

TABLE 1. Basic cost information for Curry County, 2003.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Purchased Inputs:			
Fertilizer:			
Anhydrous Ammonia		\$/ton	\$310.00
Seed:			
Wheat		\$/pound	\$0.13
Grain Sorghum		\$/pound	\$1.20
Diesel fuel		\$/gallon	\$1.30
Gasoline		\$/gallon	\$1.35
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/w ages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	8.00%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	8.00%
Real Interest Rate		percent	4.00%
Land Taxes	\$40.00	/acre (full value)	\$0.34
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$25.25
	- R		\$25.25
Supervision Factors			
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 1a. Overhead cost information for Curry County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$215.00 per month	\$2,580
Telephone		\$115.00 per month	\$1,380
Accounting & Legal			\$1,600
Misc. Supplies & Hand Tools			\$2,425
Pickup and Auto			
miles	30,000	@ \$0.365 per mile	\$10,950
Insurance			
- general liability (non-employee)			\$2,160
- fire/theft			\$1,725
Property Taxes			
- non-planted land			\$221
- other than land & machinery			\$1,000
Building repairs and maintenance			\$1,420
Dues, fees, publications			\$390
Farmstead Equipment			\$165
Total			\$26,016

TABLE 2. Equipment summary for a 1,600 acre dryland farm with above average management, Curry County, 2003.

EQUIPMENT ITEM & SIZE	ANNUAL		VARIABLE COSTS					FIXED COSTS		
	HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR	DEPREC- IATION	TOTAL TAXES PER HOUR	
TRACTOR 155 HP	180	1	\$14,420	\$2,037	\$776	\$11.30	\$4.31	\$3,500	\$221	\$20.65
TRACTOR 330 HP	189	1	\$44,250	\$4,398	\$4,022	\$23.21	\$21.23	\$9,433	\$595	\$52.93
DRILL 40 FT	53	1	\$7,750		\$748		\$14.11	\$1,550	\$65	\$30.48
FERT SPREADER DEALER FURNI:	77	1								
SWEEPS 45 FT	106	1	\$6,750		\$408		\$3.85	\$900	\$57	\$9.03
ROTARY HOE 24 FT	23	1	\$1,900		\$33		\$1.48	\$253	\$16	\$11.96
ROD WEEDER 40 FT	53	1	\$1,200		\$41		\$0.77	\$160	\$10	\$3.21
CULTIVATOR 6-ROW	59	1	\$3,000		\$112		\$1.92	\$400	\$25	\$7.26
TOTAL			\$79,270	\$6,435	\$6,139			\$16,197	\$990	

TABLE 3. Wheat, dryland, budgeted per acre costs and returns for a 1,600 acre farm with above average management, Curry County, 2003.
 Planting Dates: September 1 - October 15
 Harvesting Dates: June 15 - July 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	\$3.45	12 BUSHELS						\$41.40
DIRECT PAYMENT	\$0.52	12 BUSHELS						\$6.24
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$12.00	1 ACRE						\$12.00
TOTAL								\$59.64
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.13	30 LBS	\$3.90					\$3.90
HERBICIDE	\$7.05	1 ACRE	\$7.05					\$7.05
CROP INSURANCE	\$0.08		\$0.08					\$0.08
SUBTOTAL			\$11.03					\$11.03
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
SWEEP (2X)	300 HP	0.10 HR		\$0.76	\$2.32	\$2.51	\$6.20	\$11.78
ROD WEEDER	300 HP	0.05 HR		\$0.38	\$1.16	\$1.10	\$2.81	\$5.44
DRILL	300 HP	0.05 HR		\$0.38	\$1.16	\$1.77	\$4.17	\$7.47
SUBTOTAL		0.20 HR		\$1.51	\$4.64	\$5.37	\$13.17	\$24.70
HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$9.25				\$9.25
HAUL (CUSTOM)				\$1.92				\$1.92
SUBTOTAL				\$11.17				\$11.17
OVERHEAD EXPENSES								
DOWNTIME		0.05 HR		\$0.38				\$0.38
EMPLOYEE BENEFITS				\$0.27				\$0.27
INSURANCE				\$0.03				\$0.03
LAND TAXES						\$0.34		\$0.34
SUPERVISION AND MANAGEMENT				\$4.27				\$4.27
OTHER EXPENSES				\$16.36				\$16.36
SUBTOTAL		0.05 HR		\$16.39	\$4.92		\$0.34	\$21.65
TOTAL OPERATING EXPENSES		0.25 HR		\$38.60	\$6.43	\$4.64	\$5.37	\$13.51
NET OPERATING PROFIT								(\$8.92)
INTEREST ON OPERATING CAPITAL		(\$5.38 @ 8.00%)						\$0.43
INTEREST ON EQUIPMENT INVESTMENT								\$7.16
RETURN TO LAND AND RISK								(\$16.51)

BUDGET SUMMARY

GROSS RETURN		\$59.64	
VARIABLE OPERATING EXPENSES	\$48.61		
RETURN OVER VARIABLE EXPENSES		\$11.03	(GROSS MARGIN)
FIXED EXPENSES	\$13.51		
NET FARM INCOME		(\$2.48)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$6.43		
NET OPERATING PROFIT		(\$8.92)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$7.59		
RETURN TO LAND AND RISK		(\$16.51)	

TABLE 4. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,600 acre farm with above average management, Curry County, 2003.
 Planting Dates: May 15 - June 20
 Harvesting Dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$4.39	14 CWT							\$61.46
DIRECT PAYMENT	\$0.35	14 CWT							\$4.90
COUNTER CYCLICAL PAYMENT	\$0.00	0 CWT							\$0.00
GRAZING	\$4.00	1 ACRE							\$4.00
TOTAL									\$70.36
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$1.20	2 LBS	\$1.80						\$1.80
ANHYDROUS	\$0.1550	50 LBS	\$7.75						\$7.75
HERBICIDE	\$13.22	1 X/ACRE	\$13.22						\$13.22
INSECTICIDE	\$13.22	1 X/ACRE	\$13.22						\$13.22
CROP INSURANCE	\$0.11		\$0.11						\$0.11
SUBTOTAL			\$36.11						\$36.11
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL	
SWEEP (2X)	300 HP	0.10 HR		\$0.76	\$2.32	\$2.51	\$6.20	\$11.78	
ROD WEEDER	300 HP	0.05 HR		\$0.38	\$1.16	\$1.10	\$2.81	\$5.44	
ANHYDROUS APPL	155 HP	0.17 HR		\$1.28	\$1.92	\$0.73	\$3.51	\$7.45	
DRILL	155 HP	0.05 HR		\$0.38	\$0.57	\$0.92	\$2.56	\$4.42	
ROTARY HOE	155 HP	0.05 HR		\$0.38	\$0.57	\$0.29	\$1.63	\$2.86	
CULTIVATOR	155 HP	0.13 HR		\$0.98	\$1.47	\$0.81	\$3.63	\$6.89	
SUBTOTAL		0.55 HR		\$4.15	\$8.00	\$6.36	\$20.33	\$38.84	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			\$9.67						\$9.67
HAUL (CUSTOM)			\$2.66						\$2.66
SUBTOTAL			\$12.33						\$12.33
OVERHEAD EXPENSES									
DOWNTIME		0.10 HR		\$0.76					\$0.76
EMPLOYEE BENEFITS				\$0.75					\$0.75
INSURANCE			\$0.08					\$0.08	
LAND TAXES							\$0.34	\$0.34	
SUPERVISION AND MANAGEMENT				\$5.20					\$5.20
OTHER EXPENSES			\$16.36					\$16.36	
SUBTOTAL		0.10 HR	\$16.45	\$6.70				\$0.34	\$23.48
TOTAL OPERATING EXPENSES		0.65 HR	\$64.88	\$10.86	\$8.00	\$6.36	\$20.66	\$110.76	
NET OPERATING PROFIT								(\$40.40)	
INTEREST ON OPERATING CAPITAL	(\$22.67	@	8.00%					\$1.81
INTEREST ON EQUIPMENT INVESTMENT									\$11.20
RETURN TO LAND AND RISK								(\$53.41)	

BUDGET SUMMARY

GROSS RETURN	\$70.36		
VARIABLE OPERATING EXPENSES	\$79.24		
RETURN OVER VARIABLE EXPENSES	(\$8.88)	(GROSS MARGIN)	
FIXED EXPENSES	\$20.66		
NET FARM INCOME	(\$29.55)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$10.86		
NET OPERATING PROFIT	(\$40.40)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$13.01		
RETURN TO LAND AND RISK	(\$53.41)		

TABLE 5. Summary of per acre costs and returns for a 1,600 acre farm with above average management, Curry County, 2002.

	WHEAT	GRAIN
	-----DRYLAND-----	SORGHUM
PRIMARY YIELD	12.00 BUSHELS	14.00 CWT
PRIMARY PRICE	3.45	4.39
GOVERNMENT PAYMENTS	6.24	4.90
SECOND INCOME	12.00 ACRE	4.00 ACRE
GROSS RETURN	\$59.64	\$70.36
CASH OPERATING EXPENSES		
SEED	\$3.90	\$1.80
FERTILIZER		\$7.75
CHEMICALS	\$7.05	\$26.44
CROP INSURANCE	\$0.08	\$0.11
OTHER PURCHASED INPUTS		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$4.64	\$8.00
REPAIRS	\$5.37	\$6.36
CUSTOM CHARGES	\$11.17	\$12.33
LAND TAXES	\$0.34	\$0.34
OTHER EXPENSES	\$16.39	\$16.45
TOTAL CASH EXPENSES	\$48.95	\$79.58
RETURN OVER CASH EXPENSES	\$10.69	(\$9.22)
FIXED EXPENSES	\$13.17	\$20.33
TOTAL EXPENSES	\$62.12	\$99.91
NET FARM INCOME	(\$2.48)	(\$29.55)
LABOR AND MANAGEMENT COSTS	\$6.43	\$10.86
NET OPERATING PROFIT	(\$8.92)	(\$40.40)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.43	\$1.81
INTEREST ON EQUIPMENT INVESTMENT	\$7.16	\$11.20
TOTAL CAPITAL COSTS	\$7.59	\$13.01
RETURN TO LAND AND RISK	<u>(\$16.51)</u>	<u>(\$53.41)</u>

TABLE 6. Whole farm summary, Curry County, 2002.

GROSS RETURNS		
WHEAT	530 acres	
CROP		\$21,942
GRAZING		\$6,360
DIRECT PAYMENT		\$2,315
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	530 acres	
CROP		\$32,574
GRAZING		\$2,120
DIRECT PAYMENT		\$2,597
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		\$67,908
CASH OPERATING EXPENSES		
SEED		\$3,188
FERTILIZER		\$3,491
CHEMICALS		\$16,212
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$6,435
REPAIRS		\$6,139
CUSTOM CHARGES		\$12,363
LAND TAXES		\$357
OTHER EXPENSES		\$17,400
TOTAL CASH EXPENSES		\$65,684
RETURN OVER CASH EXPENSES		\$2,223
FIXED EXPENSES		\$17,186
TOTAL EXPENSES		\$82,871
NET FARM INCOME		(\$14,963)
LABOR AND MANAGEMENT COSTS		\$8,812
NET OPERATING PROFIT		(\$23,775)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,080
INTEREST ON EQUIPMENT INVESTMENT		\$9,408
TOTAL CAPITAL COSTS		\$10,488
RETURN TO LAND AND RISK		(\$34,262)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$43,862)	-7.45%
\$200 /ACRE	(\$47,062)	-5.95%
\$250 /ACRE	(\$50,262)	-4.96%
\$300 /ACRE	(\$53,462)	-4.25%

* 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)