

TABLE 1. Acreage Summary, Roosevelt County,
Projected 2018

| | |
|----------------------|-----------------------------------|
| BUDGET AREA..... | PORTALES VALLEY, ROOSEVELT COUNTY |
| FARM SIZE..... | 320 ACRES |
| IRRIGATION TYPE..... | SPRINKLER |
| NUMBER OF CROPS... | 4 |

| ACREAGE SUMMARY: | LAND USE (ACRES) | WATER USE | |
|-------------------------------------------|---------------------|-------------------|-----------------|
| | | AC.IN. PER AC. | TOTAL AC.IN. |
| WHEAT | 53.55 | 18 | 964 |
| 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 | 63.00 | 22 | 1,386 |
| CORNERS, ROADS, HOMESTEAD | 70.00 | | |
| TOTAL | 320.00 | | 5,490 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 1.43 |

TABLE 2. Basic cost information for the Portales Valley, Roosevelt County,
Projected 2018

| Item | | | |
|---------------------------------|----------------------------|------------------------------|----------|
| Labor Wage Rate: | | | |
| Equipment operators | | \$/hour | \$8.55 |
| General & Irrigators | | \$/hour | \$7.50 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | | \$/pound | \$0.31 |
| Phosphate (P205) | | \$/pound | \$0.24 |
| Seed: | | | |
| Wheat | | \$/pound | \$0.44 |
| Corn | | \$/bag | \$240.00 |
| Grain Sorghum | | \$/pound | \$1.32 |
| Peanuts | | \$/pound | \$1.10 |
| Energy: | | | |
| Natural gas (Gas NM) | | \$/MCF | \$3.99 |
| Diesel fuel | | \$/gallon | \$2.70 |
| Gasoline | | \$/gallon | \$2.40 |
| Electricity (SWPS) | | cents/KWhr | 11.68 |
| LP Gas | | \$/gallon | \$2.75 |
| 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 | \$89.00 /acre (full value) | | \$0.68 |
| Personal Property Tax Rate | - NR | \$/ \$1,000 (Assessed Value) | \$23.08 |
| | - R | | \$19.78 |
| Supervision Factor | | \$/labor hour | \$0.50 |
| Management Rate | | percent | 7.00% |

TABLE 3. Overhead cost information for the Portales Valley, Roosevelt County,
Projected 2018

| Item | | | |
|------------------------------------|--------|--------------------|-----------------|
| Electricity (Domestic & Shop) | | \$254.00 per month | \$3,048 |
| Telephone | | \$127.00 per month | \$1,524 |
| Accounting & Legal | | | \$1,861 |
| Misc. Supplies & Hand Tools | | | \$2,800 |
| Pickup and Auto | | | |
| miles | 26,162 | @ \$0.500 per mile | \$13,081 |
| Insurance | | | |
| - general liability (non-employee) | | | \$2,007 |
| - fire/theft | | | \$1,588 |
| Property Taxes | | | |
| - non-planted land | | | \$0 |
| - other than land & machinery | | | \$6,010 |
| Building repairs and maintenance | | | \$1,524 |
| Dues, fees, publications | | | \$457 |
| Farmstead Equipment | | | \$191 |
| Total | | | \$34,090 |
| Total Per Planted Acre | | | \$138.97 |

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 2018
 Planting Dates: August 20 - September 15
 Harvest Dates: June 1 - June 25

| ITEM | PRICE | YIELD | BASE | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|------------|
| GROSS RETURNS | | | | | | | | |
| WHEAT | \$4.40 | 60.00 BUSHELS | | | | | | \$264.00 |
| DIRECT PAYMENT | \$0.00 | 60.00 BUSHELS | 0.85 | | | | | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | | | | | \$0.00 |
| GRAZING | \$40.00 | 1.00 ACRE | | | | | | \$40.00 |
| TOTAL | | | | | | | | \$304.00 |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$0.44 | 60 LBS | \$26.40 | | | | | \$26.40 |
| NITROGEN (N) | \$0.31 | 120 LBS | \$37.20 | | | | | \$37.20 |
| PHOSPHATE (P205) | \$0.24 | 40 LBS | \$9.60 | | | | | \$9.60 |
| INSECTICIDE (CUSTOM) | \$20.01 | 1 X/ACRE | \$20.01 | | | | | \$20.01 |
| PUMP WATER* | | 18 AC. IN. | | | | | | |
| CROP INSURANCE | \$0.61 | | \$0.61 | | | | | \$0.61 |
| SUBTOTAL | | | \$93.82 | | | | | \$93.82 |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC (2X) | 185 HP | 0.28 HR | | \$2.39 | \$7.83 | \$2.63 | \$8.00 | \$20.85 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$0.99 | \$0.20 | \$0.97 | \$2.58 |
| DRILL | 126 HP | 0.18 HR | | \$1.54 | \$3.56 | \$0.90 | \$8.95 | \$14.96 |
| IRRIGATE (6X) | | 0.60 HR | | \$4.50 | \$80.85 | \$0.00 | \$9.35 | \$94.70 |
| SUBTOTAL | | 1.11 HR | | \$8.86 | \$93.24 | \$3.72 | \$27.28 | \$133.10 |
| HARVEST OPERATIONS | | | | | | | | |
| COMBINE (CUSTOM) | | | \$22.30 | | | | | \$22.30 |
| HAUL (CUSTOM) | | | \$9.60 | | | | | \$9.60 |
| SUBTOTAL | | | \$31.90 | | | | | \$31.90 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.13 HR | | \$1.09 | | | | \$1.09 |
| EMPLOYEE BENEFITS | | | | \$1.59 | | | | \$1.59 |
| INSURANCE | | | \$0.18 | | | | | \$0.18 |
| LAND TAXES | | | | | | | \$0.68 | \$0.68 |
| SUPERVISION AND MANAGEMENT | | | | \$21.84 | | | | \$21.84 |
| OTHER EXPENSES | | | \$138.97 | | | | | \$138.97 |
| SUBTOTAL | | 0.13 HR | \$139.15 | \$24.52 | | | \$0.68 | \$164.35 |
| TOTAL OPERATING EXPENSES | | 1.24 HR | \$264.87 | \$33.38 | \$93.24 | \$3.72 | \$27.96 | \$423.17 |
| NET OPERATING PROFIT | | | | | | | | (\$119.17) |
| INTEREST ON OPERATING CAPITAL | | (\$73.81 @ 5.50%) | | | | | | \$4.06 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$11.58 |
| RETURN TO LAND AND RISK | | | | | | | | (\$134.81) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|------------|-----------------------------------------|--|
| GROSS RETURN | | \$304.00 | |
| VARIABLE OPERATING EXPENSES | \$361.83 | | |
| RETURN OVER VARIABLE EXPENSES | (\$57.83) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$27.96 | | |
| NET FARM INCOME | (\$85.79) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$33.38 | | |
| NET OPERATING PROFIT | (\$119.17) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$15.64 | | |
| RETURN TO LAND AND RISK | (\$134.81) | | |

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 2018
 Planting Dates: April 25 - May 30
 Harvest Dates: November 1 - November 30

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| CORN FOR GRAIN | \$6.61 | 70.00 CWT | | \$462.50 |
| DIRECT PAYMENT | \$0.00 | 70.00 CWT | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$15.00 | 1.00 ACRE | | \$15.00 |
| TOTAL | | | | \$477.50 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$3.00 | 28 000 | \$84.00 | | \$84.00 |
| NITROGEN (N) | \$0.31 | 150 LBS | \$46.50 | | \$46.50 |
| PHOSPHATE (P205) | \$0.24 | 60 LBS | \$14.40 | | \$14.40 |
| 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 | | | \$202.82 | | \$202.82 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.92 | \$1.31 | \$4.00 | \$10.43 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$13.42 | \$5.10 | \$15.01 | \$37.64 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.92 | \$1.31 | \$4.00 | \$10.43 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$0.99 | \$0.20 | \$0.97 | \$2.58 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.45 | \$4.75 | \$1.71 | \$6.03 | \$13.95 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$10.37 | \$0.00 | \$1.20 | \$12.31 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.38 | \$0.80 | \$4.12 | \$8.32 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.68 | \$1.58 | \$0.38 | \$2.38 | \$5.03 |
| PLANT ER | 185 HP | 0.17 HR | | \$1.45 | \$4.75 | \$1.31 | \$9.37 | \$16.89 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.15 | \$1.84 | \$7.12 | \$16.33 |
| IRRIGATE (12X) | | 1.20 HR | | \$9.00 | \$124.39 | \$0.00 | \$14.39 | \$147.77 |
| SUBTOTAL | | 2.91 HR | | \$23.52 | \$175.62 | \$13.95 | \$68.60 | \$281.68 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|----------------|--|--|--|--|----------------|
| COMBINE (CUSTOM) | | | \$24.50 | | | | | \$24.50 |
| HAUL (CUSTOM) | | | \$12.60 | | | | | \$12.60 |
| SUBTOTAL | | | \$37.10 | | | | | \$37.10 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|-----------------|----------------|--|---------------|--|-----------------|
| DOWNTIME | | 0.20 HR | | \$1.67 | | | | \$1.67 |
| EMPLOYEE BENEFITS | | | | \$4.23 | | | | \$4.23 |
| INSURANCE | | | \$0.47 | | | | | \$0.47 |
| LAND TAXES | | | | | | \$0.68 | | \$0.68 |
| SUPERVISION AND MANAGEMENT | | | | \$34.55 | | | | \$34.55 |
| OTHER EXPENSES | | | \$138.97 | | | | | \$138.97 |
| SUBTOTAL | | 0.20 HR | \$139.44 | \$40.45 | | \$0.68 | | \$180.57 |

| | | | | | | | | |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | | 3.11 HR | \$379.36 | \$63.96 | \$175.62 | \$13.95 | \$69.28 | \$702.17 |
|---------------------------------|--|----------------|-----------------|----------------|-----------------|----------------|----------------|-----------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|-------------------|
| NET OPERATING PROFIT | | | | | | | | (\$224.67) |
|-----------------------------|--|--|--|--|--|--|--|-------------------|

| | | | | | | | | |
|----------------------------------|---|----------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$151.89 | @ | 5.50% |) | | | \$8.35 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$29.39 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | | (\$262.42) |
|--------------------------------|--|--|--|--|--|--|--|-------------------|

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

BUDGET SUMMARY

| | | | | |
|-------------------------------|----------|------------|-----------------------------------------|--|
| GROSS RETURN | | \$477.50 | | |
| VARIABLE OPERATING EXPENSES | \$568.93 | | | |
| RETURN OVER VARIABLE EXPENSES | | (\$91.43) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$69.28 | | | |
| NET FARM INCOME | | (\$160.71) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$63.96 | | | |
| NET OPERATING PROFIT | | (\$224.67) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$37.75 | | | |
| RETURN TO LAND AND RISK | | (\$262.42) | | |

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 2018
 Planting Dates: May 15 - June 10
 Harvest Dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|--------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$6.08 | 65.00 CWT | | \$395.11 |
| DIRECT PAYMENT | \$0.00 | 65.00 CWT | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$9.00 | 1.00 ACRE | | \$9.00 |
| TOTAL | | | | \$404.11 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$1.32 | 6 LBS | \$7.92 | | \$7.92 |
| NITROGEN (N) | \$0.31 | 150 LBS | \$46.50 | | \$46.50 |
| PHOSPHATE (P205) | \$0.24 | 40 LBS | \$9.60 | | \$9.60 |
| 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 | | | \$101.94 | | \$101.94 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.92 | \$1.31 | \$4.00 | \$10.43 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$13.42 | \$5.10 | \$15.01 | \$37.64 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.92 | \$1.31 | \$4.00 | \$10.43 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$0.99 | \$0.20 | \$0.97 | \$2.58 |
| DISC & SPRAY | 185 HP | 0.17 HR | | \$1.45 | \$4.75 | \$1.71 | \$6.03 | \$13.95 |
| LISTER | 126 HP | 0.12 HR | | \$1.03 | \$2.38 | \$0.80 | \$4.12 | \$8.32 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$8.17 | \$0.00 | \$0.94 | \$9.86 |
| ROD WEED | 126 HP | 0.08 HR | | \$0.68 | \$1.58 | \$0.38 | \$2.38 | \$5.03 |
| PLANTER | 185 HP | 0.17 HR | | \$1.45 | \$4.75 | \$1.31 | \$9.37 | \$16.89 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.15 | \$1.84 | \$7.12 | \$16.33 |
| IRRIGATE (10X) | | 1.00 HR | | \$7.50 | \$81.67 | \$0.00 | \$9.45 | \$98.61 |
| SUBTOTAL | | 2.71 HR | | \$22.02 | \$130.70 | \$13.95 | \$63.40 | \$230.07 |

| 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 | | | | | | \$0.68 | | \$0.68 |
| SUPERVISION AND MANAGEMENT | | | | \$29.57 | | | | \$29.57 |
| OTHER EXPENSES | | | \$138.97 | | | | | \$138.97 |
| SUBTOTAL | | 0.39 HR | | \$139.41 | \$36.89 | | \$0.68 | \$176.99 |

TOTAL OPERATING EXPENSES 3.10 HR \$282.98 \$58.91 \$130.70 \$13.95 \$64.09 \$550.62

NET OPERATING PROFIT (\$146.52)

INTEREST ON OPERATING CAPITAL (\$90.60 @ 5.50%) \$4.98
 INTEREST ON EQUIPMENT INVESTMENT \$27.05

RETURN TO LAND AND RISK (\$178.55)

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

BUDGET SUMMARY

| | | | | |
|-------------------------------|----------|------------|-----------------------------------------|--|
| GROSS RETURN | | \$404.11 | | |
| VARIABLE OPERATING EXPENSES | \$427.63 | | | |
| RETURN OVER VARIABLE EXPENSES | | (\$23.52) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$64.09 | | | |
| NET FARM INCOME | | (\$87.61) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$58.91 | | | |
| NET OPERATING PROFIT | | (\$146.52) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$32.03 | | | |
| RETURN TO LAND AND RISK | | (\$178.55) | | |

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 2018
 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) | \$0.31 | 60 LB | \$18.60 | | \$18.60 |
| PHOSPHATE (P205) | \$0.24 | 80 LB | \$19.20 | | \$19.20 |
| 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 | | | \$234.33 | | \$234.33 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.92 | \$1.31 | \$4.00 | \$10.43 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$13.42 | \$5.10 | \$15.01 | \$37.64 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$3.92 | \$1.31 | \$4.00 | \$10.43 |
| FERT SPREADER | 126 HP | 0.05 HR | | \$0.43 | \$0.99 | \$0.20 | \$0.97 | \$2.58 |
| SPRAY & DISC | 185 HP | 0.17 HR | | \$1.45 | \$4.75 | \$1.71 | \$6.03 | \$13.95 |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$8.98 | \$0.00 | \$1.04 | \$10.77 |
| LISTE R | 126 HP | 0.12 HR | | \$1.03 | \$2.38 | \$0.80 | \$4.12 | \$8.32 |
| PLANTER | 126 HP | 0.17 HR | | \$1.45 | \$4.75 | \$1.31 | \$9.37 | \$16.89 |
| APPLY FUNGICIDE (CUSTOM) | | | \$27.00 | | | | | \$27.00 |
| CULTIVATOR (2X) | 126 HP | 0.26 HR | | \$2.22 | \$5.15 | \$1.84 | \$7.12 | \$16.33 |
| HAND HOE (CUSTOM) | | | \$12.00 | | | | | \$12.00 |
| IRRIGATE (10X) | | 1.00 HR | | \$7.50 | \$89.84 | \$0.00 | \$10.39 | \$107.73 |
| SUBTOTAL | | 2.63 HR | \$39.00 | \$21.33 | \$138.10 | \$13.57 | \$62.06 | \$274.06 |

| 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 | \$6.71 | \$1.36 | \$7.23 | \$17.36 |
| COMBINE PEANUTS | 185 HP | 0.80 HR | | \$6.84 | \$22.37 | \$5.45 | \$84.35 | \$119.02 |
| HAUL | 126 HP | 0.80 HR | | \$6.84 | \$15.84 | \$3.29 | \$23.31 | \$49.28 |
| SUBTOTAL | | 1.84 HR | \$0.00 | \$15.73 | \$44.93 | \$10.11 | \$114.89 | \$185.66 |

| 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 | | | | | | \$0.68 | \$0.68 |
| SUPERVISION AND MANAGEMENT | | | \$43.71 | | | | \$43.71 |
| OTHER EXPENSES | | \$138.97 | | | | | \$138.97 |
| SUBTOTAL | 0.61 HR | \$139.71 | \$55.60 | | | \$0.68 | \$195.99 |

| | | | | | | | |
|--------------------------|---------|----------|---------|----------|---------|----------|----------|
| TOTAL OPERATING EXPENSES | 5.08 HR | \$413.04 | \$92.66 | \$183.02 | \$23.68 | \$177.64 | \$890.04 |
|--------------------------|---------|----------|---------|----------|---------|----------|----------|

| | | | | | | | |
|----------------------|--|--|--|--|--|--|------------|
| NET OPERATING PROFIT | | | | | | | (\$292.04) |
|----------------------|--|--|--|--|--|--|------------|

| | | | | | | | |
|----------------------------------|---|----------|---|-------|---|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$159.67 | @ | 5.50% |) | | \$8.78 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$74.70 |

| | | | | | | | |
|-------------------------|--|--|--|--|--|--|------------|
| RETURN TO LAND AND RISK | | | | | | | (\$375.52) |
|-------------------------|--|--|--|--|--|--|------------|

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

BUDGET SUMMARY

| | | | |
|-------------------------------|------------|-----------------------------------------|--|
| GROSS RETURN | | \$598.00 | |
| VARIABLE OPERATING EXPENSES | \$619.74 | | |
| RETURN OVER VARIABLE EXPENSES | (\$21.74) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$177.64 | | |
| NET FARM INCOME | (\$199.38) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$92.66 | | |
| NET OPERATING PROFIT | (\$292.04) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$83.48 | | |
| RETURN TO LAND AND RISK | (\$375.52) | | |

TABLE 10. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, Projected 2018

| | WHEAT | CORN | GRAIN SORGHUM | PEANUTS |
|----------------------------------|------------|------------|------------------|------------|
| | BU | CWT | CWT | LBS |
| PRIMARY YIELD | 60.00 | 70.00 | 65.00 | 2,600.00 |
| PRIMARY PRICE | \$4.40 | \$6.61 | \$6.08 | \$0.23 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| SECOND INCOME | \$40.00 | \$15.00 | \$9.00 | \$0.00 |
| GROSS RETURN | \$304.00 | \$477.50 | \$404.11 | \$598.00 |
| CASH OPERATING EXPENSES | | | | |
| SEED | \$26.40 | \$84.00 | \$7.92 | \$110.00 |
| FERTILIZER | \$46.80 | \$60.90 | \$56.10 | \$37.80 |
| CHEMICALS | \$20.01 | \$56.97 | \$36.97 | \$74.64 |
| CROP INSURANCE | \$0.61 | \$0.95 | \$0.95 | |
| OTHER PURCHASED INPUTS | | | | \$11.89 |
| CANAL WATER | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$12.38 | \$40.86 | \$40.86 | \$84.20 |
| FUEL-IRRIGATION | \$80.85 | \$134.75 | \$89.84 | \$98.82 |
| REPAIRS | \$3.72 | \$13.95 | \$13.95 | \$23.68 |
| CUSTOM CHARGES | \$31.90 | \$37.10 | \$41.63 | \$39.00 |
| LAND TAXES | \$0.68 | \$0.68 | \$0.68 | \$0.68 |
| OTHER EXPENSES | \$139.15 | \$139.44 | \$139.41 | \$139.71 |
| TOTAL CASH EXPENSES | \$362.51 | \$569.61 | \$428.31 | \$620.42 |
| RETURN OVER CASH EXPENSES | (\$58.51) | (\$92.11) | (\$24.21) | (\$22.42) |
| FIXED EXPENSES | \$27.28 | \$68.60 | \$63.40 | \$176.95 |
| TOTAL EXPENSES | \$389.79 | \$638.21 | \$491.72 | \$797.38 |
| NET FARM INCOME | (\$85.79) | (\$160.71) | (\$87.61) | (\$199.38) |
| LABOR AND MANAGEMENT COSTS | \$33.38 | \$63.96 | \$58.91 | \$92.66 |
| NET OPERATING PROFIT | (\$119.17) | (\$224.67) | (\$146.52) | (\$292.04) |
| CAPITAL COSTS | | | | |
| INTEREST ON OPERATING CAPITAL | \$4.06 | \$8.35 | \$4.98 | \$8.78 |
| INTEREST ON EQUIPMENT INVESTMENT | \$11.58 | \$29.39 | \$27.05 | \$74.70 |
| TOTAL CAPITAL COSTS | \$15.64 | \$37.75 | \$32.03 | \$83.48 |
| RETURN TO LAND AND RISK | (\$134.81) | (\$262.42) | (\$178.55) | (\$375.52) |
| Flex Computation | -95.95 | -164.43 | -88.09 | |

TABLE 11. Whole farm summary, Portales Valley, Roosevelt County,
Projected 2018

| | | |
|----------------------------------|-------------|-------------------|
| GROSS RETURNS | | |
| WHEAT | 81.60 ACRES | |
| CROP | | \$21,542 |
| GRAZING | | \$3,264 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| CORN FOR GRAIN | 52.70 ACRES | |
| CROP | | \$24,374 |
| GRAZING | | \$791 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GRAIN SORGHUM | 52.70 ACRES | |
| CROP | | \$20,822 |
| GRAZING | | \$474 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| PEANUTS | 63.00 ACRES | |
| CROP | | \$37,674 |
| GROSS RETURN | | <u>\$108,941</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$13,928 |
| FERTILIZER | | \$12,366 |
| CHEMICALS | | \$11,285 |
| CROP INSURANCE | | \$150 |
| OTHER PURCHASED INPUTS | | \$749 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$10,622 |
| FUEL-IRRIGATION | | \$24,659 |
| REPAIRS | | \$3,266 |
| CUSTOM CHARGES | | \$9,209 |
| LAND TAXES | | \$171 |
| OTHER EXPENSES | | \$34,852 |
| TOTAL CASH EXPENSES | | <u>\$121,259</u> |
| RETURN OVER CASH EXPENSES | | (\$12,317) |
| FIXED EXPENSES | | \$20,330 |
| TOTAL EXPENSES | | \$141,589 |
| NET FARM INCOME | | (\$32,648) |
| LABOR AND MANAGEMENT COSTS | | \$15,037 |
| NET OPERATING PROFIT | | (\$47,685) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$1,587 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$8,625 |
| TOTAL CAPITAL COSTS | | <u>\$10,213</u> |
| RETURN TO LAND AND RISK | | <u>(\$57,897)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | (\$62,697) | -15.21% |
| \$750 /ACRE | (\$65,097) | -12.12% |
| \$1,000 /ACRE | (\$67,497) | -10.07% |
| \$1,250 /ACRE | (\$69,897) | -8.61% |
| \$1,500 /ACRE | (\$72,297) | -7.53% |
| \$1,750 /ACRE | (\$74,697) | -6.68% |
| \$2,000 /ACRE | (\$77,097) | -6.01% |

* 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)