

TABLE 1. Basic cost information for the Causey-Lingo area,
Roosevelt County, 2003.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Purchased Inputs:			
Seed:			
Wheat		\$/pound	\$0.13
Grain Sorghum		\$/pound	\$1.20
Cotton		\$/pound	\$0.56
Fuel:			
Diesel fuel		\$/gallon	\$1.30
Gasoline		\$/gallon	\$1.35
Employee Liability Insurance	\$/ \$1,000	wages	\$20.00
Employee Benefits	percent/w	ages	18.00%
Labor Downtime	percent		25.00%
Financial Rates:			
Operating Capital Interest Rate	percent		8.00%
Land Interest Rate	percent		7.00%
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
Supervision Factor	- R	\$/labor hour	\$9.92
Management Rate		percent	\$0.50
			7.00%

TABLE 1a. Overhead cost information for the Causey-Lingo area,
Roosevelt County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$210.00 per month	\$2,520
Telephone		\$95.00 per month	\$1,140
Accounting & Legal			\$1,610
Misc. Supplies & Hand Tools			\$2,410
Pickup and Auto			
miles	25,750	@ \$0.365 per mile	\$9,399
Insurance			
- general liability (non-employee)			\$1,750
- fire/theft			\$1,355
Property Taxes			
- non-planted land			\$4
- other than land & machinery			\$630
Building repairs and maintenance			\$1,315
Dues, fees, publications			\$390
Farmstead Equipment			\$175
		Total	\$22,698
		Total Per Planted Acre	\$18.01

TABLE 2. Equipment summary for a 1,280 acre, dryland farm with above average management, Causey-Lingo area, Roosevelt County, 2003.

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	\$19,240	\$6,525	\$5,954	\$9.59	\$8.75	\$1,226	\$99	\$1.95
TRACTOR 165 HP	502	1	\$31,290	\$6,407	\$4,046	\$12.77	\$8.06	\$5,600	\$194	\$11.55
TRUCK 2-TON	373	1	\$22,000	\$3,080	\$0	\$8.26	\$0.00	\$4,400	\$101	\$12.07
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	\$38,150	\$1,007	\$1,652	\$10.08	\$16.53	\$7,600	\$263	\$78.66
GRAIN HEAD 22 FT	100	1	\$3,100		\$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
			\$157,250	\$17,019	\$15,239			\$26,438	\$890	

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, 2003.

Planting Dates: May 15 - May 30
Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$3.95	15.00	CWT						\$59.25
DIRECT PAYMENT	\$0.625	15.00	CWT						\$9.38
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT						\$0.00
GRAZING	\$5.00	1	ACRE						\$5.00
TOTAL									\$73.63
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$1.20	3	LBS	\$3.60					\$3.60
INSECTICIDE	\$15.88	1	X/ACRE	\$15.88					\$15.88
CROP INSURANCE	\$0.14			\$0.14					\$0.14
SUBTOTAL				\$19.62					\$19.62
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	\$1.40	\$1.35	\$2.09	\$5.68
STUBBLE MULCH	165 HP	0.10	HR		\$0.76	\$1.28	\$1.20	\$2.41	\$5.65
LISTER	165 HP	0.09	HR		\$0.68	\$1.15	\$0.90	\$1.53	\$4.26
ROD WEED	165 HP	0.05	HR		\$0.38	\$0.64	\$0.44	\$0.70	\$2.16
PLANTER	93 HP	0.12	HR		\$0.91	\$1.15	\$2.68	\$1.48	\$6.22
CULTIVATOR	93 HP	0.10	HR		\$0.76	\$0.96	\$1.10	\$0.58	\$3.39
SPRAYER	93 HP	0.06	HR		\$0.45	\$0.58	\$0.64	\$0.70	\$2.36
SUBTOTAL		0.63	HR		\$4.76	\$7.16	\$8.31	\$9.49	\$29.71
HARVEST OPERATIONS									
COMBINE		0.14	HR		\$1.06	\$1.41	\$2.49	\$11.74	\$16.70
HAUL	2 TON	0.14	HR		\$1.06	\$1.16	\$0.00	\$1.69	\$3.90
SUBTOTAL		0.28	HR		\$2.11	\$2.57	\$2.49	\$13.43	\$20.60
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					\$5.53				\$5.53
OTHER EXPENSES					\$18.01				\$18.01
SUBTOTAL		0.12	HR		\$18.15	\$7.65		\$0.12	\$25.92
TOTAL OPERATING EXPENSES		1.03	HR		\$37.78	\$14.52	\$9.72	\$10.80	\$95.86
NET OPERATING PROFIT									(\$22.24)
INTEREST ON OPERATING CAPITAL	(\$14.10	@	8.00%)				\$1.13
INTEREST ON EQUIPMENT INVESTMENT									\$12.42
RETURN TO LAND AND RISK									(\$35.78)

BUDGET SUMMARY

GROSS RETURN		\$73.63	
VARIABLE OPERATING EXPENSES	\$58.30		
RETURN OVER VARIABLE EXPENSES		\$15.32	(GROSS MARGIN)
FIXED EXPENSES	\$23.03		
NET FARM INCOME		(\$7.71)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.52		
NET OPERATING PROFIT		(\$22.24)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.55		
RETURN TO LAND AND RISK		(\$35.78)	

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, 2003.

Planting Dates: May 1 - June 10
Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
LINT	\$0.520	500	LBS						\$260.00
SEED	\$0.08	800	LBS						\$60.00
DIRECT PAYMENT	\$0.0667	500	LBS						\$33.35
COUNTER CYCLICAL PAYMENT	\$0.1373	250	LBS						\$34.33
TOTAL									\$387.68
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.56	15	LBS	\$8.40					\$8.40
INSECTICIDE (CUSTOM)	\$20.01	1	X/ACRE	\$20.01					\$20.01
CROP INSURANCE	\$0.09			\$0.09					\$0.09
SUBTOTAL				\$28.50					\$28.50
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	\$1.92	\$1.33	\$2.07	\$6.45
DISC	165 HP	0.11	HR		\$0.83	\$1.40	\$1.35	\$2.09	\$5.68
LISTER	165 HP	0.09	HR		\$0.68	\$1.15	\$0.90	\$1.53	\$4.26
ROD WEED	165 HP	0.05	HR		\$0.38	\$0.64	\$0.44	\$0.70	\$2.16
PLANTER	165 HP	0.12	HR		\$0.91	\$1.53	\$2.60	\$2.63	\$7.67
CULTIVATOR (2X)	93 HP	0.20	HR		\$1.51	\$1.92	\$2.20	\$1.15	\$6.78
HAND HOE (CUSTOM)				\$6.00					\$6.00
SUBTOTAL		0.72	HR	\$6.00	\$5.44	\$8.56	\$8.82	\$10.18	\$38.99
HARVEST OPERATIONS									
COTTON STRIPPER (MTD)	93 HP	0.58	HR		\$4.38	\$5.56	\$5.08	\$2.58	\$17.60
HAUL	2 TON	0.50	HR		\$3.78	\$4.13	\$0.00	\$6.03	\$13.94
GIN COTTON (CUSTOM)				\$76.80					\$76.80
SUBTOTAL		1.08	HR	\$76.80	\$8.15	\$9.69	\$5.08	\$8.62	\$108.34
POST HARVEST OPERATIONS									
SHREDDER	93 HP	0.25	HR		\$1.89	\$2.40	\$2.82	\$1.12	\$8.22
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					\$28.08				\$28.08
OTHER EXPENSES				\$18.01					\$18.01
SUBTOTAL		0.47	HR	\$18.32	\$34.44			\$0.12	\$52.88
TOTAL OPERATING EXPENSES		2.52	HR	\$129.62	\$49.91	\$20.65	\$16.72	\$20.04	\$236.94
NET OPERATING PROFIT									\$150.74
INTEREST ON OPERATING CAPITAL	(\$21.13	@	8.00%)				\$1.69
INTEREST ON EQUIPMENT INVESTMENT									\$9.01
RETURN TO LAND AND RISK									\$140.04
BUDGET SUMMARY									
GROSS RETURN				\$387.68					
VARIABLE OPERATING EXPENSES	\$166.99								
RETURN OVER VARIABLE EXPENSES		\$220.69	(GROSS MARGIN)						
FIXED EXPENSES	\$20.04								
NET FARM INCOME		\$200.65	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$49.91								
NET OPERATING PROFIT		\$150.74	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$10.70								
RETURN TO LAND AND RISK		\$140.04							

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, 2003.
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
WHEAT	\$3.45	9.20	BUSHEL						\$31.74
DIRECT PAYMENT	\$0.52	18.00	BUSHEL						\$9.36
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00
GRAZING	\$10.00	1.00	ACRE						\$10.00
TOTAL									\$51.10
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.13	30	LB	\$3.90					\$3.90
CROP INSURANCE	\$0.14			\$0.14					\$0.14
				\$4.04					\$4.04
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
STUBBLE MULCH	165 HP	0.10	HR		\$0.76	\$1.28	\$1.20	\$2.41	\$5.65
DISC	165 HP	0.11	HR		\$0.83	\$1.40	\$1.35	\$2.09	\$5.68
RODWEED	165 HP	0.05	HR		\$0.38	\$0.64	\$0.44	\$0.70	\$2.16
DRILL	93 HP	0.05	HR		\$0.38	\$0.48	\$0.83	\$4.54	\$6.23
SUBTOTAL		0.31	HR		\$2.34	\$3.80	\$3.82	\$9.74	\$19.71
HARVEST OPERATIONS									
COMBINE		0.14	HR		\$1.06	\$1.41	\$2.49	\$11.74	\$16.70
HAUL	2 TON	0.14	HR		\$1.06	\$1.16	\$0.00	\$1.69	\$3.90
SUBTOTAL		0.28	HR		\$2.11	\$2.57	\$2.49	\$13.43	\$20.60
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					\$3.73				\$3.73
OTHER EXPENSES					\$18.01				\$18.01
SUBTOTAL		0.10	HR		\$18.10	\$5.29		\$0.12	\$23.51
TOTAL OPERATING EXPENSES		0.41	HR		\$22.00	\$9.74	\$6.37	\$6.32	\$23.29
NET OPERATING PROFIT									(\$16.62)
INTEREST ON OPERATING CAPITAL	(\$4.28	@	8.00%)				\$0.34
INTEREST ON EQUIPMENT INVESTMENT									\$12.22
RETURN TO LAND AND RISK									(\$29.19)

BUDGET SUMMARY

GROSS RETURN		\$51.10	
VARIABLE OPERATING EXPENSES	\$34.69		
RETURN OVER VARIABLE EXPENSES		\$16.41	(GROSS MARGIN)
FIXED EXPENSES	\$23.29		
NET FARM INCOME		(\$6.88)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$9.74		
NET OPERATING PROFIT		(\$16.62)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.57		
RETURN TO LAND AND RISK		(\$29.19)	

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	WHEAT -----DRYLAND-----
	CWT	LBS	BU
PRIMARY YIELD	15.00	500.00	9.20
PRIMARY PRICE	3.95	0.52	3.45
GOVERNMENT PAYMENTS	9.38	33.35	9.36
SECOND INCOME	5.00	60.00	10.00
GROSS RETURN	\$73.63	\$387.68	\$51.10
CASH OPERATING EXPENSES			
SEED	\$3.60	\$8.40	\$3.90
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$9.72	\$20.65	\$6.37
FUEL-IRRIGATION			
REPAIRS	\$10.80	\$16.72	\$6.32
CUSTOM CHARGES	\$0.00	\$82.80	\$0.00
LAND TAXES	\$0.12	\$0.12	\$0.12
OTHER EXPENSES	\$18.15	\$18.32	\$18.10
TOTAL CASH EXPENSES	\$58.42	\$167.11	\$34.95
RETURN OVER CASH EXPENSES	\$15.20	\$220.57	\$16.15
FIXED EXPENSES	\$22.91	\$19.92	\$23.17
TOTAL EXPENSES	\$81.34	\$187.02	\$58.12
NET FARM INCOME	(\$7.71)	\$200.65	(\$7.02)
LABOR AND MANAGEMENT COSTS	\$14.52	\$49.91	\$9.74
NET OPERATING PROFIT	(\$22.24)	\$150.74	(\$16.76)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$1.13	\$1.69	\$0.34
INTEREST ON EQUIPMENT INVESTMENT	\$12.42	\$9.01	\$12.22
TOTAL CAPITAL COSTS	\$13.55	\$10.70	\$12.57
RETURN TO LAND AND RISK	(\$35.78)	\$140.04	(\$29.33)

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

GROSS RETURNS		
GRAIN SORGHUM	357 ACRES	
CROP		\$21,152
GRAZING		\$1,785
DIRECT PAYMENT		\$3,347
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546 ACRES	
LINT		\$141,960
SEED		\$32,760
DIRECT PAYMENT		\$11,906
WHEAT	357 ACRES	
CROP		\$11,331
GRAZING		\$3,570
DIRECT PAYMENT		\$3,342
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		\$231,153
CASH OPERATING EXPENSES		
SEED		\$7,264
FERTILIZER		\$0
CHEMICALS		\$16,594
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$17,019
FUEL-IRRIGATION		\$0
REPAIRS		\$15,239
CUSTOM CHARGES		\$45,209
LAND TAXES		\$151
OTHER EXPENSES		\$22,948
TOTAL CASH EXPENSES		\$124,574
RETURN OVER CASH EXPENSES		\$106,578
FIXED EXPENSES		\$27,328
TOTAL EXPENSES		\$151,902
NET FARM INCOME		\$79,251
LABOR AND MANAGEMENT COSTS		\$35,916
NET OPERATING PROFIT		\$43,335
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,448
INTEREST ON EQUIPMENT INVESTMENT		\$13,717
TOTAL CAPITAL COSTS		\$15,165
RETURN TO LAND AND RISK		\$28,170

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	\$20,490	12.41%
\$200 /ACRE	\$17,930	10.49%
\$250 /ACRE	\$15,370	9.08%
\$300 /ACRE	\$12,810	8.01%
\$350 /ACRE	\$10,250	7.16%
\$400 /ACRE	\$7,690	6.48%

* 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)