

TABLE 1. Basic cost information for the Rogers-Dora area, Roosevelt County, 2002.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.75
<b>Seed:</b>		
Wheat	\$/pound	\$0.16
Grain Sorghum	\$/pound	\$1.11
<b>Fuel:</b>		
Diesel fuel	\$/gallon	\$1.05
Gasoline	\$/gallon	\$1.00
Employee Liability Insurance	\$/(\$1,000 wages)	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
<b>Financial Rates:</b>		
Operating Capital Interest Rate	percent	8.00%
Land Interest Rate	percent	7.50%
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%

BUDGET AREA..... ROGERS-DORA AREA, ROOSEVELT COUNTY, 2002.  
 FARM SIZE..... 1280 ACRES  
 IRRIGATION TYPE..... DRYLAND  
 NUMBER OF CROPS... 2

ACREAGE SUMMARY:	LAND USE (ACRES)
GRAIN SORGHUM	420.00
ARP	0.00
FLEX IN WHEAT	74.10
WHEAT	420.00
ARP	0.00
FLEX IN WHEAT	74.10
SUMMER FALLOW	271.80
ROADS, HOMESTEAD	20.00
<b>TOTAL</b>	<b>1280.00</b>

TABLE 1a. Overhead cost information for the Rogers-Dora area, Roosevelt County, 2002.

ITEM			
Electricity (Domestic & Shop)		\$210.00 per month	\$2,520
Telephone		\$110.00 per month	\$1,320
Accounting & Legal			\$1,555
Misc. Supplies & Hand Tools			\$2,340
Pickup and Auto			
miles	25,750	@ \$0.345 per mile	\$8,884
<b>Insurance</b>			
- general liability (non-employee)			\$1,675
- fire/theft			\$1,330
<b>Property Taxes</b>			
- non-planted land			\$46
- other than land & machinery			\$590
Building repairs and maintenance			\$1,270
Dues, fees, publications			\$380
Farmstead Equipment			\$160
		<b>Total</b>	<b>\$22,069</b>
		<b>Total Per Planted Acre</b>	<b>\$22.33</b>

TABLE 2. Equipment summary for a 1,280 acre, dryland farm with above average management, Rogers-Dora area, Roosevelt County, 2002.

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 93 HP	146	1	\$23,030	\$1,038	\$689	\$7.11	\$4.72	\$1,226	\$123	\$9.24	
TRACTOR 175 HP	295	1	\$36,030	\$3,038	\$2,723	\$10.31	\$9.24	\$5,600	\$241	\$19.82	
TRUCK 2-TON	138	1	\$11,500	\$923	\$1,607	\$6.67	\$11.62	\$2,300	\$66	\$17.10	
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	\$1,213	\$4,180	\$8.77	\$30.21	\$7,600	\$326	\$57.30	
GRAIN HEAD 22 FT	138	1	\$4,150		\$276		\$1.99	\$501	\$22	\$3.78	
ROD WEEDER 37 FT	49	1	\$1,150		\$36		\$0.74	\$153	\$7	\$3.24	
			\$168,815	\$6,212	\$10,959			\$22,068	\$961		

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, 2002.

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

ITEM	PRICE	YIELD							TOTAL
<b>GROSS RETURNS</b>									
GRAIN SORGHUM	\$3.75	15.00 CWT							\$56.25
ASCS DEFICIENCY	\$0.58	15.00 CWT							\$8.70
ASCS DIVERSION	\$0.00	0.00 CWT							\$0.00
GRAZING	\$5.00	1 ACRE							\$5.00
<b>TOTAL</b>									<b>\$69.95</b>
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$1.11	3 LBS	\$3.33						\$3.33
INSECTICIDE	\$15.51	1 X/ACRE	\$15.51						\$15.51
CROP INSURANCE	\$0.12		\$0.12						\$0.12
<b>SUBTOTAL</b>			<b>\$18.96</b>						<b>\$18.96</b>
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL	
DISC	165 HP	0.11 HR		\$0.83	\$1.13	\$1.49	\$3.24	\$6.69	
STUBBLE MULCH	165 HP	0.10 HR		\$0.76	\$1.03	\$1.29	\$2.90	\$5.98	
LISTER	165 HP	0.09 HR		\$0.68	\$0.93	\$1.03	\$2.84	\$5.48	
ROD WEED	165 HP	0.05 HR		\$0.38	\$0.52	\$0.50	\$1.15	\$2.54	
PLANTER	93 HP	0.12 HR		\$0.91	\$0.85	\$0.70	\$1.38	\$3.83	
CULTIVATOR	93 HP	0.10 HR		\$0.76	\$0.71	\$0.74	\$2.25	\$4.46	
SPRAYER	93 HP	0.06 HR		\$0.45	\$0.43	\$0.41	\$1.05	\$2.34	
<b>SUBTOTAL</b>		<b>0.63 HR</b>		<b>\$4.76</b>	<b>\$5.60</b>	<b>\$6.16</b>	<b>\$14.80</b>	<b>\$31.32</b>	
<b>HARVEST OPERATIONS</b>									
COMBINE		0.14 HR		\$1.06	\$1.23	\$4.51	\$8.55	\$15.34	
HAUL	2 TON	0.14 HR		\$1.06	\$0.93	\$1.63	\$2.39	\$6.01	
<b>SUBTOTAL</b>		<b>0.28 HR</b>		<b>\$2.11</b>	<b>\$2.16</b>	<b>\$6.13</b>	<b>\$10.94</b>	<b>\$21.35</b>	
<b>OVERHEAD EXPENSES</b>									
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	
SUPERVISION AND MANAGEMENT				\$5.41				\$5.41	
OTHER EXPENSES			\$22.33					\$22.33	
<b>SUBTOTAL</b>		<b>0.12 HR</b>	<b>\$22.47</b>	<b>\$7.54</b>			<b>\$0.15</b>	<b>\$30.15</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>1.03 HR</b>	<b>\$41.43</b>	<b>\$14.41</b>	<b>\$7.76</b>	<b>\$12.29</b>	<b>\$25.90</b>	<b>\$101.79</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$31.84)</b>	
INTEREST ON OPERATING CAPITAL	(	\$13.11	@	8.00%	)			\$1.05	
INTEREST ON EQUIPMENT INVESTMENT								\$16.12	
<b>RETURN TO LAND AND RISK</b>								<b>(\$49.01)</b>	

**BUDGET SUMMARY**

GROSS RETURN		\$69.95	
VARIABLE OPERATING EXPENSES	\$61.48		
RETURN OVER VARIABLE EXPENSES		\$8.47	(GROSS MARGIN)
FIXED EXPENSES	\$25.90		
NET FARM INCOME		(\$17.43)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.41		
NET OPERATING PROFIT		(\$31.84)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$17.17		
RETURN TO LAND AND RISK		(\$49.01)	

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, 2002.  
 Planting dates: August 15 - September 15  
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD							TOTAL
<b>GROSS RETURNS</b>									
WHEAT	\$3.40	18.00	BUSHEL						\$61.20
ASCS DEFICIENCY	\$0.474	18.00	BUSHEL						\$8.53
ASCS DIVERSION	\$0.00								\$0.00
GRAZING	\$10.00	1.00	ACRE						\$10.00
<b>TOTAL</b>									<b>\$79.73</b>
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.16	30	LB	\$4.80					\$4.80
CROP INSURANCE	\$0.09			\$0.09					\$0.09
				<u>\$4.89</u>					<u>\$4.89</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	\$1.03	\$1.29	\$2.90	\$5.98
DISC	165 HP	0.11	HR		\$0.83	\$1.13	\$1.49	\$3.24	\$6.69
RODWEED	165 HP	0.05	HR		\$0.38	\$0.52	\$0.50	\$1.15	\$2.54
DRILL	93 HP	0.05	HR		\$0.38	\$0.36	\$0.79	\$3.27	\$4.79
<b>SUBTOTAL</b>		<b>0.31</b>	<b>HR</b>		<b>\$2.34</b>	<b>\$3.04</b>	<b>\$4.07</b>	<b>\$10.55</b>	<b>\$19.99</b>
<b>HARVEST OPERATIONS</b>									
COMBINE		0.14	HR		\$1.06	\$1.23	\$4.51	\$8.55	\$15.34
HAUL	2 TON	0.14	HR		\$1.06	\$0.93	\$1.63	\$2.39	\$6.01
<b>SUBTOTAL</b>		<b>0.28</b>	<b>HR</b>		<b>\$2.11</b>	<b>\$2.16</b>	<b>\$6.13</b>	<b>\$10.94</b>	<b>\$21.35</b>
<b>OVERHEAD EXPENSES</b>									
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					\$5.74				\$5.74
OTHER EXPENSES					\$22.33				\$22.33
<b>SUBTOTAL</b>		<b>0.10</b>	<b>HR</b>		<b>\$22.42</b>	<b>\$7.29</b>		<b>\$0.15</b>	<b>\$29.86</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>0.69</b>	<b>HR</b>		<b>\$27.22</b>	<b>\$11.75</b>	<b>\$5.20</b>	<b>\$10.20</b>	<b>\$76.01</b>
<b>NET OPERATING PROFIT</b>									<b>\$3.72</b>
INTEREST ON OPERATING CAPITAL	(	\$4.87	@	8.00%	)				\$0.39
INTEREST ON EQUIPMENT INVESTMENT									\$11.72
<b>RETURN TO LAND AND RISK</b>									<b>(\$8.39)</b>
<b>BUDGET SUMMARY</b>									
GROSS RETURN					\$79.73				
VARIABLE OPERATING EXPENSES	\$42.62								
RETURN OVER VARIABLE EXPENSES		\$37.11	(GROSS MARGIN)						
FIXED EXPENSES	\$21.65								
NET FARM INCOME		\$15.47	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$11.75								
NET OPERATING PROFIT		\$3.72	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$12.11								
RETURN TO LAND AND RISK			(\$8.39)						

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	18.00
PRIMARY PRICE	3.75	3.40
GOVERNMENT PAYMENTS	8.70	8.53
SECOND INCOME	5.00	10.00
GROSS RETURN	69.95	\$79.73
CASH OPERATING EXPENSES		
SEED	\$3.33	\$4.80
FERTILIZER		
CHEMICALS	\$15.51	
CROP INSURANCE	\$0.12	\$0.09
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$7.76	\$5.20
FUEL-IRRIGATION		
REPAIRS	\$12.29	\$10.20
CUSTOM CHARGES	\$0.00	\$0.00
LAND TAXES	\$0.15	\$0.15
OTHER EXPENSES	\$22.47	\$22.42
TOTAL CASH EXPENSES	\$61.63	\$42.86
RETURN OVER CASH EXPENSES	\$8.32	\$36.88
FIXED EXPENSES	\$25.75	\$21.50
TOTAL EXPENSES	\$87.38	\$64.35
NET FARM INCOME	(\$17.43)	\$15.38
LABOR AND MANAGEMENT COSTS	\$14.41	\$11.75
NET OPERATING PROFIT	(\$31.84)	\$3.63
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.05	\$0.39
INTEREST ON EQUIPMENT INVESTMENT	\$16.12	\$11.72
TOTAL CAPITAL COSTS	\$17.17	\$12.11
RETURN TO LAND AND RISK	(\$49.01)	(\$8.48)

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

GROSS RETURNS		
GRAIN SORGHUM	420 ACRES	
CROP		\$23,625
GRAZING		\$2,100
ASCS DEFICIENCY		\$3,654
ASCS DIVERSION		\$0
WHEAT	568.2 ACRES	
CROP		\$34,774
GRAZING		\$5,682
ASCS DEFICIENCY		\$3,583
ASCS DIVERSION		\$0
GROSS RETURN		\$73,418
CASH OPERATING EXPENSES		
SEED		\$4,126
FERTILIZER		\$0
CHEMICALS		\$6,515
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$6,212
FUEL-IRRIGATION		\$0
REPAIRS		\$10,959
CUSTOM CHARGES		\$0
LAND TAXES		\$147
OTHER EXPENSES		\$22,178
TOTAL CASH EXPENSES		\$50,237
RETURN OVER CASH EXPENSES		\$23,181
FIXED EXPENSES		\$23,029
TOTAL EXPENSES		\$73,266
NET FARM INCOME		\$152
LABOR AND MANAGEMENT COSTS		\$12,725
NET OPERATING PROFIT		(\$12,573)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$662
INTEREST ON EQUIPMENT INVESTMENT		\$13,429
TOTAL CAPITAL COSTS		\$14,091
RETURN TO LAND AND RISK		(\$26,664)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$34,344)	-3.48%
\$200 /ACRE	(\$36,904)	-2.96%
\$250 /ACRE	(\$39,464)	-2.57%
\$300 /ACRE	(\$42,024)	-2.27%
\$350 /ACRE	(\$44,584)	-2.04%
\$400 /ACRE	(\$47,144)	-1.85%

\* 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)