

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	
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ACREAGE SUMMARY:	LAND USE	(ACRES)
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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	
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TOTAL	1,280.00	
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TABLE 2. Basic cost information for the Rogers-Dora area, Roosevelt County,
Projected 2016

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

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Item			
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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	\$16,094
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	<hr/>
			\$36,866
		Total Per Planted Acre	<hr/>
			\$37.31
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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					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	
SUPERVISION AND MANAGEMENT				\$7.16				\$7.16
OTHER EXPENSES			\$37.31				\$37.31	
SUBTOTAL		0.10 HR	\$37.41	\$8.92				\$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)