

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
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.