

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 |
| | | | <u>\$13.59</u> | | <u>\$13.59</u> |

| 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 | | <u>0.31 HR</u> | | <u>\$2.65</u> | <u>\$8.92</u> | <u>\$3.53</u> | <u>\$10.67</u> | <u>\$25.77</u> |

| 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 | | <u>0.28 HR</u> | | <u>\$2.39</u> | <u>\$7.21</u> | <u>\$1.29</u> | <u>\$14.71</u> | <u>\$25.61</u> |

| 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 | | <u>0.10 HR</u> | <u>\$37.41</u> | <u>\$11.44</u> | | | <u>\$0.55</u> | <u>\$49.39</u> |

| | | | | | | | | |
|---------------------------------|--|----------------|----------------|----------------|----------------|---------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | | <u>0.69 HR</u> | <u>\$50.91</u> | <u>\$16.48</u> | <u>\$16.13</u> | <u>\$4.83</u> | <u>\$25.93</u> | <u>\$114.27</u> |
|---------------------------------|--|----------------|----------------|----------------|----------------|---------------|----------------|-----------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|----------------|
| NET OPERATING PROFIT | | | | | | | | \$21.73 |
|-----------------------------|--|--|--|--|--|--|--|----------------|

| | | | | | | | | |
|----------------------------------|---|---------|---|-------|---|--|--|--------|
| INTEREST ON OPERATING CAPITAL | (| \$10.57 | @ | 5.50% |) | | | \$0.58 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$9.11 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|----------------|
| RETURN TO LAND AND RISK | | | | | | | | \$12.04 |
|--------------------------------|--|--|--|--|--|--|--|----------------|

| 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)