

TABLE 7. Summary of per acre costs and returns for a 1,280 acre farm, Roosevelt County,
Actual 2004

	GRAIN SORGHUM	WHEAT
	CWT	BU
PRIMARY YIELD	15.00	18.00
PRIMARY PRICE	\$3.70	\$3.75
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$10.00
GROSS RETURN	\$60.45	\$77.50
CASH OPERATING EXPENSES		
SEED	\$3.69	\$7.20
FERTILIZER		
CHEMICALS	\$15.88	
CROP INSURANCE	\$0.12	\$0.09
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$14.32	\$9.83
FUEL-IRRIGATION		
REPAIRS	\$6.83	\$4.85
CUSTOM CHARGES	\$0.00	\$0.00
LAND TAXES	\$0.53	\$0.53
OTHER EXPENSES	\$29.67	\$29.62
TOTAL CASH EXPENSES	\$71.05	\$52.11
RETURN OVER CASH EXPENSES	(\$10.61)	\$25.39
FIXED EXPENSES	\$32.05	\$25.39
TOTAL EXPENSES	\$103.10	\$77.50
NET FARM INCOME	(\$42.65)	(\$0.00)
LABOR AND MANAGEMENT COSTS	\$13.62	\$11.51
NET OPERATING PROFIT	(\$56.28)	(\$11.51)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.89	\$0.40
INTEREST ON EQUIPMENT INVESTMENT	\$14.31	\$10.49
TOTAL CAPITAL COSTS	\$15.20	\$10.89
RETURN TO LAND AND RISK	(\$71.47)	(\$22.40)

TABLE 8. Whole farm summary, Rogers-Dora area, Roosevelt County,
Actual 2004

GROSS RETURNS		
GRAIN SORGHUM	420.00 ACRES	
CROP		\$23,288
GRAZING		\$2,100
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHEAT	568.20 ACRES	
CROP		\$38,354
GRAZING		\$5,682
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$69,423</u>
CASH OPERATING EXPENSES		
SEED		\$5,641
FERTILIZER		\$0
CHEMICALS		\$6,672
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$11,600
FUEL-IRRIGATION		\$0
REPAIRS		\$5,624
CUSTOM CHARGES		\$0
LAND TAXES		\$529
OTHER EXPENSES		\$29,288
TOTAL CASH EXPENSES		<u>\$59,453</u>
RETURN OVER CASH EXPENSES		\$9,970
FIXED EXPENSES		\$27,885
TOTAL EXPENSES		\$87,339
NET FARM INCOME		(\$17,916)
LABOR AND MANAGEMENT COSTS		\$12,262
NET OPERATING PROFIT		(\$30,178)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$598
INTEREST ON EQUIPMENT INVESTMENT		\$11,970
TOTAL CAPITAL COSTS		<u>\$12,568</u>
RETURN TO LAND AND RISK		<u>(\$42,746)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$48,506)	-8.45%
\$200 /ACRE	(\$50,426)	-7.16%
\$250 /ACRE	(\$52,346)	-6.22%
\$300 /ACRE	(\$54,266)	-5.49%
\$350 /ACRE	(\$56,186)	-4.92%
\$400 /ACRE	(\$58,106)	-4.46%

* 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)