

TABLE 1. Acreage Summary, Roosevelt County,
Projected 2016

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 2016

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$8.55
General & Irrigators	\$/hour	\$7.50
Seed:		
Wheat	\$/pound	\$0.30
Grain Sorghum	\$/pound	\$1.70
Fuel:		
Diesel fuel	\$/gallon	\$2.55
Gasoline	\$/gallon	\$2.40
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	5.50%
Land Interest Rate	percent	5.00%
Equipment Interest Rate	percent	5.50%
Real Interest Rate	percent	3.00%
Land Taxes	\$89.00 /acre (full value)	\$0.55
Personal Property Tax Rate	- NR \$/ \$1,000 (Assessed)	\$18.44
	- R	\$18.13
Supervision Factor	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for the Rogers-Dora area, Roosevelt County,
Projected 2016

Item			
Electricity (Domestic & Shop)	\$250.00	per month	\$3,000
Telephone	\$125.00	per month	\$1,500
Accounting & Legal			\$1,831
Misc. Supplies & Hand Tools			\$2,756
Pickup and Auto			
miles	32,188	@	\$0.500 per mile
Insurance			
- general liability (non-employee)			\$1,975
- fire/theft			\$1,563
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,500
Dues, fees, publications			\$450
Farmstead Equipment			\$188
		Total	\$36,866
		Total Per Planted Acre	\$37.31

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 2016
 Planting Dates: May 15 - May 30
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
GRAIN SORGHUM	\$5.91	15.00 CWT						\$88.71
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								\$93.71
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.70	3 LBS	\$5.10					\$5.10
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88					\$15.88
CROP INSURANCE	\$0.12		\$0.12					\$0.12
SUBTOTAL			\$21.10					\$21.10
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	\$2.52	\$1.62	\$3.40	\$8.47
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.29	\$1.34	\$3.04	\$7.53
LISTER	165 HP	0.09 HR		\$0.77	\$2.06	\$0.84	\$2.97	\$6.64
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.14	\$0.34	\$1.22	\$3.14
PLANTER	93 HP	0.12 HR		\$1.03	\$1.75	\$0.43	\$3.17	\$6.38
CULTIVATOR	93 HP	0.10 HR		\$0.86	\$1.46	\$0.59	\$1.72	\$4.63
SPRAYER	93 HP	0.06 HR		\$0.51	\$0.88	\$0.10	\$0.73	\$2.22
SUBTOTAL		0.63 HR		\$5.39	\$12.09	\$5.26	\$16.26	\$39.00
HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.20	\$2.98	\$0.39	\$9.91	\$14.49
HAUL	2 TON	0.14 HR		\$1.20	\$2.27	\$0.90	\$4.80	\$9.16
SUBTOTAL		0.28 HR		\$2.39	\$5.25	\$1.29	\$14.71	\$23.65
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				\$7.08				\$7.08
OTHER EXPENSES			\$37.31					\$37.31
SUBTOTAL		0.12 HR	\$37.46	\$9.48			\$0.55	\$47.49
TOTAL OPERATING EXPENSES		1.03 HR	\$58.57	\$17.26	\$17.34	\$6.56	\$31.52	\$131.25
NET OPERATING PROFIT								(\$37.53)
INTEREST ON OPERATING CAPITAL		(\$15.44 @	5.50%)				\$0.85
INTEREST ON EQUIPMENT INVESTMENT								\$11.65
RETURN TO LAND AND RISK								(\$50.04)

BUDGET SUMMARY

GROSS RETURN		\$93.71	
VARIABLE OPERATING EXPENSES	\$82.47		
RETURN OVER VARIABLE EXPENSES		\$11.25	(GROSS MARGIN)
FIXED EXPENSES	\$31.52		
NET FARM INCOME		(\$20.27)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$17.26		
NET OPERATING PROFIT		(\$37.53)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.50		
RETURN TO LAND AND RISK		(\$50.04)	

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 2016
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
WHEAT	\$5.00	18.00 BUSHELS						\$90.00	
DIRECT PAYMENT	\$0.00	18.00 BUSHELS	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00	
GRAZING	\$10.00	1.00 ACRE						\$10.00	
TOTAL								\$100.00	
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
SEED	\$0.30	30 LB	\$9.00					\$9.00	
CROP INSURANCE	\$0.09		\$0.09					\$0.09	
			\$9.09					\$9.09	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.29	\$1.34	\$3.04	\$7.53	
DISC	165 HP	0.11 HR		\$0.94	\$2.52	\$1.62	\$3.40	\$8.47	
RODWEED	165 HP	0.05 HR		\$0.43	\$1.14	\$0.34	\$1.22	\$3.14	
DRILL	93 HP	0.05 HR		\$0.43	\$0.73	\$0.23	\$3.01	\$4.40	
SUBTOTAL		0.31 HR		\$2.65	\$6.68	\$3.53	\$10.67	\$23.53	
HARVEST OPERATIONS									
COMBINE		0.14 HR		\$1.20	\$2.98	\$0.39	\$9.91	\$14.49	
HAUL	2 TON	0.14 HR		\$1.20	\$2.27	\$0.90	\$4.80	\$9.16	
SUBTOTAL		0.28 HR		\$2.39	\$5.25	\$1.29	\$14.71	\$23.65	
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				\$7.16				\$7.16	
OTHER EXPENSES			\$37.31					\$37.31	
SUBTOTAL		0.10 HR	\$37.41	\$8.92				\$0.55	\$46.87
TOTAL OPERATING EXPENSES		0.69 HR	\$46.41	\$13.96	\$11.93	\$4.83	\$25.93	\$103.05	
NET OPERATING PROFIT								(\$3.05)	
INTEREST ON OPERATING CAPITAL		(\$7.60 @ 5.50%)						\$0.42	
INTEREST ON EQUIPMENT INVESTMENT								\$9.11	
RETURN TO LAND AND RISK								(\$12.58)	
BUDGET SUMMARY									
GROSS RETURN			\$100.00						
VARIABLE OPERATING EXPENSES	\$63.16								
RETURN OVER VARIABLE EXPENSES		\$36.84	(GROSS MARGIN)						
FIXED EXPENSES	\$25.93								
NET FARM INCOME		\$10.91	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$13.96								
NET OPERATING PROFIT		(\$3.05)	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$9.53								
RETURN TO LAND AND RISK			(\$12.58)						

TABLE 7. Summary of per acre costs and returns for a 1,280 acre farm, Roosevelt County,
Projected 2016

	GRAIN SORGHUM	WHEAT
	CWT	BU
PRIMARY YIELD	15.00	18.00
PRIMARY PRICE	\$5.91	\$5.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$10.00
GROSS RETURN	\$93.71	\$100.00
CASH OPERATING EXPENSES		
SEED	\$5.10	\$9.00
FERTILIZER		
CHEMICALS	\$15.88	
CROP INSURANCE	\$0.12	\$0.09
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$17.34	\$11.93
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	\$83.02	\$63.80
RETURN OVER CASH EXPENSES	\$10.70	\$36.20
FIXED EXPENSES	\$30.97	\$25.38
TOTAL EXPENSES	\$113.99	\$89.18
NET FARM INCOME	(\$20.27)	\$10.82
LABOR AND MANAGEMENT COSTS	\$17.26	\$13.96
NET OPERATING PROFIT	(\$37.53)	(\$3.14)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.85	\$0.42
INTEREST ON EQUIPMENT INVESTMENT	\$11.65	\$9.11
TOTAL CAPITAL COSTS	\$12.50	\$9.53
RETURN TO LAND AND RISK	(\$50.04)	(\$12.67)

TABLE 8. Whole farm summary, Rogers-Dora area, Roosevelt County,
Projected 2016

GROSS RETURNS		
GRAIN SORGHUM	420.00 ACRES	
CROP		\$37,260
GRAZING		\$2,100
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHEAT	568.20 ACRES	
CROP		\$51,138
GRAZING		\$5,682
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$96,180</u>
CASH OPERATING EXPENSES		
SEED		\$7,256
FERTILIZER		\$0
CHEMICALS		\$6,672
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$14,060
FUEL-IRRIGATION		\$0
REPAIRS		\$5,498
CUSTOM CHARGES		\$0
LAND TAXES		\$541
OTHER EXPENSES		\$36,989
TOTAL CASH EXPENSES		<u>\$71,115</u>
RETURN OVER CASH EXPENSES		\$25,065
FIXED EXPENSES		\$27,430
TOTAL EXPENSES		\$98,545
NET FARM INCOME		(\$2,365)
LABOR AND MANAGEMENT COSTS		\$15,183
NET OPERATING PROFIT		(\$17,548)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$594
INTEREST ON EQUIPMENT INVESTMENT		\$10,070
TOTAL CAPITAL COSTS		<u>\$10,664</u>
RETURN TO LAND AND RISK		<u>(\$28,212)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$33,972)	-4.87%
\$200 /ACRE	(\$35,892)	-4.14%
\$250 /ACRE	(\$37,812)	-3.59%
\$300 /ACRE	(\$39,732)	-3.18%
\$350 /ACRE	(\$41,652)	-2.85%
\$400 /ACRE	(\$43,572)	-2.58%

* 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)