

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% |

BUDGET AREA..... ROGERS-DORA AREA, ROOSEVELT COUNTY, 2003.
 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 |
| TOTAL | 1280.00 |

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 | \$3.95 | 15.00 | CWT | | | | | | \$59.25 | |
| 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 | | | | | | | | | \$73.63 | |
| 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 | |
| SUPERVISION AND MANAGEMENT | | | | | \$5.67 | | | | \$5.67 | |
| OTHER EXPENSES | | | | | \$23.26 | | | | \$23.26 | |
| SUBTOTAL | | 0.12 | HR | | \$23.40 | \$7.79 | | \$0.15 | \$31.34 | |
| TOTAL OPERATING EXPENSES | | 1.03 | HR | | \$43.00 | \$14.66 | \$9.83 | \$13.78 | \$28.08 | \$109.35 |
| NET OPERATING PROFIT | | | | | | | | | (\$35.73) | |
| INTEREST ON OPERATING CAPITAL | (| \$13.99 | @ | 8.00% |) | | | | \$1.12 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$16.97 | |
| RETURN TO LAND AND RISK | | | | | | | | | (\$53.82) | |

BUDGET SUMMARY

| | | | |
|-------------------------------|---------|-----------|---|
| GROSS RETURN | | \$73.63 | |
| VARIABLE OPERATING EXPENSES | \$66.61 | | |
| RETURN OVER VARIABLE EXPENSES | | \$7.02 | (GROSS MARGIN) |
| FIXED EXPENSES | \$28.08 | | |
| NET FARM INCOME | | (\$21.07) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$14.66 | | |
| NET OPERATING PROFIT | | (\$35.73) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$18.09 | | |
| RETURN TO LAND AND RISK | | (\$53.82) | |

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 | \$4.50 | 18.00 | BUSHEL | | | | | | \$81.00 | |
| 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 | | | | | | | | | \$100.36 | |
| 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 | | | | | \$7.18 | | | | \$7.18 | |
| OTHER EXPENSES | | | | | \$23.26 | | | | \$23.26 | |
| SUBTOTAL | | 0.10 | HR | | \$23.35 | \$8.74 | | \$0.15 | \$32.23 | |
| TOTAL OPERATING EXPENSES | | 0.69 | HR | | \$27.25 | \$13.19 | \$6.47 | \$11.69 | \$23.83 | \$82.43 |
| NET OPERATING PROFIT | | | | | | | | | \$17.93 | |
| INTEREST ON OPERATING CAPITAL | (| \$4.77 | @ | 8.00% |) | | | | \$0.38 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$12.57 | |
| RETURN TO LAND AND RISK | | | | | | | | | \$4.98 | |
| BUDGET SUMMARY | | | | | | | | | | |
| GROSS RETURN | | \$100.36 | | | | | | | | |
| VARIABLE OPERATING EXPENSES | \$45.41 | | | | | | | | | |
| RETURN OVER VARIABLE EXPENSES | \$54.95 | (GROSS MARGIN) | | | | | | | | |
| FIXED EXPENSES | \$23.83 | | | | | | | | | |
| NET FARM INCOME | \$31.12 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | | | | | | | | |
| LABOR AND MANAGEMENT COST | \$13.19 | | | | | | | | | |
| NET OPERATING PROFIT | \$17.93 | (RETURN TO CAPITAL, LAND & RISK) | | | | | | | | |
| CAPITAL COSTS | \$12.95 | | | | | | | | | |
| RETURN TO LAND AND RISK | \$4.98 | | | | | | | | | |

TABLE 5. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Rogers-Dora area, Roosevelt County, 2003.

| | GRAIN | |
|----------------------------------|---------------|----------|
| | SORGHUM | WHEAT |
| | ---DRYLAND--- | |
| | CWT | BU |
| PRIMARY YIELD | 15.00 | 18.00 |
| PRIMARY PRICE | 3.95 | 4.50 |
| GOVERNMENT PAYMENTS | 9.38 | 9.36 |
| SECOND INCOME | 5.00 | 10.00 |
| GROSS RETURN | 73.63 | \$100.36 |
| 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 | \$6.87 | \$54.71 |
| FIXED EXPENSES | \$27.93 | \$23.68 |
| TOTAL EXPENSES | \$94.69 | \$69.33 |
| NET FARM INCOME | (\$21.07) | \$31.03 |
| LABOR AND MANAGEMENT COSTS | \$14.66 | \$13.19 |
| NET OPERATING PROFIT | (\$35.73) | \$17.84 |
| 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 | (\$53.82) | \$4.89 |
| Flex Computation | (\$8.91) | \$41.14 |

TABLE 6. Whole farm summary, Rogers-Dora area, Roosevelt County, 2003.

| | | |
|----------------------------------|-------------|------------|
| GROSS RETURNS | | |
| GRAIN SORGHUM | 420 ACRES | |
| CROP | | \$24,885 |
| GRAZING | | \$2,100 |
| DIRECT PAYMENT | | \$3,938 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| WHEAT | 568.2 ACRES | |
| CROP | | \$46,024 |
| GRAZING | | \$5,682 |
| DIRECT PAYMENT | | \$3,931 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GROSS RETURN | | \$86,560 |
| 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 | | \$32,587 |
| FIXED EXPENSES | | \$25,189 |
| TOTAL EXPENSES | | \$79,162 |
| NET FARM INCOME | | \$7,398 |
| LABOR AND MANAGEMENT COSTS | | \$13,654 |
| NET OPERATING PROFIT | | (\$6,256) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$687 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$14,269 |
| TOTAL CAPITAL COSTS | | \$14,956 |
| RETURN TO LAND AND RISK | | (\$21,213) |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|-------------|-----------------|------------------------|
| \$150 /ACRE | (\$28,893) | -1.73% |
| \$200 /ACRE | (\$31,453) | -1.47% |
| \$250 /ACRE | (\$34,013) | -1.28% |
| \$300 /ACRE | (\$36,573) | -1.13% |
| \$350 /ACRE | (\$39,133) | -1.01% |
| \$400 /ACRE | (\$41,693) | -0.92% |

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND V.