

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... CAUSEY-LINGO AREA, ROOSEVELT COU^T Projected 2006.
FARM SIZE..... 1,280.00 ACRES
IRRIGATION TYPE..... DRYLAND
NUMBER OF CROPS..... 3

VERSION 1.0

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TABLE 1. Acreage Summary, Roosevelt County, Projected 2006.

BUDGET AREA.....	CAUSEY-LINGO AREA, ROOSEVELT COUNTY
FARM SIZE.....	1,280 ACRES
IRRIGATION TYPE.....	DRYLAND
NUMBER OF CROPS....	3

ACREAGE SUMMARY:	LAND USE (ACRES)
GRAIN SORGHUM	357.00
ARP	0.00
FLEX IN COTTON	63.00
COTTON	357.00
ARP	0.00
FLEX IN COTTON	63.00
WHEAT	357.00
ARP	0.00
FLEX IN COTTON	63.00
ROADS, HOMESTEAD	20.00
TOTAL	1,280.00

TABLE 2. Basic cost information for the Causey-Lingo area, Roosevelt County, Projected 2006.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.65
Purchased Inputs:		
Seed:		
Wheat	\$/pound	\$0.28
Grain Sorghum	\$/pound	\$1.22
Cotton	\$/pound	\$2.00
Fuel:		
Diesel fuel	\$/gallon	\$2.10
Gasoline	\$/gallon	\$2.00
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	8.00%
Equipment Interest Rate	percent	8.00%
Real Interest Rate	percent	3.00%
Land Taxes	\$89.00 /acre (full value)	\$0.74
Personal Property Tax Rate	- NR \$/\$1,000 (Assessed Value)	\$24.84
	- R	\$13.80
Supervision Factor	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for the Causey-Lingo area, Roosevelt County, Projected 2006.

Item		
Electricity (Domestic & Shop)	\$206.70 per month	\$2,480
Telephone	\$95.40 per month	\$1,145
Accounting & Legal		\$1,564
Misc. Supplies & Hand Tools		\$2,337
Pickup and Auto		
miles	27,295 @ \$0.415 per mile	\$11,327
Insurance		
- general liability (non-employee)		\$1,696
- fire/theft		\$1,314
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$1,277
Dues, fees, publications		\$382
Farmstead Equipment		\$170
	Total	\$29,702
	Total Per Planted Acre	\$23.57

TABLE 4. Equipment summary for a 1,280 acre, dryland farm with above average management, Casey-Lingo area, Roosevelt County, Projected 2006.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS				FIXED COSTS		TOTAL PER HR	
			TOTAL VALUE	FUEL OIL LUBRICANT	REPAIR PER HR	FUEL OIL REPAIR PER HR	DEPRECIATION TAXES			
TRACTOR 93 HP	680	1	\$8,887	\$8,284	\$1,410	\$12.18	\$2.07	\$987	\$143	\$1,668
TRACTOR 165 HP	502	1	\$38,000	\$9,447	\$2,702	\$18.83	\$5.39	\$5,985	\$172	\$12,627
TRUCK 2 TON	273	1	\$22,000	\$4,075	\$2,207	\$13.34	\$6.76	\$4,400	\$162	\$12,299
COTTON STRIPPER (M)	2 ROW	317	2	\$5,900	\$291	\$0.92	\$0.27	\$1,533	\$95	\$5.14
PLANTER 8 ROW	158	2	\$15,000	\$268	\$124	\$0.78	\$0.36	\$2,000	\$91	\$21.14
CULTIVATOR 8 ROW	146	1	\$4,900	\$710	\$436	\$4.86	\$2.93	\$633	\$33	\$3.91
DISC 18 FT OFFSET	139	1	\$17,500	\$1,260	\$330	\$9.30	\$3.00	\$1,000	\$62	\$7.68
DRILL 40 FT	18	1	\$7,750	\$65	\$372	\$3.72	\$1.50	\$1,550	\$84	\$90.43
LISTER 8 ROW	81	1	\$2,500	\$322	\$137	\$3.67	\$1.67	\$427	\$28	\$5.58
STUBBLE MULCHER 20 FT	71	1	\$8,500	\$675	\$8.06	\$8.06	\$887	\$54	\$12.89	
SHREDDER 4 ROW	137	1	\$5,200	\$65	\$140	\$1.03	\$0.49	\$333	\$21	\$2.59
SPRAYER (MTD)	21	1	\$1,500	\$15	\$0.72	\$0.72	\$200	\$12	\$9.92	
COMBINE 145 HP	100	1	\$50,027	\$1,783	\$261	\$17.54	\$2.66	\$8,866	\$501	\$84.21
GRAIN HEAD 22 FT	100	1	\$3,800	\$15	\$0.15	\$0.15	\$501	\$31	\$5.33	
ROD WEEDEE 37 FT	83	1	\$1,150	\$60	\$1.43	\$1.43	\$153	\$10	\$2.59	
CHISEL 9 FT	82	1	\$1,350	\$137	\$1.67	\$1.67	\$180	\$11	\$2.33	
			\$174,866	\$24,409	\$10,537			\$29,716	\$1,758	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL UNTHR	LUBE COEF	ACCUM HOURS	INTEREST EXPENSE
TRACTOR 93 HP	8850.00	8857.00	35.00	1.00	3000.00	5.54	0.10	16844.37	23.00
TRACTOR 165 HP	38775.00	38001.50	15.00	1.00	8000.00	8.15	0.10	6020.28	12.00
TRUCK 2 TON	44000.00	22000.00	10.00	8.00	8000.00	6.05	0.05	4944.48	13.00
COTTON STRIPPER (M)	11500.00	2950.00	15.00	8.00	3000.00			2054.42	13.00
PLANTER 8 ROW	11000.00	5500.00	10.00	8.00	1000.00			704.34	13.00
CULTIVATOR 8 ROW	8000.00	4500.00	15.00	3.00	3000.00			2319.48	16.00
DISC 18 FT OFFSET	15000.00	7500.00	15.00	3.00	3000.00			2271.60	16.00
DRILL 40 FT	15500.00	7750.00	10.00	8.00	1000.00			232.05	13.00
LISTER 8 ROW	1400.00	3200.00	15.00	3.00	1000.00			1300.32	16.00
STUBBLE MULCHER 20 FT	13000.00	6500.00	15.00	3.00	3000.00			1071.00	15.00
SHREDDER 4 ROW	5000.00	2500.00	15.00	3.00	1500.00			204.00	15.00
SPRAYER (MTD)	3000.00	1500.00	15.00	8.00	1500.00			321.30	15.00
COMBINE 145 HP	132000.00	82007.00	15.00	2.00	3000.00	6.98	0.20	1299.48	13.00
GRAIN HEAD 22 FT	7500.00	3600.00	15.00	2.00	3000.00			1299.48	13.00
ROD WEEDEE 37 FT	2300.00	1150.00	15.00	3.00	3000.00			945.00	15.00
CHISEL 9 FT	2700.00	1350.00	15.00	3.00	3000.00			1310.40	16.00

USAGE LIST

GRAN SORGHUM	COTTON	WHEAT	PER ACRE TOTALS
---hours per acre---			
TRACTOR 93 HP	0.28	1.02	0.05
TRACTOR 165 HP	0.35	0.52	0.28
TRUCK 2 TON	0.14	0.50	0.14
COTTON STRIPPER (M)	0.00	0.58	0.00
PLANTER 8 ROW	0.12	0.12	0.00
CULTIVATOR 8 ROW	0.10	0.20	0.00
DISC 18 FT OFFSET	0.11	0.11	0.11
DRILL 40 FT	0.00	0.00	0.05
LISTER 8 ROW	0.09	0.09	0.00
STUBBLE MULCHER 20 FT	0.10	0.00	0.10
SHREDDER 4 ROW	0.00	0.25	0.00
SPRAYER (MTD)	0.10	0.00	0.00
COMBINE 145 HP	0.14	0.00	0.14
GRAIN HEAD 22 FT	0.14	0.00	0.14
ROD WEEDEE 37 FT	0.05	0.05	0.15
CHISEL 9 FT	0.00	0.15	0.00

INTEREST PROXATION

GRAN SORGHUM	COTTON	WHEAT
---dollars per acre---		
2.51	3.72	1.88
0.68	2.36	0.66
0.00	0.84	0.00
0.49	0.49	0.00
0.22	0.44	0.00
0.48	0.48	0.48
0.00	0.00	1.74
0.28	0.28	0.00
0.73	0.00	0.73
0.00	0.37	0.00
0.34	0.00	0.00
7.45	0.00	7.45
0.42	0.00	0.42
0.07	0.07	0.07
0.00	0.00	0.00
13.84	12.6	13.47

GRAN SORGHUM

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
DISC	165 HP	1.00	0.11	0.11	
STUBBLE MULCH	165 HP	1.00	0.10	0.10	
LISTER	165 HP	1.00	0.09	0.09	
ROD WEEDEE	165 HP	1.00	0.09	0.09	
PLANTER	93 HP	1.00	0.12	0.12	
CULTIVATOR	93 HP	1.00	0.10	0.10	
SPRAYER	93 HP	1.00	0.08	0.08	
ACRES: 357 PUMP WATER:					
ACCOMPLISHMENT					
COMBINE	22 FT	1.00	0.14	0.14	
HAUL	2 TON	1.00	0.14	0.14	

COTTON

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
CHISEL	165 HP	1.00	0.15	0.15	
DISC	165 HP	1.00	0.11	0.11	
LISTER	165 HP	1.00	0.09	0.09	
ROD WEEDEE	165 HP	1.00	0.05	0.05	
PLANTER	93 HP	1.00	0.12	0.12	
CULTIVATOR (2X)	93 HP	2.00	0.10	0.20	6.00
HAND HOSE (CUSTOM)					
COTTON STRIPPER (MTD) 93 HP 1.00 0.58 0.58					
HAUL 2 TON 1.00 0.50 0.50 0.15					
GRN COTTON (CUSTOM) PER LINT					
SHREDDER 93 HP 1.00 0.25 0.25					

WHEAT

MACHINE	POWER UNIT	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 WEEDEE	165 HP	1.00	0.05	0.05	
DRILL	93 HP	1.00	0.05	0.05	
ACRES: 357 PUMP WATER:					
ACCOMPLISHMENT					
COMBINE	2 TON	1.00	0.14	0.14	
HAUL	2 TON	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	0.00060	0.00020	0.00060	0.00020	0.00080	0.00140	0.00040	0.00040	0.00020
50	0.00060	0.00020	0.00020	0.00020	0.00080	0.00140	0.00040	0.00040	0.00020
100	0.00060	0.00020	0.00020	0.00020	0.00140	0.00020	0.00100	0.00020	0.00020
200	0.00020	0.00000	0.00040	0.00040	0.00180	0.00020	0.00110	0.00010	0.00020
300	0.00020	0.00000	0.00020	0.00060	0.00020	0.00110	0.00040	0.00040	0.00040
400	0.00020	0.00000	0.00030	0.00090	0.00020	0.00030	0.00190	0.00070	0.00040
500	0.00020	0.00000	0.00060	0.00100	0.00080	0.00030	0.00170	0.00080	0.00030
600	0.00020	0.00000	0.00040	0.00120	0.00030	0.00030	0.00190	0.00080	0.00030
700	0.00020	0.00000	0.00040	0.00130	0.00030	0.00040	0.00190	0.00080	0.00030
800	0.00020	0.00000	0.00020	0.00160	0.00030	0.00040	0.00210	0.00080	0.00030
900	0.00020	0.00000	0.00020	0.00160	0.00030	0.00040	0.00210	0.00080	0.00030
1000	0.00000	0.00000	0.00010	0.00180	0.00030	0.00040	0.00230	0.00100	0.00070
1200	0.00040	0.00010	0.00020	0.00020	0.00040	0.00040	0.00240	0.00130	0.00070
1400	0.00040	0.00010	0.00030	0.00020	0.00040	0.00050	0.00240	0.00140	0.00070
1600	0.00010	0.00010	0.00030	0.00020	0.00040	0.00050	0.00240	0.00140	0.00070
1800	0.00010	0.00010	0.00025	0.00025	0.00045	0.00055	0.00240	0.00135	0.00065
2000	0.00010	0.00025	0.000280	0.000305	0.000505	0.000565	0.000310		
2500	0.00000								
3000	0.00000								
3500	0.00000								
4000	0.00000								
4500	0.00000								
5000	0.00122								
5500	0.00138								
6000	0.00148								
6500	0.00152								
7000	0.00176								
7500	0.00188								
8000	0.00204								

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

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

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windrowers, pickups
- 3 mow, hay, disk, moldboard plows, chisels, field cultivators, row cultivators, laser plans
- 4 harrows, weepers, flares, mto buck, disc, roller, water furrow, bed shaper
- 5 balers, cotton pickers, cotton strippers, corn pickers
- 6 corn heads, forage equipment, rotary mowers, stalk choppers, feed wagons, farm trucks
- 7 rakes, cultiver mower
- 8 baler w/ engine, manure spreader
- 9 planters, drills, seeding equipment, mounted sprayer
- 0 fertilizer distributing equipment

TABLE 5. Grain sorghum, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Causey-Lingo area, Roosevelt County
Projected 2006.

Planting Dates: May 15 - May 30

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$3.70	15.00 CWT		\$55.45
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				\$60.45

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.22	3 LBS	\$3.66		\$3.66
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88		\$15.88
CROP INSURANCE	\$0.14		\$0.14		\$0.14
SUBTOTAL			\$19.68		\$19.68

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	165 HP	0.11 HR		\$0.82	\$2.07	\$1.62	\$2.24	\$6.74
STUBBLE MULCH	165 HP	0.10 HR		\$0.75	\$1.88	\$1.34	\$2.56	\$6.53
LISTER	165 HP	0.09 HR		\$0.67	\$1.69	\$0.84	\$1.64	\$4.85
ROD WEED	165 HP	0.05 HR		\$0.37	\$0.94	\$0.34	\$0.76	\$2.42
PLANTER	93 HP	0.12 HR		\$0.89	\$1.46	\$0.57	\$2.74	\$5.66
CULTIVATOR	93 HP	0.10 HR		\$0.75	\$1.22	\$0.70	\$0.56	\$3.22
SPRAYER	93 HP	0.06 HR		\$0.45	\$0.73	\$0.17	\$0.69	\$2.04
SUBTOTAL		0.63 HR		\$4.69	\$10.00	\$5.58	\$11.19	\$31.46

HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.04	\$2.46	\$0.39	\$13.93	\$17.83
HAUL	2 TON	0.14 HR		\$1.04	\$1.87	\$0.86	\$1.72	\$5.49
SUBTOTAL		0.28 HR		\$2.09	\$4.32	\$1.26	\$15.65	\$23.32

OVERHEAD EXPENSES								
DOWNTIME		0.12 HR		\$0.88				\$0.88
EMPLOYEE BENEFITS				\$1.22				\$1.22
INSURANCE			\$0.14					\$0.14
LAND TAXES							\$0.74	\$0.74
SUPERVISION AND MANAGEMENT				\$4.61				\$4.61
OTHER EXPENSES			\$23.57					\$23.57
SUBTOTAL		0.12 HR		\$23.71	\$6.70		\$0.74	\$31.15

TOTAL OPERATING EXPENSES 1.03 HR \$43.39 \$13.48 \$14.32 \$6.83 \$27.58 \$105.61

NET OPERATING PROFIT (\$45.17)

INTEREST ON OPERATING CAPITAL (\$14.20 @ 8.00%) \$1.14
 INTEREST ON EQUIPMENT INVESTMENT \$13.64

RETURN TO LAND AND RISK (\$59.94)

BUDGET SUMMARY

GROSS RETURN		\$60.45	
VARIABLE OPERATING EXPENSES	\$64.55		
RETURN OVER VARIABLE EXPENSES		(\$4.11)	(GROSS MARGIN)
FIXED EXPENSES	\$27.58		
NET FARM INCOME		(\$31.68)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$13.48		
NET OPERATING PROFIT		(\$45.17)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$14.78		
RETURN TO LAND AND RISK		(\$59.94)	

TABLE 6. 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 Projected 2006.

Planting Dates: May 1 - June 10

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
LINT	\$0.55	250.00 LBS						\$137.50
SEED	\$0.07	400 LBS						\$26.00
DIRECT PAYMENT	\$0.0000	250.00 LBS		0.85				\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	250.00 LBS		0.85				\$29.18
TOTAL								\$192.68
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$2.00	15 LBS	\$30.00					\$30.00
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01					\$20.01
CROP INSURANCE	\$0.09		\$0.09					\$0.09
SUBTOTAL			\$50.10					\$50.10
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	165 HP	0.15 HR		\$1.12	\$2.82	\$1.06	\$2.25	\$7.25
DISC	165 HP	0.11 HR		\$0.82	\$2.07	\$1.62	\$2.24	\$6.74
LISTER	165 HP	0.09 HR		\$0.67	\$1.69	\$0.84	\$1.64	\$4.85
ROD WEED	165 HP	0.05 HR		\$0.37	\$0.94	\$0.34	\$0.76	\$2.42
PLANTER	165 HP	0.12 HR		\$0.89	\$2.26	\$0.96	\$4.06	\$8.17
CULTIVATOR (2X)	93 HP	0.20 HR		\$1.49	\$2.44	\$1.41	\$1.11	\$6.45
HAND HOE (CUSTOM)			\$6.00					\$6.00
SUBTOTAL		0.72 HR	\$6.00	\$5.36	\$12.23	\$6.23	\$12.06	\$41.88
HARVEST OPERATIONS								
COTTON STRIPPER (MTD)	93 HP	0.58 HR		\$4.32	\$7.06	\$1.74	\$3.95	\$17.07
HAUL	2 TON	0.50 HR		\$3.73	\$6.67	\$3.08	\$6.14	\$19.62
GIN COTTON (CUSTOM)			\$38.40					\$38.40
SUBTOTAL		1.08 HR	\$38.40	\$8.05	\$13.73	\$4.82	\$10.09	\$75.09
POST HARVEST OPERATIONS								
SHREDDER	93 HP	0.25 HR		\$1.86	\$3.04	\$0.62	\$1.06	\$6.59
OVERHEAD EXPENSES								
DOWNTIME		0.47 HR		\$3.52				\$3.52
EMPLOYEE BENEFITS				\$2.75				\$2.75
INSURANCE			\$0.31					\$0.31
LAND TAXES							\$0.74	\$0.74
SUPERVISION AND MANAGEMENT				\$14.43				\$14.43
OTHER EXPENSES			\$23.57					\$23.57
SUBTOTAL		0.47 HR	\$23.88	\$20.70			\$0.74	\$45.32
TOTAL OPERATING EXPENSES		2.52 HR	\$118.38	\$35.97	\$29.01	\$11.66	\$23.95	\$218.97
NET OPERATING PROFIT								(\$26.30)
INTEREST ON OPERATING CAPITAL		(\$32.12 @	8.00%)				\$2.57
INTEREST ON EQUIPMENT INVESTMENT								\$9.25
RETURN TO LAND AND RISK								(\$38.12)

BUDGET SUMMARY

GROSS RETURN		\$192.68	
VARIABLE OPERATING EXPENSES	\$159.04		
RETURN OVER VARIABLE EXPENSES		\$33.63	(GROSS MARGIN)
FIXED EXPENSES	\$23.95		
NET FARM INCOME		\$9.68	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$35.97		
NET OPERATING PROFIT		(\$26.30)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.82		
RETURN TO LAND AND RISK		(\$38.12)	

TABLE 7. Wheat, dryland, budgeted per acre costs and returns for a 1,280 acre farm with above average management, Causey-Lingo area, Roosevelt County
Projected 2006.

Planting dates: August 15 - September 15

Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
WHEAT	\$3.75	18.00 BUSHELS							\$67.50
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									\$77.50
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$0.28	30 LB	\$8.40						\$8.40
CROP INSURANCE	\$0.14		\$0.14						\$0.14
			\$8.54						\$8.54
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
STUBBLE MULCH	165 HP	0.10 HR		\$0.75	\$1.88	\$1.34	\$2.56	\$6.53	
DISC	165 HP	0.11 HR		\$0.82	\$2.07	\$1.62	\$2.24	\$6.74	
RODWEED	165 HP	0.05 HR		\$0.37	\$0.94	\$0.34	\$0.76	\$2.42	
DRILL	93 HP	0.05 HR		\$0.37	\$0.61	\$0.29	\$4.60	\$5.88	
SUBTOTAL		0.31 HR		\$2.31	\$5.50	\$3.59	\$10.16	\$21.56	
HARVEST OPERATIONS									
COMBINE		0.14 HR		\$1.04	\$2.46	\$0.39	\$13.93	\$17.83	
HAUL	2 TON	0.14 HR		\$1.04	\$1.87	\$0.86	\$1.72	\$5.49	
SUBTOTAL		0.28 HR		\$2.09	\$4.32	\$1.26	\$15.65	\$23.32	
OVERHEAD EXPENSES									
DOWNTIME		0.10 HR		\$0.75				\$0.75	
EMPLOYEE BENEFITS				\$0.79				\$0.79	
INSURANCE			\$0.09					\$0.09	
LAND TAXES							\$0.74	\$0.74	
SUPERVISION AND MANAGEMENT				\$5.58				\$5.58	
OTHER EXPENSES			\$23.57					\$23.57	
SUBTOTAL		0.10 HR	\$23.66	\$7.12			\$0.74	\$31.51	
TOTAL OPERATING EXPENSES		0.41 HR	\$32.06	\$11.51	\$9.83	\$4.85	\$26.55	\$84.80	
NET OPERATING PROFIT								(\$7.30)	
INTEREST ON OPERATING CAPITAL		(\$6.94 @ 8.00%)						\$0.56	
INTEREST ON EQUIPMENT INVESTMENT								\$13.41	
RETURN TO LAND AND RISK								(\$21.26)	

BUDGET SUMMARY

GROSS RETURN		\$77.50	
VARIABLE OPERATING EXPENSES	\$46.74		
RETURN OVER VARIABLE EXPENSES		\$30.76	(GROSS MARGIN)
FIXED EXPENSES	\$26.55		
NET FARM INCOME		\$4.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$11.51		
NET OPERATING PROFIT		(\$7.30)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.96		
RETURN TO LAND AND RISK		(\$21.26)	

TABLE 8. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Roosevelt County Projected 2006.

	GRAIN SORGHUM	STRIPPER COTTON	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	250.00	18.00
PRIMARY PRICE	\$3.70	\$0.55	\$3.75
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$26.00	\$10.00
GROSS RETURN	\$60.45	\$192.68	\$77.50
CASH OPERATING EXPENSES			
SEED	\$3.66	\$30.00	\$8.40
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$14.32	\$29.01	\$9.83
FUEL-IRRIGATION			
REPAIRS	\$6.83	\$11.66	\$4.85
CUSTOM CHARGES	\$0.00	\$44.40	\$0.00
LAND TAXES	\$0.74	\$0.74	\$0.74
OTHER EXPENSES	\$23.71	\$23.88	\$23.66
TOTAL CASH EXPENSES	\$65.29	\$159.78	\$47.61
RETURN OVER CASH EXPENSES	(\$4.84)	\$32.90	\$29.89
FIXED EXPENSES	\$26.84	\$23.22	\$25.82
TOTAL EXPENSES	\$92.13	\$183.00	\$73.43
NET FARM INCOME	(\$31.68)	\$9.68	\$4.07
LABOR AND MANAGEMENT COSTS	\$13.48	\$35.97	\$11.51
NET OPERATING PROFIT	(\$45.17)	(\$26.30)	(\$7.44)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$1.14	\$2.57	\$0.56
INTEREST ON EQUIPMENT INVESTMENT	\$13.64	\$9.25	\$13.41
TOTAL CAPITAL COSTS	\$14.78	\$11.82	\$13.96
RETURN TO LAND AND RISK	(\$59.94)	(\$38.12)	(\$21.40)

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TABLE 9. Whole farm summary, Causey-Lingo area, Roosevelt County,
Projected 2006.

GROSS RETURNS		
GRAIN SORGHUM	357.00 ACRES	
CROP		\$19,794
GRAZING		\$1,785
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546.00 ACRES	
LINT		\$75,075
SEED		\$14,196
DIRECT PAYMENT		\$0
WHEAT	357.00 ACRES	
CROP		\$24,098
GRAZING		\$3,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$138,518</u>
CASH OPERATING EXPENSES		
SEED		\$20,685
FERTILIZER		\$0
CHEMICALS		\$16,594
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$24,459
FUEL-IRRIGATION		\$0
REPAIRS		\$10,537
CUSTOM CHARGES		\$24,242
LAND TAXES		\$929
OTHER EXPENSES		\$29,949
TOTAL CASH EXPENSES		<u>\$127,546</u>
RETURN OVER CASH EXPENSES		\$10,972
FIXED EXPENSES		\$31,475
TOTAL EXPENSES		\$159,021
NET FARM INCOME		(\$20,503)
LABOR AND MANAGEMENT COSTS		\$28,564
NET OPERATING PROFIT		(\$49,068)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,007
INTEREST ON EQUIPMENT INVESTMENT		\$14,708
TOTAL CAPITAL COSTS		<u>\$16,715</u>
RETURN TO LAND AND RISK		<u>(\$65,782)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$71,542)	-13.37%
\$200 /ACRE	(\$73,462)	-11.39%
\$250 /ACRE	(\$75,382)	-9.92%
\$300 /ACRE	(\$77,302)	-8.78%
\$350 /ACRE	(\$79,222)	-7.88%
\$400 /ACRE	(\$81,142)	-7.14%

* 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)