

TABLE 8. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Roosevelt County, Actual 2004

	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	\$3.69	\$10.80	\$7.20
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	\$0.53	\$0.53	\$0.53
OTHER EXPENSES	\$23.18	\$23.35	\$23.13
TOTAL CASH EXPENSES	\$64.59	\$139.85	\$45.68
RETURN OVER CASH EXPENSES	(\$4.14)	\$52.83	\$31.82
FIXED EXPENSES	\$26.42	\$22.86	\$25.43
TOTAL EXPENSES	\$91.01	\$162.70	\$71.11
NET FARM INCOME	(\$30.56)	\$29.97	\$6.39
LABOR AND MANAGEMENT COSTS	\$13.48	\$35.97	\$11.51
NET OPERATING PROFIT	(\$44.04)	(\$6.00)	(\$5.12)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$0.89	\$1.41	\$0.40
INTEREST ON EQUIPMENT INVESTMENT	\$10.66	\$7.23	\$10.47
TOTAL CAPITAL COSTS	\$11.55	\$8.63	\$10.87
RETURN TO LAND AND RISK	(\$55.59)	(\$14.64)	(\$15.99)

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TABLE 9. Whole farm summary, Causey-Lingo area, Roosevelt County,
Actual 2004

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		\$9,785
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		\$674
OTHER EXPENSES		\$29,278
TOTAL CASH EXPENSES		<u>\$115,720</u>
RETURN OVER CASH EXPENSES		\$22,798
FIXED EXPENSES		\$30,993
TOTAL EXPENSES		\$146,713
NET FARM INCOME		(\$8,195)
LABOR AND MANAGEMENT COSTS		\$28,564
NET OPERATING PROFIT		(\$36,759)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,227
INTEREST ON EQUIPMENT INVESTMENT		\$11,490
TOTAL CAPITAL COSTS		<u>\$12,718</u>
RETURN TO LAND AND RISK		<u>(\$49,477)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$55,237)	-9.87%
\$200 /ACRE	(\$57,157)	-8.42%
\$250 /ACRE	(\$59,077)	-7.35%
\$300 /ACRE	(\$60,997)	-6.51%
\$350 /ACRE	(\$62,917)	-5.85%
\$400 /ACRE	(\$64,837)	-5.31%

* 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)