

TABLE 1. Acreage Summary, Roosevelt County,
Projected 2004.

BUDGET AREA.....	ROGERS-DORA AREA, ROOSEVELT COUNTY
FARM SIZE.....	1,280 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	1,280.00

TABLE 2. Basic cost information for the Rogers-Dora area, Roosevelt County,
Projected 2004.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Seed:			
Wheat		\$/pound	\$0.18
Grain Sorghum		\$/pound	\$1.30
Fuel:			
Diesel fuel		\$/gallon	\$1.50
Gasoline		\$/gallon	\$1.45
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	6.50%
Land Interest Rate		percent	6.00%
Equipment Interest Rate		percent	6.50%
Real Interest Rate		percent	4.00%
Land Taxes	\$26.00	/acre (full value)	\$0.16
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed	\$18.03
	- R		\$13.80
Supervision Factor		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for the Rogers-Dora area, Roosevelt County,
Projected 2004.

Item			
Electricity (Domestic & Shop)		\$220.00 per month	\$2,640
Telephone		\$120.00 per month	\$1,440
Accounting & Legal			\$1,650
Misc. Supplies & Hand Tools			\$2,485
Pickup and Auto			
miles	25,750	@ \$0.365 per mile	\$9,399
Insurance			
- general liability (non-employee)			\$1,775
- fire/theft			\$1,410
Property Taxes			
- non-planted land			\$50
- other than land & machinery			\$630
Building repairs and maintenance			\$1,350
Dues, fees, publications			\$400
Farmstead Equipment			\$170
		Total	\$23,399
		Total Per Planted Acre	\$23.68

TABLE 4. Equipment summary for a 1,280 acre, dryland farm with above average management, Rogers-Dora area, Roosevelt County, Projected 2004.

EQUIPMENT		ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
ITEM & SIZE	FUEL, OIL, LUBRICANT				REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR	95 HP	146	1	\$19,045	\$1,504	\$689	\$10.30	\$4.72	\$1,226	\$129	\$9.28
TRACTOR	175 HP	295	1	\$26,125	\$4,340	\$2,723	\$14.73	\$9.24	\$5,600	\$252	\$19.86
TRUCK	2 TON	138	1	\$22,000	\$1,318	\$3,074	\$9.53	\$22.22	\$4,400	\$132	\$32.76
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	\$24	\$13.27
DISC	18 FT OFFSET	109	1	\$7,500		\$465		\$4.28	\$1,000	\$45	\$9.61
DRILL	40 FT	28	1	\$7,750		\$313		\$11.01	\$1,550	\$47	\$56.20
LISTER	8 ROW	38	1	\$3,200		\$82		\$2.18	\$427	\$19	\$11.80
STUBBLE MULCHER	20 FT	99	1	\$6,500		\$366		\$3.71	\$867	\$39	\$9.17
SPRAYER (MTD)		25	1	\$1,500		\$54		\$2.13	\$200	\$9	\$8.29
COMBINE	145 HP	138	1	\$35,240	\$1,733	\$4,180	\$12.53	\$30.21	\$7,600	\$343	\$57.41
GRAIN HEAD	22 FT	138	1	\$3,600		\$276		\$1.99	\$501	\$23	\$3.79
ROD WEEDER	37 FT	49	1	\$1,150		\$36		\$0.74	\$153	\$7	\$3.24
				\$143,110	\$8,896	\$12,426			\$24,168	\$1,072	

TABLE 5. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Rogers-Dora area, Roosevelt Count; Projected 2004.
Planting Dates: May 15 - May 30
Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
GRAIN SORGHUM	\$4.03	16.00 CWT						\$64.48	
DIRECT PAYMENT	\$0.35	16.00 CWT	0.85					\$4.76	
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT						\$0.00	
GRAZING	\$5.00	1 ACRE						\$5.00	
TOTAL								\$74.24	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$1.30	3 LBS	\$3.90						\$3.90
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88						\$15.88
CROP INSURANCE	\$0.12		\$0.12						\$0.12
SUBTOTAL			\$19.90						\$19.90
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	165 HP	0.11 HR		\$0.83	\$1.62	\$1.49	\$3.24	\$7.18	
STUBBLE MULCH	165 HP	0.10 HR		\$0.76	\$1.47	\$1.29	\$2.90	\$6.42	
LISTER	165 HP	0.09 HR		\$0.68	\$1.33	\$1.03	\$2.85	\$5.88	
ROD WEED	165 HP	0.05 HR		\$0.38	\$0.74	\$0.50	\$1.15	\$2.77	
PLANTER	93 HP	0.12 HR		\$0.91	\$1.24	\$0.70	\$1.38	\$4.22	
CULTIVATOR	93 HP	0.10 HR		\$0.76	\$1.03	\$0.74	\$2.26	\$4.78	
SPRAYER	93 HP	0.06 HR		\$0.45	\$0.62	\$0.41	\$1.05	\$2.54	
SUBTOTAL		0.63 HR		\$4.76	\$8.04	\$6.16	\$14.84	\$33.79	
HARVEST OPERATIONS									
COMBINE		0.14 HR		\$1.06	\$1.75	\$4.51	\$8.57	\$15.89	
HAUL	2 TON	0.14 HR		\$1.06	\$1.33	\$3.11	\$4.59	\$10.09	
SUBTOTAL		0.28 HR		\$2.11	\$3.09	\$7.62	\$13.15	\$25.98	
OVERHEAD EXPENSES									
DOWNTIME		0.12 HR		\$0.89				\$0.89	
EMPLOYEE BENEFITS				\$1.24				\$1.24	
INSURANCE			\$0.14					\$0.14	
LAND TAXES							\$0.16	\$0.16	
SUPERVISION AND MANAGEMENT				\$5.71				\$5.71	
OTHER EXPENSES			\$23.68					\$23.68	
SUBTOTAL		0.12 HR	\$23.82	\$7.84			\$0.16	\$31.81	
TOTAL OPERATING EXPENSES		1.03 HR	\$43.72	\$14.71	\$11.13	\$13.78	\$28.15	\$111.48	
NET OPERATING PROFIT								(\$37.24)	
INTEREST ON OPERATING CAPITAL		(\$14.39 @	6.50%)				\$0.94	
INTEREST ON EQUIPMENT INVESTMENT								\$13.79	
RETURN TO LAND AND RISK								(\$51.97)	

BUDGET SUMMARY			
GROSS RETURN		\$74.24	
VARIABLE OPERATING EXPENSES	\$68.62		
RETURN OVER VARIABLE EXPENSES		\$5.62	(GROSS MARGIN)
FIXED EXPENSES	\$28.15		
NET FARM INCOME		(\$22.54)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.71		
NET OPERATING PROFIT		(\$37.24)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$14.72		
RETURN TO LAND AND RISK		(\$51.97)	

TABLE 6. Wheat, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Rogers-Dora area, Roosevelt County Projected 2004.

Planting dates: August 15 - September 15

Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$3.75	18.00 BUSHELS		\$67.50
DIRECT PAYMENT	\$0.52	18.00 BUSHEL	0.85	\$7.96
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$10.00	1.00 ACRE		\$10.00
TOTAL				\$85.46

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.18	30 LB	\$5.40		\$5.40
CROP INSURANCE	\$0.09		\$0.09		\$0.09
			\$5.49		\$5.49

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
STUBBLE MULCH	165 HP	0.10 HR		\$0.76	\$1.47	\$1.29	\$2.90	\$6.42
DISC	165 HP	0.11 HR		\$0.83	\$1.62	\$1.49	\$3.24	\$7.18
RODWEED	165 HP	0.05 HR		\$0.38	\$0.74	\$0.50	\$1.15	\$2.77
DRILL	93 HP	0.05 HR		\$0.38	\$0.52	\$0.79	\$3.27	\$4.95
SUBTOTAL		0.31 HR		\$2.34	\$4.34	\$4.07	\$10.57	\$21.32

HARVEST OPERATIONS		ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE		0.14 HR		\$1.06	\$1.75	\$4.51	\$8.57	\$15.89
HAUL	2 TON	0.14 HR		\$1.06	\$1.33	\$3.11	\$4.59	\$10.09
SUBTOTAL		0.28 HR		\$2.11	\$3.09	\$7.62	\$13.15	\$25.98

OVERHEAD EXPENSES		ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.10 HR		\$0.76				\$0.76
EMPLOYEE BENEFITS				\$0.80				\$0.80
INSURANCE			\$0.09					\$0.09
LAND TAXES							\$0.16	\$0.16
SUPERVISION AND MANAGEMENT				\$6.14				\$6.14
OTHER EXPENSES			\$23.68					\$23.68
SUBTOTAL		0.10 HR	\$23.77	\$7.69			\$0.16	\$31.62

TOTAL OPERATING EXPENSES 0.69 HR \$29.17 \$12.15 \$7.43 \$11.69 \$23.88 \$84.32

NET OPERATING PROFIT \$1.14

INTEREST ON OPERATING CAPITAL (\$5.69 @ 6.50%) \$0.37

INTEREST ON EQUIPMENT INVESTMENT \$10.21

RETURN TO LAND AND RISK (\$9.44)

BUDGET SUMMARY			
GROSS RETURN		\$85.46	
VARIABLE OPERATING EXPENSES	\$48.28		
RETURN OVER VARIABLE EXPENSES	\$37.17	(GROSS MARGIN)	
FIXED EXPENSES	\$23.88		
NET FARM INCOME	\$13.29	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$12.15		
NET OPERATING PROFIT	\$1.14	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$10.58		
RETURN TO LAND AND RISK		(\$9.44)	

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

	GRAIN SORGHUM	WHEAT
	CWT	BU
PRIMARY YIELD	16.00	18.00
PRIMARY PRICE	\$4.03	\$3.75
GOVERNMENT PAYMENTS	\$4.76	\$7.96
SECOND INCOME	\$5.00	\$10.00
GROSS RETURN	\$74.24	\$85.46
CASH OPERATING EXPENSES		
SEED	\$3.90	\$5.40
FERTILIZER		
CHEMICALS	\$15.88	
CROP INSURANCE	\$0.12	\$0.09
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$11.13	\$7.43
FUEL-IRRIGATION		
REPAIRS	\$13.78	\$11.69
CUSTOM CHARGES	\$0.00	\$0.00
LAND TAXES	\$0.16	\$0.16
OTHER EXPENSES	\$23.82	\$23.77
TOTAL CASH EXPENSES	\$68.78	\$48.53
RETURN OVER CASH EXPENSES	\$5.46	\$36.93
FIXED EXPENSES	\$27.99	\$23.73
TOTAL EXPENSES	\$96.78	\$72.26
NET FARM INCOME	(\$22.54)	\$13.20
LABOR AND MANAGEMENT COSTS	\$14.71	\$12.15
NET OPERATING PROFIT	(\$37.24)	\$1.05
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.94	\$0.37
INTEREST ON EQUIPMENT INVESTMENT	\$13.79	\$10.21
TOTAL CAPITAL COSTS	\$14.72	\$10.58
RETURN TO LAND AND RISK	(\$51.97)	(\$9.53)

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

GROSS RETURNS		
GRAIN SORGHUM	420.00 ACRES	
CROP		\$27,082
GRAZING		\$2,100
DIRECT PAYMENT		\$1,999
COUNTER CYCLICAL PAYMENT		\$0
WHEAT	568.20 ACRES	
CROP		\$38,354
GRAZING		\$5,682
DIRECT PAYMENT		\$3,342
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$78,558</u>
CASH OPERATING EXPENSES		
SEED		\$4,706
FERTILIZER		\$0
CHEMICALS		\$6,672
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,896
FUEL-IRRIGATION		\$0
REPAIRS		\$12,426
CUSTOM CHARGES		\$0
LAND TAXES		\$154
OTHER EXPENSES		\$23,507
TOTAL CASH EXPENSES		<u>\$56,462</u>
RETURN OVER CASH EXPENSES		\$22,096
FIXED EXPENSES		\$25,240
TOTAL EXPENSES		\$81,702
NET FARM INCOME		(\$3,144)
LABOR AND MANAGEMENT COSTS		\$13,079
NET OPERATING PROFIT		(\$16,223)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$603
INTEREST ON EQUIPMENT INVESTMENT		\$11,594
TOTAL CAPITAL COSTS		<u>\$12,197</u>
RETURN TO LAND AND RISK		<u>(\$28,420)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$36,100)	-4.84%
\$200 /ACRE	(\$38,660)	-4.06%
\$250 /ACRE	(\$41,220)	-3.50%
\$300 /ACRE	(\$43,780)	-3.08%
\$350 /ACRE	(\$46,340)	-2.74%
\$400 /ACRE	(\$48,900)	-2.48%

* 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)