	\$4.67	\$37.95	\$118.57
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NET OPERATING PROFIT (\$57.77)

INTEREST ON OPERATING CAPITAL	(\$9.46 @ 5.50%)	\$0.52
INTEREST ON EQUIPMENT INVESTMENT		\$13.41

RETURN TO LAND AND RISK (\$71.69)

BUDGET SUMMARY

GROSS RETURN	\$60.80	
VARIABLE OPERATING EXPENSES	\$69.07	
RETURN OVER VARIABLE EXPENSES	(\$8.27)	(GROSS MARGIN)
FIXED EXPENSES	\$37.95	
NET FARM INCOME	(\$46.22)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$11.55	
NET OPERATING PROFIT	(\$57.77)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.93	
RETURN TO LAND AND RISK	(\$71.69)	

TABLE 9. Summary of per acre costs and returns for an 800 acre farm, San Jon-Nara Visa area, Quay County,
Projected 2017

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		1.50	16.00	14.00
PRIMARY PRICE		\$165.00	\$5.91	\$4.20
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$12.00	\$5.00	\$2.00
GROSS RETURN		\$259.50	\$99.63	\$60.80
CASH OPERATING EXPENSES				
SEED	\$30.50		\$4.25	\$11.00
FERTILIZER	\$13.20			
CHEMICALS				
CROP INSURANCE			\$0.13	\$0.15
OTHER PURCHASED INPUTS	\$0.05	\$33.61	\$0.15	\$0.14
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$4.54	\$13.24	\$14.39	\$14.98
FUEL-IRRIGATION				
REPAIRS	\$1.16	\$0.95	\$3.64	\$4.67
CUSTOM CHARGES	\$4.50	\$0.00		
LAND TAXES		\$0.42	\$0.42	\$0.42
OTHER EXPENSES		\$38.29	\$38.29	\$38.29
TOTAL CASH EXPENSES	\$53.95	\$86.52	\$61.27	\$69.64
RETURN OVER CASH EXPENSES	(\$53.95)	\$172.98	\$38.36	(\$8.84)
FIXED EXPENSES	\$5.59	\$44.35	\$27.12	\$37.53
TOTAL EXPENSES	\$59.54	\$130.87	\$88.39	\$107.17
NET FARM INCOME	(\$59.54)	\$128.63	\$11.24	(\$46.37)
LABOR AND MANAGEMENT COSTS	\$7.96	\$32.85	\$19.22	\$11.55
NET OPERATING PROFIT	(\$67.50)	\$95.79	(\$7.99)	(\$57.91)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$0.98	\$0.73	\$0.52
INTEREST ON EQUIPMENT INVESTMENT		\$17.74	\$9.97	\$13.41
TOTAL CAPITAL COSTS	\$0.00	\$18.72	\$10.69	\$13.93
RETURN TO LAND AND RISK	(\$67.50)	\$77.06	(\$18.68)	(\$71.84)

TABLE 10. Whole farm summary, San Jon-Nara Visa area, Quay County,
Projected 2017

GROSS RETURNS		
ALFALFA HAY	60.00 ACRES	
CROP		\$14,850
GRAZING		\$720
GRAIN SORGHUM	400.00 ACRES	
CROP		\$37,851
GRAZING		\$2,000
DIRECT PAYMENT		\$0
WHEAT	340.00 ACRES	
CROP		\$19,992
GRAZING		\$680
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$76,093</u>
CASH OPERATING EXPENSES		
SEED		\$5,623
FERTILIZER		\$79
CHEMICALS		\$0
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,125
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$11,668
FUEL-IRRIGATION		\$0
REPAIRS		\$3,104
CUSTOM CHARGES		\$27
LAND TAXES		\$338
OTHER EXPENSES		\$30,634
TOTAL CASH EXPENSES		<u>\$53,698</u>
RETURN OVER CASH EXPENSES		\$22,396
FIXED EXPENSES		\$25,629
TOTAL EXPENSES		\$79,327
NET FARM INCOME		(\$3,234)
LABOR AND MANAGEMENT COSTS		\$13,634
NET OPERATING PROFIT		(\$16,868)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$526
INTEREST ON EQUIPMENT INVESTMENT		\$9,610
TOTAL CAPITAL COSTS		<u>\$10,136</u>
RETURN TO LAND AND RISK		<u>(\$27,004)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$30,604)	-6.61%
\$300 /ACRE	(\$34,204)	-4.50%
\$450 /ACRE	(\$37,804)	-3.41%
\$600 /ACRE	(\$41,404)	-2.74%
\$750 /ACRE	(\$45,004)	-2.29%
\$900 /ACRE	(\$48,604)	-1.97%

* 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)