

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 County, Projected 2015
 Planting Dates: May 15 - May 30
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
GRAIN SORGHUM	\$7.06	15.00 CWT						\$105.96
DIRECT PAYMENT	\$0.00	15.00 CWT	0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT						\$0.00
GRAZING	\$5.00	1 ACRE						\$5.00
TOTAL								\$110.96
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.31	3 LBS	\$3.93					\$3.93
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88					\$15.88
CROP INSURANCE	\$0.12		\$0.12					\$0.12
SUBTOTAL			\$19.93					\$19.93
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	165 HP	0.11 HR		\$0.94	\$3.45	\$1.62	\$3.40	\$9.40
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$3.14	\$1.34	\$3.04	\$8.38
LISTER	165 HP	0.09 HR		\$0.77	\$2.82	\$0.84	\$2.97	\$7.41
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.57	\$0.34	\$1.22	\$3.56
PLANTER	93 HP	0.12 HR		\$1.03	\$1.83	\$0.43	\$3.17	\$6.45
CULTIVATOR	93 HP	0.10 HR		\$0.86	\$1.52	\$0.59	\$1.72	\$4.69
SPRAYER	93 HP	0.06 HR		\$0.51	\$0.91	\$0.10	\$0.73	\$2.26
SUBTOTAL		0.63 HR		\$5.39	\$15.25	\$5.26	\$16.26	\$42.16
HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.20	\$4.09	\$0.39	\$9.91	\$15.60
HAUL	2 TON	0.14 HR		\$1.20	\$3.11	\$0.90	\$4.80	\$10.01
SUBTOTAL		0.28 HR		\$2.39	\$7.21	\$1.29	\$14.71	\$25.61
OVERHEAD EXPENSES								
DOWNTIME		0.12 HR		\$1.00				\$1.00
EMPLOYEE BENEFITS				\$1.40				\$1.40
INSURANCE			\$0.16					\$0.16
LAND TAXES							\$0.55	\$0.55
SUPERVISION AND MANAGEMENT				\$8.28				\$8.28
OTHER EXPENSES			\$37.31					\$37.31
SUBTOTAL		0.12 HR	\$37.46	\$10.69			\$0.55	\$48.70
TOTAL OPERATING EXPENSES		1.03 HR	\$57.40	\$18.47	\$22.45	\$6.56	\$31.52	\$136.39
NET OPERATING PROFIT								(\$25.43)
INTEREST ON OPERATING CAPITAL		(\$15.80 @	5.50%)				\$0.87
INTEREST ON EQUIPMENT INVESTMENT								\$11.65
RETURN TO LAND AND RISK								(\$37.95)

BUDGET SUMMARY			
GROSS RETURN		\$110.96	
VARIABLE OPERATING EXPENSES	\$86.41		
RETURN OVER VARIABLE EXPENSES		\$24.56	(GROSS MARGIN)
FIXED EXPENSES	\$31.52		
NET FARM INCOME		(\$6.96)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$18.47		
NET OPERATING PROFIT		(\$25.43)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.52		
RETURN TO LAND AND RISK		(\$37.95)	

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 2015
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$7.00	18.00 BUSHELS		\$126.00
DIRECT PAYMENT	\$0.00	18.00 BUSHEL	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$10.00	1.00 ACRE		\$10.00
TOTAL				\$136.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.45	30 LB	\$13.50		\$13.50
CROP INSURANCE	\$0.09		\$0.09		\$0.09
			\$13.59		\$13.59

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$3.14	\$1.34	\$3.04	\$8.38
DISC	165 HP	0.11 HR		\$0.94	\$3.45	\$1.62	\$3.40	\$9.40
RODWEED	165 HP	0.05 HR		\$0.43	\$1.57	\$0.34	\$1.22	\$3.56
DRILL	93 HP	0.05 HR		\$0.43	\$0.76	\$0.23	\$3.01	\$4.43
SUBTOTAL		0.31 HR		\$2.65	\$8.92	\$3.53	\$10.67	\$25.77

HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.20	\$4.09	\$0.39	\$9.91	\$15.60
HAUL	2 TON	0.14 HR		\$1.20	\$3.11	\$0.90	\$4.80	\$10.01
SUBTOTAL		0.28 HR		\$2.39	\$7.21	\$1.29	\$14.71	\$25.61

OVERHEAD EXPENSES								
DOWNTIME		0.10 HR		\$0.86				\$0.86
EMPLOYEE BENEFITS				\$0.91				\$0.91
INSURANCE			\$0.10					\$0.10
LAND TAXES							\$0.55	\$0.55
SUPERVISION AND MANAGEMENT				\$9.68				\$9.68
OTHER EXPENSES			\$37.31					\$37.31
SUBTOTAL		0.10 HR	\$37.41	\$11.44			\$0.55	\$49.39

TOTAL OPERATING EXPENSES		0.69 HR	\$50.91	\$16.48	\$16.13	\$4.83	\$25.93	\$114.27
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NET OPERATING PROFIT								\$21.73
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INTEREST ON OPERATING CAPITAL	(\$10.57	@	5.50%)			\$0.58
INTEREST ON EQUIPMENT INVESTMENT								\$9.11

RETURN TO LAND AND RISK								\$12.04
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BUDGET SUMMARY			
GROSS RETURN		\$136.00	
VARIABLE OPERATING EXPENSES	\$71.86		
RETURN OVER VARIABLE EXPENSES		\$64.14	(GROSS MARGIN)
FIXED EXPENSES	\$25.93		
NET FARM INCOME		\$38.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$16.48		
NET OPERATING PROFIT		\$21.73	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.69		
RETURN TO LAND AND RISK		\$12.04	

TABLE 7. Summary of per acre costs and returns for a 1,280 acre farm, Roosevelt County, Projected 2015

	GRAIN SORGHUM	WHEAT
	CWT	BU
PRIMARY YIELD	15.00	18.00
PRIMARY PRICE	\$7.06	\$7.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$10.00
GROSS RETURN	\$110.96	\$136.00
CASH OPERATING EXPENSES		
SEED	\$3.93	\$13.50
FERTILIZER		
CHEMICALS	\$15.88	
CROP INSURANCE	\$0.12	\$0.09
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$22.45	\$16.13
FUEL-IRRIGATION		
REPAIRS	\$6.56	\$4.83
CUSTOM CHARGES	\$0.00	\$0.00
LAND TAXES	\$0.55	\$0.55
OTHER EXPENSES	\$37.46	\$37.41
TOTAL CASH EXPENSES	\$86.95	\$72.50
RETURN OVER CASH EXPENSES	\$24.01	\$63.50
FIXED EXPENSES	\$30.97	\$25.38
TOTAL EXPENSES	\$117.93	\$97.88
NET FARM INCOME	(\$6.96)	\$38.12
LABOR AND MANAGEMENT COSTS	\$18.47	\$16.48
NET OPERATING PROFIT	(\$25.43)	\$21.64
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.87	\$0.58
INTEREST ON EQUIPMENT INVESTMENT	\$11.65	\$9.11
TOTAL CAPITAL COSTS	\$12.52	\$9.69
RETURN TO LAND AND RISK	(\$37.95)	\$11.95

TABLE 8. Whole farm summary, Rogers-Dora area, Roosevelt County,
Projected 2015

GROSS RETURNS		
GRAIN SORGHUM	420.00 ACRES	
CROP		\$44,505
GRAZING		\$2,100
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHEAT	568.20 ACRES	
CROP		\$71,593
GRAZING		\$5,682
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$123,880</u>
CASH OPERATING EXPENSES		
SEED		\$9,321
FERTILIZER		\$0
CHEMICALS		\$6,672
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$18,593
FUEL-IRRIGATION		\$0
REPAIRS		\$5,498
CUSTOM CHARGES		\$0
LAND TAXES		\$541
OTHER EXPENSES		\$36,989
TOTAL CASH EXPENSES		<u>\$77,713</u>
RETURN OVER CASH EXPENSES		\$46,167
FIXED EXPENSES		\$27,430
TOTAL EXPENSES		\$105,143
NET FARM INCOME		\$18,737
LABOR AND MANAGEMENT COSTS		\$17,122
NET OPERATING PROFIT		\$1,615
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$695
INTEREST ON EQUIPMENT INVESTMENT		\$10,070
TOTAL CAPITAL COSTS		<u>\$10,766</u>
RETURN TO LAND AND RISK		<u>(\$9,150)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$14,910)	0.45%
\$200 /ACRE	(\$16,830)	0.38%
\$250 /ACRE	(\$18,750)	0.33%
\$300 /ACRE	(\$20,670)	0.29%
\$350 /ACRE	(\$22,590)	0.26%
\$400 /ACRE	(\$24,510)	0.24%

* 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)