

TABLE 1. Acreage Summary, Roosevelt County,
Projected 2017

| | |
|----------------------|------------------------------------|
| 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 2017

| Item | | |
|---------------------------------|----------------------------|---------|
| Labor Wage Rate: | | |
| Equipment operators | \$/hour | \$8.55 |
| General & Irrigators | \$/hour | \$7.50 |
| Seed: | | |
| Wheat | \$/pound | \$0.44 |
| Grain Sorghum | \$/pound | \$1.70 |
| Fuel: | | |
| Diesel fuel | \$/gallon | \$2.35 |
| Gasoline | \$/gallon | \$2.10 |
| 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) | \$0.60 |
| Personal Property Tax Rate | - NR \$/\$1,000 (Assessed) | \$20.21 |
| | - R | \$20.00 |
| Supervision Factor | \$/labor hour | \$0.50 |
| Management Rate | percent | 7.00% |

TABLE 3. Overhead cost information for the Rogers-Dora area, Roosevelt County,
Projected 2017

| Item | | |
|------------------------------------|-------------------------------|-----------------|
| Electricity (Domestic & Shop) | \$242.00 per month | \$2,904 |
| Telephone | \$121.00 per month | \$1,452 |
| Accounting & Legal | | \$1,773 |
| Misc. Supplies & Hand Tools | | \$2,668 |
| Pickup and Auto | | |
| miles | 31,158 @ \$0.500 per mile | \$15,579 |
| Insurance | | |
| - general liability (non-employee) | | \$1,912 |
| - fire/theft | | \$1,513 |
| Property Taxes | | |
| - non-planted land | | \$0 |
| - other than land & machinery | | \$6,010 |
| Building repairs and maintenance | | \$1,452 |
| Dues, fees, publications | | \$436 |
| Farmstead Equipment | | \$182 |
| | Total | \$35,879 |
| | Total Per Planted Acre | \$36.31 |

TABLE 4. Equipment summary for a 1,280 acre, dryland farm with above average management, Rogers-Dora area, Roosevelt County, Projected 2017

| 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 | \$17,335 | \$1,867 | \$138 | \$12.79 | \$0.94 | \$525 | \$53 | \$3.96 |
| TRACTOR # HP | 295 | 1 | \$40,865 | \$6,210 | \$1,588 | \$21.07 | \$5.39 | \$5,985 | \$302 | \$21.33 |
| TRUCK 2 TON | 136 | 1 | \$23,000 | \$2,065 | \$891 | \$14.93 | \$6.64 | \$4,600 | \$155 | \$34.37 |
| PLANTER 8 ROW | 50 | 1 | \$5,500 | | \$133 | | \$2.64 | \$1,100 | \$37 | \$22.56 |
| CULTIVATOR 8 ROW | 42 | 1 | \$4,000 | | \$208 | | \$4.96 | \$533 | \$27 | \$13.34 |
| DISC 18 FT OFFSET | 28 | 1 | \$7,500 | | \$1,011 | | \$36.30 | \$1,000 | \$51 | \$35.66 |
| DRILL 40 FT | 28 | 1 | \$7,500 | | \$1,016 | | \$37.72 | \$1,550 | \$82 | \$56.40 |
| LESTER 8 ROW | 35 | 1 | \$3,200 | | \$150 | | \$3.97 | \$427 | \$22 | \$11.86 |
| STUBBLE MULCHER 20 FT | 99 | 1 | \$6,500 | | \$796 | | \$8.06 | \$867 | \$44 | \$9.21 |
| SPRAYER (MTD) # HP | 28 | 1 | \$1,500 | | \$18 | | \$0.72 | \$200 | \$10 | \$8.34 |
| COMBINE # HP | 138 | 1 | \$51,677 | \$2,715 | \$368 | \$19.63 | \$2.66 | \$8,864 | \$448 | \$67.30 |
| GRAIN HEAD 22 FT | 138 | 1 | \$3,000 | | \$21 | | \$0.15 | \$501 | \$25 | \$3.81 |
| ROD WEEVER 37 FT | 49 | 1 | \$1,150 | | \$70 | | \$1.43 | \$153 | \$8 | \$3.26 |
| | | | \$173,576 | \$12,858 | \$5,498 | | | \$26,305 | \$1,233 | |

EQUIPMENT LIST

| ITEM | NEW VALUE | USED VALUE | YEARS LIFE | EQUIP CODE | MAX HOURS | FUEL UNIT/HR | LUBE COEF | ACCUM HOURS | AGE | INTEREST EXPENSE |
|-----------------------|-----------|------------|------------|------------|-----------|--------------|-----------|-------------|-------|------------------|
| TRACTOR 95 HP | 15735.00 | 17234.50 | 30.00 | 1.00 | 800.00 | 5.54 | 0.10 | 3358.23 | 23.00 | 432.71 |
| TRACTOR # HP | 89775.00 | 49864.50 | 15.00 | 1.00 | 800.00 | 8.15 | 0.10 | 3242.05 | 11.00 | 2468.81 |
| TRUCK 2 TON | 46000.00 | 23000.00 | 10.00 | 6.00 | 800.00 | 6.05 | 0.05 | 1798.52 | 13.00 | 1265.00 |
| PLANTER 8 ROW | 11000.00 | 5500.00 | 10.00 | 8.00 | 100.00 | | | 655.20 | 13.00 | 352.50 |
| CULTIVATOR 8 ROW | 8000.00 | 4000.00 | 15.00 | 3.00 | 300.00 | | | 672.00 | 16.00 | 220.00 |
| DISC 18 FT OFFSET | 15000.00 | 7500.00 | 15.00 | 3.00 | 300.00 | | | 1739.23 | 16.00 | 412.50 |
| DRILL 40 FT | 15000.00 | 7500.00 | 10.00 | 8.00 | 100.00 | | | 369.33 | 13.00 | 425.25 |
| LESTER 8 ROW | 6400.00 | 3200.00 | 15.00 | 3.00 | 300.00 | | | 604.80 | 16.00 | 176.00 |
| STUBBLE MULCHER 20 FT | 13000.00 | 6500.00 | 15.00 | 3.00 | 300.00 | | | 1482.30 | 15.00 | 357.50 |
| SPRAYER (MTD) # HP | 3000.00 | 1500.00 | 15.00 | 8.00 | 150.00 | | | 378.00 | 15.00 | 62.50 |
| COMBINE # HP | 132855.00 | 51676.50 | 15.00 | 2.00 | 300.00 | 6.96 | 0.20 | 1798.52 | 13.00 | 3656.26 |
| GRAIN HEAD 22 FT | 7520.00 | 3600.00 | 15.00 | 2.00 | 300.00 | | | 1798.52 | 13.00 | 208.80 |
| ROD WEEVER 37 FT | 2300.00 | 1150.00 | 15.00 | 3.00 | 300.00 | | | 741.15 | 15.00 | 63.25 |

GRAIN PER ACRE

| SORGHUM | WHEAT | TOTALS |
|---------|-------|--------|
| 0.28 | 0.05 | 0.33 |
| 0.35 | 0.26 | 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 |
| 0.06 | 0.00 | 0.06 |
| 0.14 | 0.14 | 0.28 |
| 0.14 | 0.14 | 0.28 |
| 0.05 | 0.05 | 0.10 |

INTEREST PRORATION

| GRAIN SORGHUM | WHEAT | TOTALS |
|---------------|-------|--------|
| 0.83 | 0.15 | 0.98 |
| 2.93 | 2.18 | 5.11 |
| 1.28 | 1.28 | 2.56 |
| 0.72 | 0.00 | 0.72 |
| 0.52 | 0.00 | 0.52 |
| 0.42 | 0.00 | 0.42 |
| 0.00 | 0.75 | 0.75 |
| 0.42 | 0.00 | 0.42 |
| 0.36 | 0.36 | 0.72 |
| 0.20 | 0.00 | 0.20 |
| 3.70 | 3.70 | 7.40 |
| 0.21 | 0.21 | 0.42 |
| 0.06 | 0.06 | 0.12 |
| 11.65 | 9.11 | 20.76 |

GRAIN SORGHUM ACRES: 420 PUMP WATER:

| MACHINE | POWER UNIT | ACCOMPLISHMENT | | | |
|---------------|------------|----------------|------|-------|--------|
| | | TIMES OVER | RATE | TOTAL | CUSTOM |
| DISC | 165 HP | 1.00 | 0.11 | 0.11 | |
| STUBBLE MULCH | 165 HP | 1.00 | 0.10 | 0.10 | |
| LESTER | 165 HP | 1.00 | 0.09 | 0.09 | |
| ROD WEEED | 165 HP | 1.00 | 0.05 | 0.05 | |
| PLANTER | 93 HP | 1.00 | 0.12 | 0.12 | |
| CULTIVATOR | 93 HP | 1.00 | 0.10 | 0.10 | |
| SPRAYER | 93 HP | 1.00 | 0.06 | 0.06 | |

COMBINE HAUL ACRES: 568.2 PUMP WATER:

| MACHINE | POWER UNIT | ACCOMPLISHMENT | | | |
|---------------|------------|----------------|------|-------|--------|
| | | TIMES OVER | RATE | TOTAL | CUSTOM |
| STUBBLE MULCH | 165 HP | 1.00 | 0.10 | 0.10 | |
| DISC | 165 HP | 1.00 | 0.11 | 0.11 | |
| ROD WEEED | 165 HP | 1.00 | 0.05 | 0.05 | |
| DRILL | 93 HP | 1.00 | 0.05 | 0.05 | |

COMBINE HAUL 2 TON ACRES: 1.00

| | | |
|------|------|------|
| 1.00 | 0.14 | 0.14 |
| 1.00 | 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 | 0.00002 | 0.00002 | 0.00008 | 0.00014 | 0.00004 | 0.00024 | 0.00020 |
| 50 | 0.00006 | 0.00002 | 0.00002 | 0.00002 | 0.00008 | 0.00014 | 0.00004 | 0.00024 | 0.00020 |
| 100 | 0.00006 | 0.00002 | 0.00002 | 0.00002 | 0.00014 | 0.00022 | 0.00010 | 0.00038 | 0.00030 |
| 200 | 0.00003 | 0.00003 | 0.00043 | 0.00004 | 0.00018 | 0.00026 | 0.00011 | 0.00051 | 0.00026 |
| 300 | 0.00003 | 0.00005 | 0.00039 | 0.00006 | 0.00023 | 0.00031 | 0.00014 | 0.00063 | 0.00040 |
| 400 | 0.00003 | 0.00006 | 0.00037 | 0.00009 | 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 | 0.00096 | 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, disks, moldboard plows, chisels, field cultivators
- 4 row cultivators, laser plane
- 4 harrows, wagons, floats, roto buck, drag, roller, water furrow, bed shaper
- 5 balewagons, cotton pickers, cotton strippers, corn pickers
- 6 corn heads, forage equipment, rotary mowers, stalk choppers, feed wagons, farm trucks
- 6 rakes, cuttler mowers
- 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 2017
 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 | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | 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 | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------------|----------------|---------------|----------------|----------------|
| DISC | 165 HP | 0.11 HR | | \$0.94 | \$2.32 | \$1.62 | \$3.41 | \$8.28 |
| STUBBLE MULCH | 165 HP | 0.10 HR | | \$0.86 | \$2.11 | \$1.34 | \$3.05 | \$7.36 |
| LISTER | 165 HP | 0.09 HR | | \$0.77 | \$1.90 | \$0.84 | \$2.99 | \$6.49 |
| ROD WEED | 165 HP | 0.05 HR | | \$0.43 | \$1.05 | \$0.34 | \$1.23 | \$3.05 |
| PLANTER | 93 HP | 0.12 HR | | \$1.03 | \$1.53 | \$0.43 | \$3.18 | \$6.17 |
| CULTIVATOR | 93 HP | 0.10 HR | | \$0.86 | \$1.28 | \$0.59 | \$1.73 | \$4.45 |
| SPRAYER | 93 HP | 0.06 HR | | \$0.51 | \$0.77 | \$0.10 | \$0.74 | \$2.12 |
| SUBTOTAL | | 0.63 HR | | \$5.39 | \$10.96 | \$5.26 | \$16.33 | \$37.94 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|-------|----------------|--|---------------|---------------|---------------|----------------|----------------|
| COMBINE | | 0.14 HR | | \$1.20 | \$2.75 | \$0.39 | \$9.96 | \$14.29 |
| HAUL | 2 TON | 0.14 HR | | \$1.20 | \$2.09 | \$0.90 | \$4.81 | \$9.00 |
| SUBTOTAL | | 0.28 HR | | \$2.39 | \$4.84 | \$1.29 | \$14.77 | \$23.29 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|--|----------------|---------------|--|---------------|----------------|
| DOWNTIME | | 0.12 HR | | \$1.00 | | | | \$1.00 |
| EMPLOYEE BENEFITS | | | | \$1.40 | | | | \$1.40 |
| INSURANCE | | | | \$0.16 | | | | \$0.16 |
| LAND TAXES | | | | | | | \$0.60 | \$0.60 |
| SUPERVISION AND MANAGEMENT | | | | \$7.08 | | | | \$7.08 |
| OTHER EXPENSES | | | | \$36.31 | | | | \$36.31 |
| SUBTOTAL | | 0.12 HR | | \$36.46 | \$9.48 | | \$0.60 | \$46.54 |

TOTAL OPERATING EXPENSES 1.03 HR \$57.57 \$17.26 \$15.79 \$6.56 \$31.70 \$128.88

NET OPERATING PROFIT (\$35.16)

INTEREST ON OPERATING CAPITAL (\$15.12 @ 5.50%) \$0.83
 INTEREST ON EQUIPMENT INVESTMENT \$11.65

RETURN TO LAND AND RISK (\$47.65)

BUDGET SUMMARY

| | | | |
|-------------------------------|---------|-----------|---|
| GROSS RETURN | | \$93.71 | |
| VARIABLE OPERATING EXPENSES | \$79.92 | | |
| RETURN OVER VARIABLE EXPENSES | | \$13.80 | (GROSS MARGIN) |
| FIXED EXPENSES | \$31.70 | | |
| NET FARM INCOME | | (\$17.90) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$17.26 | | |
| NET OPERATING PROFIT | | (\$35.16) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$12.49 | | |
| RETURN TO LAND AND RISK | | (\$47.65) | |

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 2017
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

| ITEM | PRICE | YIELD | BASE | | | | | | TOTAL |
|----------------------------------|------------|---------------------|---|---------|-------------|---------|------------|----------|------------------|
| GROSS RETURNS | | | | | | | | | |
| WHEAT | \$4.20 | 18.00 BUSHELS | | | | | | | \$75.60 |
| 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 | | | | | | | | | \$85.60 |
| PURCHASED INPUTS | | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL | |
| SEED | \$0.44 | 30 LB | \$13.20 | | | | | \$13.20 | |
| CROP INSURANCE | \$0.09 | | \$0.09 | | | | | \$0.09 | |
| | | | \$13.29 | | | | | \$13.29 | |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| STUBBLE MULCH | 165 HP | 0.10 HR | | \$0.86 | \$2.11 | \$1.34 | \$3.05 | \$7.36 | |
| DISC | 165 HP | 0.11 HR | | \$0.94 | \$2.32 | \$1.62 | \$3.41 | \$8.28 | |
| RODWEED | 165 HP | 0.05 HR | | \$0.43 | \$1.05 | \$0.34 | \$1.23 | \$3.05 | |
| DRILL | 93 HP | 0.05 HR | | \$0.43 | \$0.64 | \$0.23 | \$3.02 | \$4.32 | |
| SUBTOTAL | | 0.31 HR | | \$2.65 | \$6.12 | \$3.53 | \$10.71 | \$23.01 | |
| HARVEST OPERATIONS | | | | | | | | | |
| COMBINE | | 0.14 HR | | \$1.20 | \$2.75 | \$0.39 | \$9.96 | \$14.29 | |
| HAUL | 2 TON | 0.14 HR | | \$1.20 | \$2.09 | \$0.90 | \$4.81 | \$9.00 | |
| SUBTOTAL | | 0.28 HR | | \$2.39 | \$4.84 | \$1.29 | \$14.77 | \$23.29 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.10 HR | | \$0.86 | | | | \$0.86 | |
| EMPLOYEE BENEFITS | | | | \$0.91 | | | | \$0.91 | |
| INSURANCE | | | \$0.10 | | | | | \$0.10 | |
| LAND TAXES | | | | | | | \$0.60 | \$0.60 | |
| SUPERVISION AND MANAGEMENT | | | | \$6.15 | | | | \$6.15 | |
| OTHER EXPENSES | | | \$36.31 | | | | | \$36.31 | |
| SUBTOTAL | | 0.10 HR | \$36.41 | \$7.91 | | | \$0.60 | \$44.92 | |
| TOTAL OPERATING EXPENSES | | 0.69 HR | \$49.61 | \$12.95 | \$10.96 | \$4.83 | \$26.08 | \$104.43 | |
| NET OPERATING PROFIT | | | | | | | | | (\$18.83) |
| INTEREST ON OPERATING CAPITAL | | (| \$9.52 | @ | 5.50% |) | | \$0.52 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$9.11 | |
| RETURN TO LAND AND RISK | | | | | | | | | (\$28.46) |
| BUDGET SUMMARY | | | | | | | | | |
| GROSS RETURN | | \$85.60 | | | | | | | |
| VARIABLE OPERATING EXPENSES | \$65.39 | | | | | | | | |
| RETURN OVER VARIABLE EXPENSES | | \$20.21 | (GROSS MARGIN) | | | | | | |
| FIXED EXPENSES | \$26.08 | | | | | | | | |
| NET FARM INCOME | | (\$5.87) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | | | | | | |
| LABOR AND MANAGEMENT COST | \$12.95 | | | | | | | | |
| NET OPERATING PROFIT | | (\$18.83) | (RETURN TO CAPITAL, LAND & RISK) | | | | | | |
| CAPITAL COSTS | \$9.63 | | | | | | | | |
| RETURN TO LAND AND RISK | | (\$28.46) | | | | | | | |

TABLE 7. Summary of per acre costs and returns for a 1,280 acre farm, Roosevelt County,
Projected 2017

| | GRAIN SORGHUM | WHEAT |
|----------------------------------|------------------|-----------|
| | CWT | BU |
| PRIMARY YIELD | 15.00 | 18.00 |
| PRIMARY PRICE | \$5.91 | \$4.20 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 |
| SECOND INCOME | \$5.00 | \$10.00 |
| GROSS RETURN | \$93.71 | \$85.60 |
| CASH OPERATING EXPENSES | | |
| SEED | \$5.10 | \$13.20 |
| FERTILIZER | | |
| CHEMICALS | \$15.88 | |
| CROP INSURANCE | \$0.12 | \$0.09 |
| OTHER PURCHASED INPUTS | | |
| CANAL WATER | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$15.79 | \$10.96 |
| FUEL-IRRIGATION | | |
| REPAIRS | \$6.56 | \$4.83 |
| CUSTOM CHARGES | \$0.00 | \$0.00 |
| LAND TAXES | \$0.60 | \$0.60 |
| OTHER EXPENSES | \$36.46 | \$36.41 |
| TOTAL CASH EXPENSES | \$80.52 | \$66.08 |
| RETURN OVER CASH EXPENSES | \$13.20 | \$19.52 |
| FIXED EXPENSES | \$31.10 | \$25.48 |
| TOTAL EXPENSES | \$111.62 | \$91.56 |
| NET FARM INCOME | (\$17.90) | (\$5.96) |
| LABOR AND MANAGEMENT COSTS | \$17.26 | \$12.95 |
| NET OPERATING PROFIT | (\$35.16) | (\$18.91) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | \$0.83 | \$0.52 |
| INTEREST ON EQUIPMENT INVESTMENT | \$11.65 | \$9.11 |
| TOTAL CAPITAL COSTS | \$12.49 | \$9.63 |
| RETURN TO LAND AND RISK | (\$47.65) | (\$28.55) |

TABLE 8. Whole farm summary, Rogers-Dora area, Roosevelt County,
Projected 2017

| | | |
|----------------------------------|--------------|-------------------|
| 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 | | \$42,956 |
| GRAZING | | \$5,682 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GROSS RETURN | | <u>\$87,998</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$9,642 |
| FERTILIZER | | \$0 |
| CHEMICALS | | \$6,672 |
| CROP INSURANCE | | \$100 |
| OTHER PURCHASED INPUTS | | \$0 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$12,858 |
| FUEL-IRRIGATION | | \$0 |
| REPAIRS | | \$5,498 |
| CUSTOM CHARGES | | \$0 |
| LAND TAXES | | \$592 |
| OTHER EXPENSES | | \$36,002 |
| TOTAL CASH EXPENSES | | <u>\$71,364</u> |
| RETURN OVER CASH EXPENSES | | \$16,634 |
| FIXED EXPENSES | | \$27,538 |
| TOTAL EXPENSES | | \$98,902 |
| NET FARM INCOME | | (\$10,904) |
| LABOR AND MANAGEMENT COSTS | | \$14,610 |
| NET OPERATING PROFIT | | (\$25,515) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$647 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$10,070 |
| TOTAL CAPITAL COSTS | | <u>\$10,717</u> |
| RETURN TO LAND AND RISK | | <u>(\$36,231)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|-------------|-----------------|------------------------|
| \$150 /ACRE | (\$41,991) | -6.98% |
| \$200 /ACRE | (\$43,911) | -5.94% |
| \$250 /ACRE | (\$45,831) | -5.17% |
| \$300 /ACRE | (\$47,751) | -4.58% |
| \$350 /ACRE | (\$49,671) | -4.10% |
| \$400 /ACRE | (\$51,591) | -3.72% |

* 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)