

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
	- R		\$9.92
Supervision Factor		\$/labor hour	\$0.50
Management Rate		percent	7.00%

BUDGET AREA..... CAUSEY-LINGO AREA, ROOSEVELT COUNTY, 2003.
 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, 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	250	LBS						\$130.00
SEED	\$0.08	400	LBS						\$30.00
DIRECT PAYMENT	\$0.0667	250	LBS						\$16.68
COUNTER CYCLICAL PAYMENT	\$0.1373	250	LBS						\$34.33
TOTAL									\$211.00
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)				\$38.40					\$38.40
SUBTOTAL		1.08	HR	\$38.40	\$8.15	\$9.69	\$5.08	\$8.62	\$69.94
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					\$15.72				\$15.72
OTHER EXPENSES				\$18.01					\$18.01
SUBTOTAL		0.47	HR	\$18.32	\$22.07			\$0.12	\$40.51
TOTAL OPERATING EXPENSES		2.52	HR	\$91.22	\$37.55	\$20.65	\$16.72	\$20.04	\$186.17
NET OPERATING PROFIT									\$24.83
INTEREST ON OPERATING CAPITAL	(\$21.13	@	8.00%)				\$1.69
INTEREST ON EQUIPMENT INVESTMENT									\$9.01
RETURN TO LAND AND RISK									\$14.13
BUDGET SUMMARY									
GROSS RETURN		\$211.00							
VARIABLE OPERATING EXPENSES	\$128.59								
RETURN OVER VARIABLE EXPENSES		\$82.41	(GROSS MARGIN)						
FIXED EXPENSES	\$20.04								
NET FARM INCOME		\$62.38	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$37.55								
NET OPERATING PROFIT		\$24.83	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$10.70								
RETURN TO LAND AND RISK		\$14.13							

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	\$4.50	18.00	BUSHEL						\$81.00
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									\$100.36
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					\$7.18				\$7.18
OTHER EXPENSES				\$18.01				\$18.01	
SUBTOTAL		0.10	HR	\$18.10	\$8.74				\$0.12
TOTAL OPERATING EXPENSES		0.41	HR	\$22.00	\$13.19	\$6.37	\$6.32	\$23.29	\$71.17
NET OPERATING PROFIT									\$29.19
INTEREST ON OPERATING CAPITAL	(\$4.28	@	8.00%)	\$0.34
INTEREST ON EQUIPMENT INVESTMENT									\$12.22
RETURN TO LAND AND RISK									\$16.62

BUDGET SUMMARY

GROSS RETURN		\$100.36	
VARIABLE OPERATING EXPENSES	\$34.69		
RETURN OVER VARIABLE EXPENSES		\$65.67	(GROSS MARGIN)
FIXED EXPENSES	\$23.29		
NET FARM INCOME		\$42.38	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$13.19		
NET OPERATING PROFIT		\$29.19	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.57		
RETURN TO LAND AND RISK		\$16.62	

TABLE 6. Summary of per acre costs and returns for a 1,280 acre farm
with above average management, Causey-Lingo area, Roosevelt
County, 2003.

	GRAIN SORGHUM	STRIPPER COTTON -----DRYLAND-----	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	250.00	18.00
PRIMARY PRICE	3.95	0.52	4.50
GOVERNMENT PAYMENTS	9.38	16.68	9.36
SECOND INCOME	5.00	30.00	10.00
GROSS RETURN	\$73.63	\$211.00	\$100.36
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	\$44.40	\$0.00
LAND TAXES	\$0.12	\$0.12	\$0.12
OTHER EXPENSES	\$18.15	\$18.32	\$18.10
TOTAL CASH EXPENSES	\$58.42	\$128.71	\$34.95
RETURN OVER CASH EXPENSES	\$15.20	\$82.29	\$65.41
FIXED EXPENSES	\$22.91	\$19.92	\$23.17
TOTAL EXPENSES	\$81.34	\$148.62	\$58.12
NET FARM INCOME	(\$7.71)	\$62.38	\$42.24
LABOR AND MANAGEMENT COSTS	\$14.52	\$37.55	\$13.19
NET OPERATING PROFIT	(\$22.24)	\$24.83	\$29.05
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)	\$14.13	\$16.48
Flex Computation	(\$0.45)	\$43.06	\$51.88

TABLE 7. Whole farm summary, Causey-Lingo area, Roosevelt County, 2003.

GROSS RETURNS		
GRAIN SORGHUM	357 ACRES	
CROP		\$21,152
GRAZING		\$1,785
DIRECT PAYMENT		\$3,347
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546 ACRES	
LINT		\$70,980
SEED		\$16,380
DIRECT PAYMENT		\$5,953
WHEAT	357 ACRES	
CROP		\$28,917
GRAZING		\$3,570
DIRECT PAYMENT		\$3,342
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$155,426</u>
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		\$24,242
LAND TAXES		\$151
OTHER EXPENSES		\$22,948
TOTAL CASH EXPENSES		<u>\$103,608</u>
RETURN OVER CASH EXPENSES		\$51,818
FIXED EXPENSES		\$27,328
TOTAL EXPENSES		\$130,936
NET FARM INCOME		\$24,490
LABOR AND MANAGEMENT COSTS		\$30,394
NET OPERATING PROFIT		(\$5,904)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,448
INTEREST ON EQUIPMENT INVESTMENT		\$13,717
TOTAL CAPITAL COSTS		<u>\$15,165</u>
RETURN TO LAND AND RISK		<u>(\$21,069)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$28,749)	-1.69%
\$200 /ACRE	(\$31,309)	-1.43%
\$250 /ACRE	(\$33,869)	-1.24%
\$300 /ACRE	(\$36,429)	-1.09%
\$350 /ACRE	(\$38,989)	-0.98%
\$400 /ACRE	(\$41,549)	-0.88%

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND V