

TABLE 1. Basic cost information for the Causey-Lingo area, Roosevelt County, 2002.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.55
General & Irrigators	\$/hour		\$6.75
Purchased Inputs:			
Seed:			
Wheat	\$/pound		\$0.16
Grain Sorghum	\$/pound		\$1.11
Cotton	\$/pound		\$0.70
Fuel:			
Diesel fuel	\$/gallon		\$1.05
Gasoline	\$/gallon		\$1.00
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		8.00%
Land Interest Rate	percent		7.50%
Equipment Interest Rate	percent		8.00%
Real Interest Rate	percent		4.00%
Land Taxes	\$26.00 /acre (full value)		\$0.12
Personal Property Tax Rate - NR	\$/(\$1,000 (Assessed Value)		\$13.84
- R			\$9.92
Supervision Factor	\$/labor hour		\$0.50
Management Rate	percent		7.00%

BUDGET AREA..... CAUSEY-LINGO AREA, ROOSEVELT COUNTY, 2002.
 FARM SIZE..... 1280 ACRES
 IRRIGATION TYPE..... DRYLAND
 NUMBER OF CROPS... 3

ACREAGE SUMMARY:	LAND USE (ACRES)
GRAIN SORGHUM	357.0
ARP	0.0
FLEX IN COTTON	63.0
COTTON	357.0
ARP	0.0
FLEX IN COTTON	63.0
WHEAT	357.0
ARP	0.0
FLEX IN COTTON	63.0
ROADS, HOMESTEAD	20.0
TOTAL	1,280.0

TABLE 1a. Overhead cost information for the Causey-Lingo area, Roosevelt County, 2002.

ITEM				
Electricity (Domestic & Shop)			\$205.00 per month	\$2,460
Telephone			\$90.00 per month	\$1,080
Accounting & Legal				\$1,565
Misc. Supplies & Hand Tools				\$2,340
Pickup and Auto				
miles	25,750	@	\$0.345 per mile	\$8,884
Insurance				
- general liability (non-employee)				\$1,700
- fire/theft				\$1,315
Property Taxes				
- non-planted land				\$4
- other than land & machinery				\$610
Building repairs and maintenance				\$1,275
Dues, fees, publications				\$380
Farmstead Equipment				\$170
			Total	\$21,782
			Total Per Planted Acre	\$17.29

TABLE 2. Equipment summary for a 1,280 acre, dryland farm with above average management, Causey-Lingo area, Roosevelt County, 2002.

EQUIPMENT			VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL, OIL LUBRICANT	REPAIR	FUEL,OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR	
TRACTOR 93 HP	680	1	\$23,030	\$4,833	\$5,954	\$7.11	\$8.75	\$1,226	\$99	\$1.95	
TRACTOR 165 HP	502	1	\$36,030	\$5,175	\$4,046	\$10.31	\$8.06	\$5,600	\$194	\$11.55	
TRUCK 2-TON	373	1	\$11,500	\$2,488	\$0	\$6.67	\$0.00	\$2,300	\$53	\$6.31	
COTTON STRIPPER 2-ROW (MTD)	317	1	\$2,520		\$0		\$0.00	\$767	\$27	\$2.50	
PLANTER 8-ROW	108	1	\$5,500		\$1,472		\$13.59	\$1,100	\$25	\$10.39	
CULTIVATOR 8-ROW	145	1	\$4,000		\$325		\$2.24	\$533	\$18	\$3.81	
DISC 18 FT OFFSET	139	1	\$7,500		\$582		\$4.20	\$1,000	\$35	\$7.46	
DRILL 40 FT	18	1	\$7,750		\$141		\$7.91	\$1,550	\$36	\$88.84	
LISTER 8-ROW	81	1	\$3,200		\$159		\$1.95	\$427	\$15	\$5.43	
STUBBLE MULCHER 20 FT	71	1	\$6,500		\$283		\$3.97	\$867	\$30	\$12.56	
SHREDDER 4-ROW	137	1	\$2,500		\$345		\$2.53	\$333	\$12	\$2.53	
SPRAYER (MTD)	21	1	\$1,500		\$40		\$1.89	\$200	\$7	\$9.66	
COMBINE 145 HP	100	1	\$57,005	\$814	\$1,652	\$8.14	\$16.53	\$7,600	\$263	\$78.66	
GRAIN HEAD 22 FT	100	1	\$4,150		\$128		\$1.28	\$501	\$17	\$5.19	
ROD WEEDER 37 FT	63	1	\$1,150		\$45		\$0.71	\$153	\$5	\$2.52	
CHISEL-9 PT	82	1	\$1,350		\$67		\$0.82	\$180	\$6	\$2.27	
			\$175,185	\$13,309	\$15,239			\$24,338	\$842		

TABLE 3. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Causey-Lingo area, Roosevelt County, 2002.
 Planting Dates: May 15 - May 30
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
GRAIN SORGHUM	\$3.75	15.00	CWT						\$56.25	
ASCS DEFICIENCY	\$0.58	15.00	CWT						\$8.70	
ASCS DIVERSION	\$0.00	0.00	CWT						\$0.00	
GRAZING	\$5.00	1	ACRE						\$5.00	
TOTAL									\$69.95	
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL	
SEED	\$1.11	3	LBS	\$3.33					\$3.33	
INSECTICIDE	\$15.51	1	X/ACRE	\$15.51					\$15.51	
CROP INSURANCE	\$0.14			\$0.14					\$0.14	
SUBTOTAL				\$18.98					\$18.98	
PREHARVEST OPERATIONS										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL	
DISC	165 HP	0.11	HR		\$0.83	\$1.13	\$1.35	\$2.09	\$5.41	
STUBBLE MULCH	165 HP	0.10	HR		\$0.76	\$1.03	\$1.20	\$2.41	\$5.40	
LISTER	165 HP	0.09	HR		\$0.68	\$0.93	\$0.90	\$1.53	\$4.04	
ROD WEED	165 HP	0.05	HR		\$0.38	\$0.52	\$0.44	\$0.70	\$2.04	
PLANTER	93 HP	0.12	HR		\$0.91	\$0.85	\$2.68	\$1.48	\$5.92	
CULTIVATOR	93 HP	0.10	HR		\$0.76	\$0.71	\$1.10	\$0.58	\$3.14	
SPRAYER	93 HP	0.06	HR		\$0.45	\$0.43	\$0.64	\$0.70	\$2.21	
SUBTOTAL		0.63	HR		\$4.76	\$5.60	\$8.31	\$9.49	\$28.15	
HARVEST OPERATIONS										
COMBINE		0.14	HR		\$1.06	\$1.14	\$2.49	\$11.74	\$16.43	
HAUL	2 TON	0.14	HR		\$1.06	\$0.93	\$0.00	\$0.88	\$2.87	
SUBTOTAL		0.28	HR		\$2.11	\$2.07	\$2.49	\$12.62	\$19.30	
OVERHEAD EXPENSES										
DOWNTIME		0.12	HR		\$0.89				\$0.89	
EMPLOYEE BENEFITS					\$1.24				\$1.24	
INSURANCE				\$0.14					\$0.14	
LAND TAXES								\$0.12	\$0.12	
SUPERVISION AND MANAGEMENT					\$5.27				\$5.27	
OTHER EXPENSES				\$17.29					\$17.29	
SUBTOTAL		0.12	HR		\$17.42	\$7.40		\$0.12	\$24.94	
TOTAL OPERATING EXPENSES		1.03	HR		\$36.41	\$14.27	\$7.67	\$10.80	\$22.23	\$91.38
NET OPERATING PROFIT										(\$21.43)
INTEREST ON OPERATING CAPITAL	(\$13.35	@	8.00%)				\$1.07	
INTEREST ON EQUIPMENT INVESTMENT									\$12.10	
RETURN TO LAND AND RISK										(\$34.60)

BUDGET SUMMARY

GROSS RETURN		\$69.95	
VARIABLE OPERATING EXPENSES	\$54.88		
RETURN OVER VARIABLE EXPENSES		\$15.07	(GROSS MARGIN)
FIXED EXPENSES	\$22.23		
NET FARM INCOME		(\$7.16)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.27		
NET OPERATING PROFIT		(\$21.43)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.17		
RETURN TO LAND AND RISK		(\$34.60)	

TABLE 4. Upland cotton (stripper), dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Causey-Lingo area, Roosevelt County, 2002.

Planting Dates: May 1 - June 10

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
LINT	\$0.500	250	LBS						\$125.00
SEED	\$0.06	400	LBS						\$25.00
ASCS DEFICIENCY	\$0.0599	250	LBS						\$14.98
FARM LOAN DEFICIENCY	\$0.04	250	LBS						\$10.00
TOTAL									\$174.98
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.70	15	LBS	\$10.50					\$10.50
INSECTICIDE (CUSTOM)	\$19.54	1	X/ACRE	\$19.54					\$19.54
CROP INSURANCE	\$0.09			\$0.09					\$0.09
SUBTOTAL				\$30.13					\$30.13
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
CHISEL	165 HP	0.15	HR		\$1.13	\$1.55	\$1.33	\$2.07	\$6.09
DISC	165 HP	0.11	HR		\$0.83	\$1.13	\$1.35	\$2.09	\$5.41
LISTER	165 HP	0.09	HR		\$0.68	\$0.93	\$0.90	\$1.53	\$4.04
ROD WEED	165 HP	0.05	HR		\$0.38	\$0.52	\$0.44	\$0.70	\$2.04
PLANTER	165 HP	0.12	HR		\$0.91	\$1.24	\$2.60	\$2.63	\$7.37
CULTIVATOR (2X)	93 HP	0.20	HR		\$1.51	\$1.42	\$2.20	\$1.15	\$6.28
HAND HOE (CUSTOM)				\$6.00					\$6.00
SUBTOTAL		0.72	HR	\$6.00	\$5.44	\$6.78	\$8.82	\$10.18	\$37.22
HARVEST OPERATIONS									
COTTON STRIPPER (MTD)	93 HP	0.58	HR		\$4.38	\$4.12	\$5.08	\$2.58	\$16.16
HAUL	2 TON	0.50	HR		\$3.78	\$3.34	\$0.00	\$3.15	\$10.26
GIN COTTON (CUSTOM)				\$33.53					\$33.53
SUBTOTAL		1.08	HR	\$33.53	\$8.15	\$7.46	\$5.08	\$5.74	\$59.95
POST HARVEST OPERATIONS									
SHREDDER	93 HP	0.25	HR		\$1.89	\$1.78	\$2.82	\$1.12	\$7.60
OVERHEAD EXPENSES									
DOWNTIME		0.47	HR		\$3.57				\$3.57
EMPLOYEE BENEFITS					\$2.79				\$2.79
INSURANCE				\$0.31					\$0.31
LAND TAXES								\$0.12	\$0.12
SUPERVISION AND MANAGEMENT					\$13.19				\$13.19
OTHER EXPENSES				\$17.29					\$17.29
SUBTOTAL		0.47	HR	\$17.60	\$19.55			\$0.12	\$37.26
TOTAL OPERATING EXPENSES		2.52	HR	\$87.25	\$35.02	\$16.02	\$16.72	\$17.16	\$172.16
NET OPERATING PROFIT									\$2.81
INTEREST ON OPERATING CAPITAL	(\$21.16	@	8.00%)				\$1.69
INTEREST ON EQUIPMENT INVESTMENT									\$7.88
RETURN TO LAND AND RISK									(\$6.77)
BUDGET SUMMARY									
GROSS RETURN				\$174.98					
VARIABLE OPERATING EXPENSES	\$119.98								
RETURN OVER VARIABLE EXPENSES		\$54.99	(GROSS MARGIN)						
FIXED EXPENSES	\$17.16								
NET FARM INCOME		\$37.84	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$35.02								
NET OPERATING PROFIT		\$2.81	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$9.58								
RETURN TO LAND AND RISK			(\$6.77)						

TABLE 5. Wheat, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Causey-Lingo area, Roosevelt County, 2002.
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
WHEAT	\$3.40	18.00	BUSHEL						\$61.20
ASCS DEFICIENCY	\$0.474	18.00	BUSHEL						\$8.53
ASCS DIVERSION	\$0.00								\$0.00
GRAZING	\$10.00	1.00	ACRE						\$10.00
TOTAL									\$79.73
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.16	30 LB		\$4.80					\$4.80
CROP INSURANCE	\$0.14			\$0.14					\$0.14
									\$4.94
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
STUBBLE MULCH	165 HP	0.10	HR		\$0.76	\$1.03	\$1.20	\$2.41	\$5.40
DISC	165 HP	0.11	HR		\$0.83	\$1.13	\$1.35	\$2.09	\$5.41
RODWEED	165 HP	0.05	HR		\$0.38	\$0.52	\$0.44	\$0.70	\$2.04
DRILL	93 HP	0.05	HR		\$0.38	\$0.36	\$0.83	\$4.54	\$6.11
SUBTOTAL		0.31	HR		\$2.34	\$3.04	\$3.82	\$9.74	\$18.95
HARVEST OPERATIONS									
COMBINE		0.14	HR		\$1.06	\$1.14	\$2.49	\$11.74	\$16.43
HAUL	2 TON	0.14	HR		\$1.06	\$0.93	\$0.00	\$0.88	\$2.87
SUBTOTAL		0.28	HR		\$2.11	\$2.07	\$2.49	\$12.62	\$19.30
OVERHEAD EXPENSES									
DOWNTIME		0.10	HR		\$0.76				\$0.76
EMPLOYEE BENEFITS					\$0.80				\$0.80
INSURANCE				\$0.09				\$0.09	
LAND TAXES							\$0.12	\$0.12	
SUPERVISION AND MANAGEMENT					\$5.74				\$5.74
OTHER EXPENSES				\$17.29				\$17.29	
SUBTOTAL		0.10	HR	\$17.38	\$7.29				\$24.79
TOTAL OPERATING EXPENSES		0.41	HR	\$22.18	\$11.75	\$5.11	\$6.32	\$22.49	\$67.84
NET OPERATING PROFIT									\$11.89
INTEREST ON OPERATING CAPITAL	(\$4.50	@	8.00%)	\$0.36
INTEREST ON EQUIPMENT INVESTMENT									\$11.91
RETURN TO LAND AND RISK									(\$0.38)

BUDGET SUMMARY

GROSS RETURN		\$79.73	
VARIABLE OPERATING EXPENSES	\$33.60		
RETURN OVER VARIABLE EXPENSES		\$46.13	(GROSS MARGIN)
FIXED EXPENSES	\$22.49		
NET FARM INCOME		\$23.64	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$11.75		
NET OPERATING PROFIT		\$11.89	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.27		
RETURN TO LAND AND RISK		(\$0.38)	

TABLE 6. Summary of per acre costs and returns for a 1,280 acre farm
with above average management, Causey-Lingo area, Roosevelt
County, 2002.

	GRAIN SORGHUM	STRIPPER COTTON -----DRYLAND-----	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	250.00	18.00
PRIMARY PRICE	3.75	0.50	3.40
GOVERNMENT PAYMENTS	8.70	14.98	8.53
SECOND INCOME	5.00	25.00	10.00
GROSS RETURN	\$69.95	\$174.98	\$79.73
CASH OPERATING EXPENSES			
SEED	\$3.33	\$10.50	\$4.80
FERTILIZER			
CHEMICALS	\$15.51	\$19.54	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$7.67	\$16.02	\$5.11
FUEL-IRRIGATION			
REPAIRS	\$10.80	\$16.72	\$6.32
CUSTOM CHARGES	\$0.00	\$39.53	\$0.00
LAND TAXES	\$0.12	\$0.12	\$0.12
OTHER EXPENSES	\$17.42	\$17.60	\$17.38
TOTAL CASH EXPENSES	\$55.00	\$120.10	\$33.86
RETURN OVER CASH EXPENSES	\$14.95	\$54.87	\$45.87
FIXED EXPENSES	\$22.11	\$17.04	\$22.37
TOTAL EXPENSES	\$77.11	\$137.14	\$56.23
NET FARM INCOME	(\$7.16)	\$37.84	\$23.50
LABOR AND MANAGEMENT COSTS	\$14.27	\$35.02	\$11.75
NET OPERATING PROFIT	(\$21.43)	\$2.81	\$11.75
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$1.07	\$1.69	\$0.36
INTEREST ON EQUIPMENT INVESTMENT	\$12.10	\$7.88	\$11.91
TOTAL CAPITAL COSTS	\$13.17	\$9.58	\$12.27
RETURN TO LAND AND RISK	(\$34.60)	(\$6.77)	(\$0.52)

TABLE 7. Whole farm summary, Causey-Lingo area, Roosevelt County, 2002.

GROSS RETURNS		
GRAIN SORGHUM	357 ACRES	
CROP		\$20,081
GRAZING		\$1,785
ASCS DEFICIENCY		\$3,106
ASCS DIVERSION		\$0
COTTON	546 ACRES	
LINT		\$68,250
SEED		\$13,650
ASCS DEFICIENCY		\$5,346
WHEAT	357 ACRES	
CROP		\$21,848
GRAZING		\$3,570
ASCS DEFICIENCY		\$3,046
ASCS DIVERSION		\$0
GROSS RETURN		<u>\$140,683</u>
CASH OPERATING EXPENSES		
SEED		\$8,635
FERTILIZER		\$0
CHEMICALS		\$16,205
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$13,309
FUEL-IRRIGATION		\$0
REPAIRS		\$15,239
CUSTOM CHARGES		\$21,581
LAND TAXES		\$151
OTHER EXPENSES		\$22,032
TOTAL CASH EXPENSES		<u>\$97,303</u>
RETURN OVER CASH EXPENSES		\$43,379
FIXED EXPENSES		\$25,179
TOTAL EXPENSES		\$122,482
NET FARM INCOME		\$18,200
LABOR AND MANAGEMENT COSTS		\$28,410
NET OPERATING PROFIT		(\$10,210)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,434
INTEREST ON EQUIPMENT INVESTMENT		\$12,877
TOTAL CAPITAL COSTS		<u>\$14,311</u>
RETURN TO LAND AND RISK		<u>(\$24,521)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$32,201)	-2.78%
\$200 /ACRE	(\$34,761)	-2.37%
\$250 /ACRE	(\$37,321)	-2.06%
\$300 /ACRE	(\$39,881)	-1.83%
\$350 /ACRE	(\$42,441)	-1.64%
\$400 /ACRE	(\$45,001)	-1.49%

* 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)