

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... ROGERS-DORA AREA, ROOSEVELT COUN Projected 2008.
FARM SIZE..... 1,280.00 ACRES
IRRIGATION TYPE..... DRYLAND
NUMBER OF CROPS..... 2

VERSION 1.0

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TABLE 1. Acreage Summary, Roosevelt County,
Projected 2008.

| | |
|----------------------|------------------------------------|
| 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 2008.

| Item | | |
|---------------------------------|----------------------------|--|
| Labor Wage Rate: | | |
| Equipment operators | \$/hour | \$7.45 |
| General & Irrigators | \$/hour | \$6.65 |
| Seed: | | |
| Wheat | \$/pound | \$0.28 |
| Grain Sorghum | \$/pound | \$0.89 |
| Fuel: | | |
| Diesel fuel | \$/gallon | \$3.05 |
| Gasoline | \$/gallon | \$2.80 |
| 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 | 7.75% |
| Land Interest Rate | percent | 7.75% |
| Equipment Interest Rate | percent | 7.75% |
| Real Interest Rate | percent | 3.00% |
| Land Taxes | \$89.00 /acre (full value) | \$0.73 |
| Personal Property Tax Rate | - NR - R | \$/ \$1,000 (Assessed) \$24.56 \$22.03 |
| Supervision Factor | \$/labor hour | \$0.50 |
| Management Rate | percent | 7.00% |

TABLE 3. Overhead cost information for the Rogers-Dora area, Roosevelt County,
Projected 2008.

| Item | | |
|------------------------------------|-------------------------------|-----------------|
| Electricity (Domestic & Shop) | \$224.00 per month | \$2,688 |
| Telephone | \$112.00 per month | \$1,344 |
| Accounting & Legal | | \$1,641 |
| Misc. Supplies & Hand Tools | | \$2,470 |
| Pickup and Auto | | |
| miles | 28,840 @ \$0.415 per mile | \$11,969 |
| Insurance | | |
| - general liability (non-employee) | | \$1,770 |
| - fire/theft | | \$1,400 |
| Property Taxes | | |
| - non-planted land | | \$0 |
| - other than land & machinery | | \$6,010 |
| Building repairs and maintenance | | \$1,344 |
| Dues, fees, publications | | \$403 |
| Farmstead Equipment | | \$168 |
| | Total | \$31,206 |
| | Total Per Planted Acre | \$31.58 |

TABLE 4. Equipment summary for a 1,280 acre, dryland farm with above average management, Rogers-Dora area, Roosevelt County Projected 2008.

| EQUIPMENT ITEM & SIZE | ANNUAL HOURS OF USE | NUMBER | TOTAL VALUE | VARIABLE COSTS | | | | FIXED COSTS | | | |
|--------------------------|---------------------------|--------|----------------|-----------------------|----------|--------------------|------------------|--------------|----------|-----------------|--|
| | | | | FUEL OIL LUBRICANT | REPAIR | FUEL OIL PER HR | REPAIR PER HR | DEPRECIATION | TAXES | TOTAL PER HR | |
| TRACTOR 95 HP | 146 | 1 | \$16,534 | \$2,490 | \$303 | \$17.05 | \$2.07 | \$1,152 | \$141 | \$8.86 | |
| TRACTOR 175 HP | 295 | 1 | \$38,279 | \$8,900 | \$1,598 | \$27.35 | \$5.39 | \$5,995 | \$387 | \$21.55 | |
| TRUCK 2 TON | 138 | 1 | \$22,000 | \$2,681 | \$852 | \$19.38 | \$6.16 | \$4,400 | \$180 | \$33.11 | |
| PLANTER 8 ROW | 50 | 1 | \$5,500 | \$133 | \$13 | \$2.64 | \$0.64 | \$1,100 | \$45 | \$22.72 | |
| CULTIVATOR 8 ROW | 42 | 1 | \$4,000 | \$208 | \$28 | \$4.96 | \$1.16 | \$533 | \$33 | \$13.48 | |
| DISC 18 FT OFFSET | 109 | 1 | \$7,500 | \$1,011 | \$93 | \$9.30 | \$2.19 | \$1,000 | \$81 | \$9.76 | |
| DRILL 40 FT | 28 | 1 | \$7,750 | \$106 | \$3.72 | \$13.50 | \$3.33 | \$1,550 | \$63 | \$56.79 | |
| LISTER 8 ROW | 38 | 1 | \$3,200 | \$150 | \$3.97 | \$4.27 | \$26 | \$427 | \$26 | \$11.98 | |
| STUBBLE MULCHER 20 FT | 99 | 1 | \$6,500 | \$796 | \$8.06 | \$8.06 | \$8.06 | \$867 | \$53 | \$9.31 | |
| SPRAYER (MTD) | 25 | 1 | \$1,500 | \$18 | \$0.72 | \$2.00 | \$12 | \$200 | \$12 | \$8.42 | |
| COMBINE 145 HP | 138 | 1 | \$63,415 | \$3,524 | \$368 | \$25.47 | \$2.66 | \$8,864 | \$544 | \$68.00 | |
| GRAIN HEAD 22 FT | 138 | 1 | \$3,600 | \$21 | \$0.15 | \$501 | \$31 | \$501 | \$31 | \$3.85 | |
| ROD WEEDER 37 FT | 48 | 1 | \$1,150 | \$70 | \$1.43 | \$70 | \$1.43 | \$153 | \$9 | \$3.29 | |
| | | | | \$178,928 | \$16,755 | \$5,624 | | | \$26,732 | \$1,568 | |

EQUIPMENT LIST

| ITEM | NEW VALUE | USED VALUE | YEARS LIFE | EQUIP CODE | MAX HOURS | FUEL LUBE COEF | ACCUM HOURS | AGE | INTEREST EXPENSE |
|-----------------------|-----------|------------|------------|------------|-----------|----------------|-------------|-------|------------------|
| TRACTOR 95 HP | 34550.00 | 16534.00 | 30.00 | 1.00 | 800.00 | 5.54 0.10 | 3358.23 | 23.00 | 1338.81 |
| TRACTOR 175 HP | 89775.00 | 38279.50 | 15.00 | 1.00 | 800.00 | 8.15 0.10 | 3242.05 | 11.00 | 3478.78 |
| TRUCK 2 TON | 44000.00 | 22000.00 | 10.00 | 6.00 | 800.00 | 6.05 0.05 | 1798.52 | 13.00 | 1705.00 |
| PLANTER 8 ROW | 11000.00 | 5500.00 | 10.00 | 8.00 | 100.00 | | 655.20 | 13.00 | 426.25 |
| CULTIVATOR 8 ROW | 8000.00 | 4000.00 | 15.00 | 3.00 | 300.00 | | 672.00 | 16.00 | 310.00 |
| DISC 18 FT OFFSET | 15000.00 | 7500.00 | 15.00 | 3.00 | 300.00 | | 1738.23 | 16.00 | 581.25 |
| DRILL 40 FT | 15500.00 | 7750.00 | 10.00 | 8.00 | 100.00 | | 369.33 | 13.00 | 600.63 |
| LISTER 8 ROW | 6400.00 | 3200.00 | 15.00 | 3.00 | 300.00 | | 604.80 | 16.00 | 248.00 |
| STUBBLE MULCHER 20 FT | 13000.00 | 6500.00 | 15.00 | 3.00 | 300.00 | | 1482.30 | 15.00 | 503.75 |
| SPRAYER (MTD) | 3000.00 | 1500.00 | 15.00 | 8.00 | 150.00 | | 378.00 | 15.00 | 116.25 |
| COMBINE 145 HP | 132955.00 | 63415.00 | 15.00 | 2.00 | 300.00 | 6.98 0.20 | 1798.52 | 13.00 | 5152.01 |
| GRAIN HEAD 22 FT | 7520.00 | 3600.00 | 15.00 | 2.00 | 300.00 | | 1798.52 | 13.00 | 291.40 |
| ROD WEEDER 37 FT | 2300.00 | 1150.00 | 15.00 | 3.00 | 300.00 | | 741.15 | 15.00 | 89.13 |

INTEREST PRORATION

| GRAIN SORGHUM | WHEAT |
|---------------|-------|
| 2.57 | 0.46 |
| 4.13 | 3.07 |
| 1.73 | 1.73 |
| 1.01 | 0.00 |
| 0.74 | 0.00 |
| 0.59 | 0.59 |
| 0.00 | 1.06 |
| 0.59 | 0.00 |
| 0.51 | 0.51 |
| 0.28 | 0.00 |
| 5.21 | 5.21 |
| 0.23 | 0.23 |
| 0.09 | 0.09 |
| 17.74 | 13.01 |

| GRAIN SORGHUM | WHEAT | PER ACRE TOTALS |
|---------------|-------|-----------------|
| 0.28 | 0.05 | 0.33 |
| 0.35 | 0.28 | 0.61 |
| 0.14 | 0.14 | 0.28 |
| 0.12 | 0.00 | 0.12 |
| 0.10 | 0.00 | 0.10 |
| 0.11 | 0.11 | 0.22 |
| 0.00 | 0.05 | 0.05 |
| 0.09 | 0.00 | 0.09 |
| 0.10 | 0.10 | 0.20 |
| 0.08 | 0.00 | 0.08 |
| 0.14 | 0.14 | 0.28 |
| 0.14 | 0.14 | 0.28 |
| 0.05 | 0.05 | 0.10 |

GRAIN SORGHUM ACRES: 420 PUMP WATER:

| MACHINE | POWER UNIT | TIMES OVER | RATE | TOTAL | CUSTOM |
|---------------|-------------|------------|------|-------|--------|
| DISC | 165 HP | 1.00 | 0.11 | 0.11 | 0.11 |
| STUBBLE MULCH | 165 HP | 1.00 | 0.10 | 0.10 | 0.10 |
| LISTER | 165 HP | 1.00 | 0.09 | 0.09 | 0.09 |
| ROD WEED | 165 HP | 1.00 | 0.05 | 0.05 | 0.05 |
| PLANTER | 93 HP | 1.00 | 0.12 | 0.12 | 0.12 |
| CULTIVATOR | 93 HP | 1.00 | 0.10 | 0.10 | 0.10 |
| SPRAYER | 93 HP | 1.00 | 0.06 | 0.06 | 0.06 |
| COMBINE HAUL | 22 FT 2 TON | 1.00 | 0.14 | 0.14 | 0.14 |

WHEAT ACRES: 588.2 PUMP WATER:

| MACHINE | UNIT | TIMES OVER | RATE | TOTAL | CUSTOM |
|---------------|--------|------------|------|-------|--------|
| STUBBLE MULCH | 165 HP | 1.00 | 0.10 | 0.10 | 0.10 |
| DISC | 165 HP | 1.00 | 0.11 | 0.11 | 0.11 |
| RODWEED | 165 HP | 1.00 | 0.05 | 0.05 | 0.05 |
| DRILL | 93 HP | 1.00 | 0.05 | 0.05 | 0.05 |
| COMBINE HAUL | 2 TON | 1.00 | 0.14 | 0.14 | 0.14 |

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

| Hours of Use | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 0 | 0.00006 | 0.00002 | 0.00062 | 0.00002 | 0.00008 | 0.00014 | 0.00004 | 0.00024 | 0.00020 |
| 50 | 0.00006 | 0.00002 | 0.00062 | 0.00002 | 0.00008 | 0.00014 | 0.00004 | 0.00024 | 0.00020 |
| 100 | 0.00006 | 0.00002 | 0.00062 | 0.00002 | 0.00008 | 0.00014 | 0.00004 | 0.00024 | 0.00020 |
| 200 | 0.00003 | 0.00003 | 0.00043 | 0.00004 | 0.00008 | 0.00018 | 0.00026 | 0.00011 | 0.00051 |
| 300 | 0.00003 | 0.00005 | 0.00039 | 0.00006 | 0.00023 | 0.00031 | 0.00014 | 0.00063 | 0.00040 |
| 400 | 0.00003 | 0.00005 | 0.00037 | 0.00007 | 0.00026 | 0.00034 | 0.00015 | 0.00071 | 0.00045 |
| 500 | 0.00003 | 0.00007 | 0.00036 | 0.00010 | 0.00028 | 0.00037 | 0.00017 | 0.00080 | 0.00063 |
| 600 | 0.00003 | 0.00009 | 0.00034 | 0.00012 | 0.00031 | 0.00039 | 0.00019 | 0.00086 | 0.00053 |
| 700 | 0.00003 | 0.00010 | 0.00034 | 0.00013 | 0.00033 | 0.00041 | 0.00020 | 0.00091 | 0.00056 |
| 800 | 0.00003 | 0.00011 | 0.00032 | 0.00015 | 0.00035 | 0.00043 | 0.00021 | 0.00098 | 0.00059 |
| 900 | 0.00003 | 0.00012 | 0.00032 | 0.00016 | 0.00037 | 0.00045 | 0.00023 | 0.00102 | 0.00060 |
| 1000 | 0.00009 | 0.00013 | 0.00031 | 0.00018 | 0.00038 | 0.00046 | 0.00023 | 0.00107 | 0.00063 |
| 1200 | 0.00005 | 0.00015 | 0.00031 | 0.00021 | 0.00041 | 0.00048 | 0.00025 | 0.00114 | 0.00071 |
| 1400 | 0.00005 | 0.00017 | 0.00030 | 0.00023 | 0.00044 | 0.00051 | 0.00041 | 0.00126 | 0.00077 |
| 1500 | 0.00015 | 0.00017 | 0.00030 | 0.00023 | 0.00044 | 0.00051 | 0.00041 | 0.00126 | 0.00077 |
| 1600 | 0.00015 | 0.00019 | 0.00029 | 0.00026 | 0.00047 | 0.00053 | 0.00014 | 0.00124 | 0.00081 |
| 1800 | 0.00008 | 0.00017 | 0.00029 | 0.00029 | 0.00049 | 0.00055 | 0.00030 | | |
| 2000 | 0.00011 | 0.00027 | 0.00028 | 0.00031 | 0.00051 | 0.00057 | 0.00031 | | |
| 2500 | 0.00006 | | | | | | | | |
| 3000 | 0.00007 | | | | | | | | |
| 3500 | 0.00008 | | | | | | | | |
| 4000 | 0.00010 | | | | | | | | |
| 4500 | 0.00011 | | | | | | | | |
| 5000 | 0.00012 | | | | | | | | |
| 5500 | 0.00014 | | | | | | | | |
| 6000 | 0.00015 | | | | | | | | |
| 6500 | 0.00016 | | | | | | | | |
| 7000 | 0.00018 | | | | | | | | |
| 7500 | 0.00019 | | | | | | | | |
| 8000 | 0.00020 | | | | | | | | |

* Based on unpublished data of D. R. Hunt, Department of Agricultural Engineering, University of Illinois

** Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1983

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windrowers, pickups
- 3 rotary hoe, disk, moldboard plows, chisels, field cultivators row cultivators, laser plane
- 4 harrows, wagons, floats, roto buck, drag, roller, water furrow bed shaper
- 5 balerwagons, cotton pickers, cotton strippers, corn pickers corn heads, forage equipment, rotary mowers, stalk choppers, feed wagons, farm trucks
- 6 rakes, cutterbar mower
- 7 baler w/ engine, manure spreader
- 8 planters, drills, seeding equipment, mounted sprayers
- 9 fertilizer distributing equipment

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 2008.

Planting Dates: May 15 - May 30

Harvest Dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|--------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$7.70 | 15.00 CWT | | \$115.50 |
| 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 | | | | \$120.50 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|------------------|---------|----------|------------------|------------|----------------|
| SEED | \$0.89 | 3 LBS | \$2.67 | | \$2.67 |
| INSECTICIDE | \$15.88 | 1 X/ACRE | \$15.88 | | \$15.88 |
| CROP INSURANCE | \$0.12 | | \$0.12 | | \$0.12 |
| SUBTOTAL | | | \$18.67 | | \$18.67 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------------|----------------|---------------|----------------|----------------|
| DISC | 165 HP | 0.11 HR | | \$0.82 | \$3.01 | \$1.62 | \$3.44 | \$8.89 |
| STUBBLE MULCH | 165 HP | 0.10 HR | | \$0.75 | \$2.73 | \$1.34 | \$3.09 | \$7.91 |
| LISTER | 165 HP | 0.09 HR | | \$0.67 | \$2.46 | \$0.84 | \$3.02 | \$6.99 |
| ROD WEED | 165 HP | 0.05 HR | | \$0.37 | \$1.37 | \$0.34 | \$1.24 | \$3.32 |
| PLANTER | 93 HP | 0.12 HR | | \$0.89 | \$2.05 | \$0.57 | \$3.79 | \$7.29 |
| CULTIVATOR | 93 HP | 0.10 HR | | \$0.75 | \$1.71 | \$0.70 | \$2.23 | \$5.39 |
| SPRAYER | 93 HP | 0.06 HR | | \$0.45 | \$1.02 | \$0.17 | \$1.04 | \$2.67 |
| SUBTOTAL | | 0.63 HR | | \$4.69 | \$14.35 | \$5.58 | \$17.85 | \$42.47 |

| HARVEST OPERATIONS | | | | | | | | |
|---------------------------|-------|----------------|--|---------------|---------------|---------------|----------------|----------------|
| COMBINE | | 0.14 HR | | \$1.04 | \$3.57 | \$0.39 | \$10.06 | \$15.06 |
| HAUL | 2 TON | 0.14 HR | | \$1.04 | \$2.71 | \$0.86 | \$4.63 | \$9.25 |
| SUBTOTAL | | 0.28 HR | | \$2.09 | \$6.28 | \$1.26 | \$14.69 | \$24.31 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|---------|----------------|----------------|--|---------------|----------------|
| DOWNTIME | | 0.12 HR | | \$0.88 | | | | \$0.88 |
| EMPLOYEE BENEFITS | | | | \$1.22 | | | | \$1.22 |
| INSURANCE | | | \$0.14 | | | | | \$0.14 |
| LAND TAXES | | | | | | | \$0.73 | \$0.73 |
| SUPERVISION AND MANAGEMENT | | | | \$8.95 | | | | \$8.95 |
| OTHER EXPENSES | | | \$31.58 | | | | | \$31.58 |
| SUBTOTAL | | 0.12 HR | | \$31.71 | \$11.05 | | \$0.73 | \$43.49 |

TOTAL OPERATING EXPENSES 1.03 HR \$50.39 \$17.83 \$20.62 \$6.83 \$33.27 \$128.95

NET OPERATING PROFIT (\$8.45)

INTEREST ON OPERATING CAPITAL (\$14.95 @ 7.75%) \$1.16
 INTEREST ON EQUIPMENT INVESTMENT \$17.74

RETURN TO LAND AND RISK (\$27.34)

BUDGET SUMMARY

| | | | |
|-------------------------------|-----------|---|--|
| GROSS RETURN | | \$120.50 | |
| VARIABLE OPERATING EXPENSES | \$77.85 | | |
| RETURN OVER VARIABLE EXPENSES | \$42.65 | (GROSS MARGIN) | |
| FIXED EXPENSES | \$33.27 | | |
| NET FARM INCOME | \$9.38 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$17.83 | | |
| NET OPERATING PROFIT | (\$8.45) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$18.90 | | |
| RETURN TO LAND AND RISK | (\$27.34) | | |

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 2008.

Planting dates: August 15 - September 15

Harvesting dates: June 1 - June 25

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|---------------|------|-----------------|
| GROSS RETURNS | | | | |
| WHEAT | \$9.50 | 18.00 BUSHELS | | \$171.00 |
| 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 | | | | \$181.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|------------------|--------|----------|------------------|------------|--------|
| SEED | \$0.28 | 30 LB | \$8.40 | | \$8.40 |
| CROP INSURANCE | \$0.09 | | \$0.09 | | \$0.09 |
| | | | \$8.49 | | \$8.49 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------------|---------------|---------------|----------------|----------------|
| STUBBLE MULCH | 165 HP | 0.10 HR | | \$0.75 | \$2.73 | \$1.34 | \$3.09 | \$7.91 |
| DISC | 165 HP | 0.11 HR | | \$0.82 | \$3.01 | \$1.62 | \$3.44 | \$8.89 |
| RODWEED | 165 HP | 0.05 HR | | \$0.37 | \$1.37 | \$0.34 | \$1.24 | \$3.32 |
| DRILL | 93 HP | 0.05 HR | | \$0.37 | \$0.85 | \$0.29 | \$3.28 | \$4.80 |
| SUBTOTAL | | 0.31 HR | | \$2.31 | \$7.96 | \$3.59 | \$11.06 | \$24.92 |

| HARVEST OPERATIONS | | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|-------|---------------------|------------------|---------------|---------------|---------------|----------------|----------------|
| COMBINE | | 0.14 HR | | \$1.04 | \$3.57 | \$0.39 | \$10.06 | \$15.06 |
| HAUL | 2 TON | 0.14 HR | | \$1.04 | \$2.71 | \$0.86 | \$4.63 | \$9.25 |
| SUBTOTAL | | 0.28 HR | | \$2.09 | \$6.28 | \$1.26 | \$14.69 | \$24.31 |

| OVERHEAD EXPENSES | | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|--|---------------------|------------------|----------------|-------------|---------|---------------|----------------|
| DOWNTIME | | 0.10 HR | | \$0.75 | | | | \$0.75 |
| EMPLOYEE BENEFITS | | | | \$0.79 | | | | \$0.79 |
| INSURANCE | | | \$0.09 | | | | | \$0.09 |
| LAND TAXES | | | | | | | \$0.73 | \$0.73 |
| SUPERVISION AND MANAGEMENT | | | | \$12.83 | | | | \$12.83 |
| OTHER EXPENSES | | | \$31.58 | | | | | \$31.58 |
| SUBTOTAL | | 0.10 HR | \$31.67 | \$14.36 | | | \$0.73 | \$46.76 |

TOTAL OPERATING EXPENSES 0.69 HR \$40.07 \$18.76 \$14.24 \$4.85 \$26.48 \$104.39

NET OPERATING PROFIT \$76.61

INTEREST ON OPERATING CAPITAL (\$7.72 @ 7.75%) \$0.60
 INTEREST ON EQUIPMENT INVESTMENT \$13.01

RETURN TO LAND AND RISK \$63.01

BUDGET SUMMARY

| | | | |
|-------------------------------|---------|----------|---|
| GROSS RETURN | | \$181.00 | |
| VARIABLE OPERATING EXPENSES | \$59.15 | | |
| RETURN OVER VARIABLE EXPENSES | | \$121.85 | (GROSS MARGIN) |
| FIXED EXPENSES | \$26.48 | | |
| NET FARM INCOME | | \$95.37 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$18.76 | | |
| NET OPERATING PROFIT | | \$76.61 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$13.60 | | |
| RETURN TO LAND AND RISK | | \$63.01 | |

TABLE 7. Summary of per acre costs and returns for a 1,280 acre farm, Roosevelt County,
Projected 2008.

| | GRAIN SORGHUM | WHEAT |
|----------------------------------|------------------|----------|
| | CWT | BU |
| PRIMARY YIELD | 15.00 | 18.00 |
| PRIMARY PRICE | \$7.70 | \$9.50 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 |
| SECOND INCOME | \$5.00 | \$10.00 |
| GROSS RETURN | \$120.50 | \$181.00 |
| CASH OPERATING EXPENSES | | |
| SEED | \$2.67 | \$8.40 |
| FERTILIZER | | |
| CHEMICALS | \$15.88 | |
| CROP INSURANCE | \$0.12 | \$0.09 |
| OTHER PURCHASED INPUTS | | |
| CANAL WATER | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$20.62 | \$14.24 |
| FUEL-IRRIGATION | | |
| REPAIRS | \$6.83 | \$4.85 |
| CUSTOM CHARGES | \$0.00 | \$0.00 |
| LAND TAXES | \$0.73 | \$0.73 |
| OTHER EXPENSES | \$31.71 | \$31.67 |
| TOTAL CASH EXPENSES | \$78.58 | \$59.97 |
| RETURN OVER CASH EXPENSES | \$41.92 | \$121.03 |
| FIXED EXPENSES | \$32.54 | \$25.75 |
| TOTAL EXPENSES | \$111.12 | \$85.72 |
| NET FARM INCOME | \$9.38 | \$95.28 |
| LABOR AND MANAGEMENT COSTS | \$17.83 | \$18.76 |
| NET OPERATING PROFIT | (\$8.45) | \$76.52 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | \$1.16 | \$0.60 |
| INTEREST ON EQUIPMENT INVESTMENT | \$17.74 | \$13.01 |
| TOTAL CAPITAL COSTS | \$18.90 | \$13.60 |
| RETURN TO LAND AND RISK | (\$27.34) | \$62.92 |

TABLE 8. Whole farm summary, Rogers-Dora area, Roosevelt County,
Projected 2008.

| | | |
|----------------------------------|--------------|------------------|
| GROSS RETURNS | | |
| GRAIN SORGHUM | 420.00 ACRES | |
| CROP | | \$48,510 |
| GRAZING | | \$2,100 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| WHEAT | 568.20 ACRES | |
| CROP | | \$97,162 |
| GRAZING | | \$5,682 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GROSS RETURN | | <u>\$153,454</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$5,894 |
| FERTILIZER | | \$0 |
| CHEMICALS | | \$6,672 |
| CROP INSURANCE | | \$100 |
| OTHER PURCHASED INPUTS | | \$0 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$16,755 |
| FUEL-IRRIGATION | | \$0 |
| REPAIRS | | \$5,624 |
| CUSTOM CHARGES | | \$0 |
| LAND TAXES | | \$720 |
| OTHER EXPENSES | | \$31,313 |
| TOTAL CASH EXPENSES | | <u>\$67,077</u> |
| RETURN OVER CASH EXPENSES | | \$86,377 |
| FIXED EXPENSES | | \$28,299 |
| TOTAL EXPENSES | | \$95,377 |
| NET FARM INCOME | | \$58,077 |
| LABOR AND MANAGEMENT COSTS | | \$18,144 |
| NET OPERATING PROFIT | | \$39,933 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$826 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$14,841 |
| TOTAL CAPITAL COSTS | | <u>\$15,668</u> |
| RETURN TO LAND AND RISK | | <u>\$24,266</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|-------------|-----------------|------------------------|
| \$150 /ACRE | \$18,506 | 10.77% |
| \$200 /ACRE | \$16,586 | 9.18% |
| \$250 /ACRE | \$14,666 | 8.00% |
| \$300 /ACRE | \$12,746 | 7.09% |
| \$350 /ACRE | \$10,826 | 6.37% |
| \$400 /ACRE | \$8,906 | 5.78% |

* 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)