

TABLE 1. Basic cost information for the Rogers-Dora area,
Roosevelt County, 2003.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Seed:			
Wheat		\$/pound	\$0.13
Grain Sorghum		\$/pound	\$1.20
Fuel:			
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	\$26.00	/acre (full value)	\$0.15
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed	\$17.18
	- R		\$12.59
Supervision Factor		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 1a. Overhead cost information for the Rogers-Dora area,
Roosevelt 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			\$2,410
Pickup and Auto			
miles	25,750	@ \$0.365 per mile	\$9,399
Insurance			
- general liability (non-employee)			\$1,725
- fire/theft			\$1,370
Property Taxes			
- non-planted land			\$46
- other than land & machinery			\$610
Building repairs and maintenance			\$1,310
Dues, fees, publications			\$390
Farmstead Equipment			\$165
		Total	\$22,985
		Total Per Planted Acre	\$23.26

TABLE 2. Equipment summary for a 1,280 acre, dryland farm with above average management, Rogers-Dora area, Roosevelt County, 2003.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL, OIL LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 95 HP	146	1	\$19,240	\$1,401	\$689	\$9.59	\$4.72	\$1,226	\$123	\$9.24
TRACTOR 175 HP	295	1	\$31,290	\$3,762	\$2,723	\$12.76	\$9.24	\$5,600	\$241	\$19.82
TRUCK 2-TON	138	1	\$22,000	\$1,143	\$3,074	\$8.26	\$22.22	\$4,400	\$126	\$32.71
PLANTER 8-ROW	50	1	\$5,500		\$54		\$1.08	\$110	\$3	\$2.25
CULTIVATOR 8-ROW	42	1	\$4,000		\$114		\$2.72	\$533	\$23	\$13.24
DISC 18 FT OFFSET	109	1	\$7,500		\$465		\$4.28	\$1,000	\$43	\$9.59
DRILL 40 FT	28	1	\$7,750		\$313		\$11.01	\$1,550	\$44	\$56.12
LISTER 8-ROW	38	1	\$3,200		\$82		\$2.18	\$427	\$18	\$11.77
STUBBLE MULCHER 20 FT	99	1	\$6,500		\$366		\$3.71	\$867	\$37	\$9.15
SPRAYER (MTD)	25	1	\$1,500		\$54		\$2.13	\$200	\$9	\$8.28
COMBINE 145 HP	138	1	\$57,005	\$1,502	\$4,180	\$10.86	\$30.21	\$7,600	\$326	\$57.30
GRAIN HEAD 22 FT	138	1	\$3,100		\$276		\$1.99	\$501	\$22	\$3.78
ROD WEEDER 37 FT	49	1	\$1,150		\$36		\$0.74	\$153	\$7	\$3.24
			\$169,735	\$7,807	\$12,426			\$24,168	\$1,021	

TABLE 3. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Rogers-Dora area, Roosevelt County, 2003.

Planting Dates: May 15 - May 30
Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
GRAIN SORGHUM	\$4.39	15.00	CWT						\$65.85	
DIRECT PAYMENT	\$0.625	15.00	CWT						\$9.38	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT						\$0.00	
GRAZING	\$5.00	1	ACRE						\$5.00	
TOTAL									\$80.23	
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL	
SEED	\$1.20	3	LBS	\$3.60					\$3.60	
INSECTICIDE	\$15.88	1	X/ACRE	\$15.88					\$15.88	
CROP INSURANCE	\$0.12			\$0.12					\$0.12	
SUBTOTAL				\$19.60					\$19.60	
PREHARVEST OPERATIONS										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL	
DISC	165 HP	0.11	HR		\$0.83	\$1.40	\$1.49	\$3.24	\$6.96	
STUBBLE MULCH	165 HP	0.10	HR		\$0.76	\$1.28	\$1.29	\$2.90	\$6.22	
LISTER	165 HP	0.09	HR		\$0.68	\$1.15	\$1.03	\$2.84	\$5.70	
ROD WEED	165 HP	0.05	HR		\$0.38	\$0.64	\$0.50	\$1.15	\$2.67	
PLANTER	93 HP	0.12	HR		\$0.91	\$1.15	\$0.70	\$1.38	\$4.13	
CULTIVATOR	93 HP	0.10	HR		\$0.76	\$0.96	\$0.74	\$2.25	\$4.71	
SPRAYER	93 HP	0.06	HR		\$0.45	\$0.58	\$0.41	\$1.05	\$2.49	
SUBTOTAL		0.63	HR		\$4.76	\$7.15	\$6.16	\$14.80	\$32.87	
HARVEST OPERATIONS										
COMBINE		0.14	HR		\$1.06	\$1.52	\$4.51	\$8.55	\$15.64	
HAUL	2 TON	0.14	HR		\$1.06	\$1.16	\$3.11	\$4.58	\$9.90	
SUBTOTAL		0.28	HR		\$2.11	\$2.68	\$7.62	\$13.13	\$25.54	
OVERHEAD EXPENSES										
DOWNTIME		0.12	HR		\$0.89				\$0.89	
EMPLOYEE BENEFITS					\$1.24				\$1.24	
INSURANCE				\$0.14					\$0.14	
LAND TAXES							\$0.15	\$0.15	\$0.15	
SUPERVISION AND MANAGEMENT					\$6.13				\$6.13	
OTHER EXPENSES				\$23.26					\$23.26	
SUBTOTAL		0.12	HR		\$23.40	\$8.25		\$0.15	\$31.80	
TOTAL OPERATING EXPENSES		1.03	HR		\$43.00	\$15.13	\$9.83	\$13.78	\$28.08	\$109.82
NET OPERATING PROFIT										(\$29.59)
INTEREST ON OPERATING CAPITAL	(\$13.99	@	8.00%)					\$1.12
INTEREST ON EQUIPMENT INVESTMENT										\$16.97
RETURN TO LAND AND RISK										(\$47.68)

BUDGET SUMMARY

GROSS RETURN		\$80.23	
VARIABLE OPERATING EXPENSES	\$66.61		
RETURN OVER VARIABLE EXPENSES		\$13.62	(GROSS MARGIN)
FIXED EXPENSES	\$28.08		
NET FARM INCOME		(\$14.47)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$15.13		
NET OPERATING PROFIT		(\$29.59)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.09		
RETURN TO LAND AND RISK		(\$47.68)	

TABLE 4. Wheat, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Rogers-Dora area, Roosevelt County, 2003.
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
WHEAT	\$3.45	9.20	BUSHEL						\$31.74
DIRECT PAYMENT	\$0.52	18.00	BUSHEL						\$9.36
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00
GRAZING	\$10.00	1.00	ACRE						\$10.00
TOTAL									\$51.10
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.13	30	LB	\$3.90					\$3.90
CROP INSURANCE	\$0.09			\$0.09					\$0.09
				<u>\$3.99</u>					<u>\$3.99</u>
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
STUBBLE MULCH	165 HP	0.10	HR		\$0.76	\$1.28	\$1.29	\$2.90	\$6.22
DISC	165 HP	0.11	HR		\$0.83	\$1.40	\$1.49	\$3.24	\$6.96
RODWEED	165 HP	0.05	HR		\$0.38	\$0.64	\$0.50	\$1.15	\$2.67
DRILL	93 HP	0.05	HR		\$0.38	\$0.48	\$0.79	\$3.27	\$4.91
SUBTOTAL		0.31	HR		\$2.34	\$3.80	\$4.07	\$10.55	\$20.76
HARVEST OPERATIONS									
COMBINE		0.14	HR		\$1.06	\$1.52	\$4.51	\$8.55	\$15.64
HAUL	2 TON	0.14	HR		\$1.06	\$1.16	\$3.11	\$4.58	\$9.90
SUBTOTAL		0.28	HR		\$2.11	\$2.68	\$7.62	\$13.13	\$25.54
OVERHEAD EXPENSES									
DOWNTIME		0.10	HR		\$0.76				\$0.76
EMPLOYEE BENEFITS					\$0.80				\$0.80
INSURANCE					\$0.09				\$0.09
LAND TAXES								\$0.15	\$0.15
SUPERVISION AND MANAGEMENT					\$3.73				\$3.73
OTHER EXPENSES					\$23.26				\$23.26
SUBTOTAL		0.10	HR		\$23.35	\$5.29		\$0.15	\$28.79
TOTAL OPERATING EXPENSES		0.69	HR		\$27.25	\$9.74	\$6.47	\$11.69	\$78.98
NET OPERATING PROFIT									(\$27.88)
INTEREST ON OPERATING CAPITAL	(\$4.77	@	8.00%)				\$0.38
INTEREST ON EQUIPMENT INVESTMENT									\$12.57
RETURN TO LAND AND RISK									(\$40.83)
BUDGET SUMMARY									
GROSS RETURN		\$51.10							
VARIABLE OPERATING EXPENSES	\$45.41								
RETURN OVER VARIABLE EXPENSES	\$5.69	(GROSS MARGIN)							
FIXED EXPENSES	\$23.83								
NET FARM INCOME		(\$18.14)	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$9.74								
NET OPERATING PROFIT		(\$27.88)	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$12.95								
RETURN TO LAND AND RISK			(\$40.83)						

TABLE 5. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Rogers-Dora area, Roosevelt County, 2002.

	GRAIN	
	SORGHUM	WHEAT
	---DRYLAND---	
	CWT	BU
PRIMARY YIELD	15.00	9.20
PRIMARY PRICE	4.39	3.45
GOVERNMENT PAYMENTS	9.38	9.36
SECOND INCOME	5.00	10.00
GROSS RETURN	80.23	\$51.10
CASH OPERATING EXPENSES		
SEED	\$3.60	\$3.90
FERTILIZER		
CHEMICALS	\$15.88	
CROP INSURANCE	\$0.12	\$0.09
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$9.83	\$6.47
FUEL-IRRIGATION		
REPAIRS	\$13.78	\$11.69
CUSTOM CHARGES	\$0.00	\$0.00
LAND TAXES	\$0.15	\$0.15
OTHER EXPENSES	\$23.40	\$23.35
TOTAL CASH EXPENSES	\$66.76	\$45.65
RETURN OVER CASH EXPENSES	\$13.47	\$5.45
FIXED EXPENSES	\$27.93	\$23.68
TOTAL EXPENSES	\$94.69	\$69.33
NET FARM INCOME	(\$14.47)	(\$18.23)
LABOR AND MANAGEMENT COSTS	\$15.13	\$9.74
NET OPERATING PROFIT	(\$29.59)	(\$27.97)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.12	\$0.38
INTEREST ON EQUIPMENT INVESTMENT	\$16.97	\$12.57
TOTAL CAPITAL COSTS	\$18.09	\$12.95
RETURN TO LAND AND RISK	(\$47.68)	(\$40.92)

TABLE 6. Whole farm summary, Rogers-Dora area, Roosevelt County, 2002.

GROSS RETURNS		
GRAIN SORGHUM	420 ACRES	
CROP		\$27,657
GRAZING		\$2,100
DIRECT PAYMENT		\$3,938
COUNTER CYCLICAL PAYMENT		\$0
WHEAT	568.2 ACRES	
CROP		\$18,035
GRAZING		\$5,682
DIRECT PAYMENT		\$3,931
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		\$61,342
CASH OPERATING EXPENSES		
SEED		\$3,728
FERTILIZER		\$0
CHEMICALS		\$6,672
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,807
FUEL-IRRIGATION		\$0
REPAIRS		\$12,426
CUSTOM CHARGES		\$0
LAND TAXES		\$147
OTHER EXPENSES		\$23,093
TOTAL CASH EXPENSES		\$53,973
RETURN OVER CASH EXPENSES		\$7,369
FIXED EXPENSES		\$25,189
TOTAL EXPENSES		\$79,162
NET FARM INCOME		(\$17,820)
LABOR AND MANAGEMENT COSTS		\$11,889
NET OPERATING PROFIT		(\$29,709)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$687
INTEREST ON EQUIPMENT INVESTMENT		\$14,269
TOTAL CAPITAL COSTS		\$14,956
RETURN TO LAND AND RISK		(\$44,665)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$52,345)	-8.21%
\$200 /ACRE	(\$54,905)	-6.98%
\$250 /ACRE	(\$57,465)	-6.07%
\$300 /ACRE	(\$60,025)	-5.37%
\$350 /ACRE	(\$62,585)	-4.81%
\$400 /ACRE	(\$65,145)	-4.36%

* 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)