

TABLE 1. Acreage Summary, Roosevelt County,
Projected 2007.

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 2007.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.65
Purchased Inputs:		
Seed:		
Wheat	\$/pound	\$0.22
Grain Sorghum	\$/pound	\$0.60
Cotton	\$/pound	\$2.00
Fuel:		
Diesel fuel	\$/gallon	\$2.70
Gasoline	\$/gallon	\$2.45
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 2007.

Item		
Electricity (Domestic & Shop)	\$212.55 per month	\$2,551
Telephone	\$98.10 per month	\$1,177
Accounting & Legal		\$1,608
Misc. Supplies & Hand Tools		\$2,403
Pickup and Auto		
miles	28,068 @ \$0.415 per mile	\$11,648
Insurance		
- general liability (non-employee)		\$1,744
- fire/theft		\$1,352
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$1,313
Dues, fees, publications		\$392
Farmstead Equipment		\$174
	Total	\$30,373
	Total Per Planted Acre	\$24.11

TABLE 4. Equipment summary for a 1,280 acre, dryland farm with above average management, Crosey-Lingo area, Roosevelt County, Projected 2007.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		TOTAL PER HR
				FUEL OIL LUBRICANT	FUEL PER HR	OIL REPAIR PER HR	DEPRECIATION TAXES			
TRACTOR 93 HP	480	1	\$14,410	\$10,148	\$1,410	\$14.02	\$2.07	\$987	\$143	\$1.66
TRACTOR 165 HP	502	1	\$30,807	\$12,148	\$2,702	\$24.21	\$5.39	\$5,985	\$172	\$12.87
TRUCK 2 TON	273	1	\$22,000	\$6,387	\$2,207	\$17.15	\$8.16	\$4,400	\$162	\$12.29
COTTON STRIPPER (M)	2 ROW	317	2	\$5,900	\$291	\$0.92	\$0.82	\$1,533	\$95	\$5.14
PLANTER 8 ROW	128	2	\$15,000	\$286	\$244	\$2.24	\$2.00	\$2,000	\$91	\$21.14
CULTIVATOR 8 ROW	145	1	\$4,900	\$710	\$4.96	\$6.62	\$0.33	\$33	\$31	\$13.31
DISC 18 FT OFFSET	128	1	\$1,500	\$1,280	\$3.20	\$3.20	\$1,000	\$62	\$7.68	
DRILL 40 FT	18	1	\$7,750	\$60	\$3.72	\$3.72	\$1,550	\$86	\$90.43	
LISTER 8 ROW	81	1	\$3,500	\$322	\$3.97	\$4.77	\$87	\$8	\$5.88	
STUBBLE MULCHER 20 FT	71	1	\$6,500	\$675	\$8.06	\$8.06	\$887	\$54	\$12.89	
SHREDDER 4 ROW	137	1	\$3,500	\$55	\$0.40	\$0.40	\$333	\$21	\$2.59	
SPRAYER (MTD)	21	1	\$1,500	\$15	\$0.72	\$0.72	\$200	\$12	\$9.92	
COMBINE 145 HP	1	1	\$61,453	\$2,254	\$201	\$22.55	\$2.66	\$3,884	\$58	\$18.18
GRAIN HEAD 22 FT	100	1	\$3,800	\$15	\$0.15	\$0.15	\$51	\$1	\$5.33	
ROD WEIDER 37 FT	51	1	\$1,100	\$60	\$1.43	\$1.43	\$153	\$10	\$2.59	
CHISEL 9 PT	82	1	\$1,350	\$137	\$1.67	\$1.67	\$180	\$11	\$2.33	
			\$103,419	\$30,345	\$10,537			\$29,714	\$1,768	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL LUBE COEF	ACCOM HOURS	INTEREST EXPENSE	USAGE LIST								
									GRAN SORGHUM	COTTON	WHEAT	PER ACRE	TOTALS				
TRACTOR 93 HP	14450.00	14450.00	35.00	1.00	3000.00	5.54	0.10	15944.37	23.00	1.00	1.36						
TRACTOR 165 HP	30807.00	30807.00	15.00	1.00	3000.00	8.15	0.10	5918.59	11.00	350.00							
TRUCK 2 TON	22000.00	22000.00	10.00	8.00	3000.00	6.05	0.05	4864.48	13.00	1750.00							
COTTON STRIPPER (M)	11500.00	2950.00	15.00	8.00	3000.00			2058.42	13.00	460.00							
PLANTER 8 ROW	15000.00	5500.00	10.00	8.00	1000.00			794.34	13.00	460.00							
CULTIVATOR 8 ROW	4900.00	4500.00	15.00	3.00	3000.00			2318.48	16.00	320.00							
DISC 18 FT OFFSET	1500.00	750.00	15.00	3.00	3000.00			2211.60	16.00	600.00							
DRILL 40 FT	15500.00	7750.00	10.00	8.00	1000.00			232.05	13.00	620.00							
LISTER 8 ROW	3500.00	3200.00	15.00	3.00	1000.00			1300.32	16.00	250.00							
STUBBLE MULCHER 20 FT	13000.00	6500.00	15.00	3.00	3000.00			1071.00	15.00	520.00							
SHREDDER 4 ROW	3500.00	2500.00	15.00	3.00	1500.00			204.00	16.00	400.00							
SPRAYER (MTD)	1500.00	1500.00	15.00	8.00	1500.00			321.30	15.00	120.00							
COMBINE 145 HP	132065.00	81453.00	15.00	2.00	3000.00	6.98	0.20	1298.48	13.00	620.00							
GRAIN HEAD 22 FT	7500.00	3600.00	15.00	2.00	3000.00			1298.48	13.00	300.00							
ROD WEIDER 37 FT	1100.00	1100.00	15.00	3.00	3000.00			845.00	15.00	90.00							
CHISEL 9 PT	1350.00	1350.00	15.00	3.00	3000.00			1310.40	16.00	108.00							

INTEREST PROJECTION

GRAN SORGHUM	COTTON	WHEAT
2.51	3.72	1.88
0.68	2.36	0.88
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	0.71
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	13.6	13.47

USAGE LIST

GRAN SORGHUM	COTTON	WHEAT	PER ACRE	TOTALS
0.28	1.00	0.05	1.36	
0.35	0.52	0.28	1.13	
0.14	0.50	0.14	0.78	
0.00	0.58	0.00	0.58	
0.12	0.12	0.00	0.24	
0.10	0.20	0.00	0.30	
0.11	0.11	0.11	0.33	
0.00	0.00	0.05	0.05	
0.09	0.09	0.00	0.18	
0.10	0.00	0.10	0.20	
0.04	0.25	0.00	0.29	
0.08	0.00	0.00	0.08	
0.14	0.00	0.14	0.28	
0.14	0.00	0.14	0.28	
0.05	0.05	0.10	0.15	
0.00	0.15	0.00	0.15	

GRAN SORGHUM

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT		
			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 WEED	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	
COMBINE	22 FT	1.00	0.14	0.14	
HAUL	2 TON	1.00	0.14	0.14	

COTTON

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT		
			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 WEED	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
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 INT					
SHREDDER	93 HP	1.00	0.25	0.25	

WHEAT

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT		
			RATE	TOTAL	CUSTOM
STUBBLE MULCH	165 HP	1.00	0.10	0.10	
DISC	165 HP	1.00	0.11	0.11	
RODWEED	165 HP	1.00	0.05	0.05	
DRILL	93 HP	1.00	0.05	0.05	
COMBINE	22 FT	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	Percentage of New Value								
	1	2	3	4	5	6	7	8	9
0	0.00080	0.00020	0.00060	0.00020	0.00080	0.00140	0.00040	0.00040	0.00020
50	0.00080	0.00020	0.00060	0.00020	0.00080	0.00140	0.00040	0.00040	0.00020
100	0.00080	0.00020	0.00060	0.00020	0.00080	0.00140	0.00040	0.00040	0.00020
200	0.00080	0.00020	0.00040	0.00040	0.00180	0.00280	0.00110	0.00050	0.00020
300	0.00080	0.00020	0.00060	0.00060	0.00180	0.00320	0.00110	0.00040	0.00020
400	0.00080	0.00020	0.00070	0.00090	0.00260	0.00340	0.00190	0.00070	0.00040
500	0.00080	0.00020	0.00090	0.00130	0.00280	0.00370	0.00210	0.00090	0.00050
600	0.00080	0.00020	0.00130	0.00120	0.00310	0.00390	0.00190	0.00080	0.00050
700	0.00080	0.00020	0.00140	0.00130	0.00330	0.00410	0.00200	0.00090	0.00050
800	0.00080	0.00020	0.00150	0.00150	0.00350	0.00430	0.00210	0.00090	0.00050
900	0.00080	0.00020	0.00160	0.00160	0.00370	0.00450	0.00220	0.00100	0.00050
1000	0.00080	0.00020	0.00170	0.00180	0.00380	0.00460	0.00230	0.00100	0.00050
1200	0.00040	0.00040	0.00050	0.00050	0.00480	0.00480	0.00240	0.00110	0.00070
1400	0.00040	0.00070	0.00030	0.00020	0.00435	0.00510	0.00240	0.00120	0.00070
1600	0.00010	0.00070	0.00030	0.00020	0.00435	0.00510	0.00240	0.00120	0.00070
1800	0.00010	0.00070	0.000285	0.000285	0.00465	0.00525	0.00240	0.00125	0.00065
2000	0.000110	0.000285	0.000285	0.000305	0.00505	0.00565	0.00240	0.00130	0.00065
2500	0.00070								
3000	0.00082								
4000	0.00096								
4500	0.00108								
5000	0.00122								
5500	0.00136								
6000	0.00148								
6500	0.00162								
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, windmills, pickups
- 3 motor bus, disk, moldboard plow, chisel, field cultivator, row cultivation, laser planer
- 4 harrows, weepers, belts, tino back, drag, 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, roller-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 2007.

Planting Dates: May 15 - May 30

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$5.75	15.00 CWT		\$86.25
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				\$91.25

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.60	3 LBS	\$1.80		\$1.80
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88		\$15.88
CROP INSURANCE	\$0.14		\$0.14		\$0.14
SUBTOTAL			\$17.82		\$17.82

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	165 HP	0.11 HR		\$0.82	\$2.66	\$1.62	\$2.24	\$7.33
STUBBLE MULCH	165 HP	0.10 HR		\$0.75	\$2.42	\$1.34	\$2.56	\$7.07
LISTER	165 HP	0.09 HR		\$0.67	\$2.18	\$0.84	\$1.64	\$5.33
ROD WEED	165 HP	0.05 HR		\$0.37	\$1.21	\$0.34	\$0.76	\$2.69
PLANTER	93 HP	0.12 HR		\$0.89	\$1.79	\$0.57	\$2.74	\$5.99
CULTIVATOR	93 HP	0.10 HR		\$0.75	\$1.49	\$0.70	\$0.56	\$3.50
SPRAYER	93 HP	0.06 HR		\$0.45	\$0.90	\$0.17	\$0.69	\$2.20
SUBTOTAL		0.63 HR		\$4.69	\$12.65	\$5.58	\$11.19	\$34.11

HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.04	\$3.16	\$0.39	\$13.93	\$18.52
HAUL	2 TON	0.14 HR		\$1.04	\$2.40	\$0.86	\$1.72	\$6.03
SUBTOTAL		0.28 HR		\$2.09	\$5.56	\$1.26	\$15.65	\$24.55

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				\$6.76				\$6.76
OTHER EXPENSES				\$24.11				\$24.11
SUBTOTAL		0.12 HR		\$24.24	\$8.86		\$0.74	\$33.84

TOTAL OPERATING EXPENSES 1.03 HR \$42.07 \$15.64 \$18.21 \$6.83 \$27.57 \$110.32

NET OPERATING PROFIT (\$19.07)

INTEREST ON OPERATING CAPITAL (\$14.04 @ 8.00%) \$1.12
 INTEREST ON EQUIPMENT INVESTMENT \$13.64

RETURN TO LAND AND RISK (\$33.84)

BUDGET SUMMARY

GROSS RETURN		\$91.25	
VARIABLE OPERATING EXPENSES	\$67.11		
RETURN OVER VARIABLE EXPENSES		\$24.14	(GROSS MARGIN)
FIXED EXPENSES	\$27.57		
NET FARM INCOME		(\$3.43)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$15.64		
NET OPERATING PROFIT		(\$19.07)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$14.76		
RETURN TO LAND AND RISK		(\$33.84)	

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 2007.

Planting Dates: May 1 - June 10

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
LINT	\$0.61	250.00 LBS						\$152.50
SEED	\$0.07	400 LBS						\$28.00
DIRECT PAYMENT	\$0.0000	250.00 LBS	0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	250.00 LBS	0.85					\$29.18
TOTAL								\$209.68
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	\$3.63	\$1.06	\$2.25	\$8.06
DISC	165 HP	0.11 HR		\$0.82	\$2.66	\$1.62	\$2.24	\$7.33
LISTER	165 HP	0.09 HR		\$0.67	\$2.18	\$0.84	\$1.64	\$5.33
ROD WEED	165 HP	0.05 HR		\$0.37	\$1.21	\$0.34	\$0.76	\$2.69
PLANTER	165 HP	0.12 HR		\$0.89	\$2.91	\$0.96	\$4.06	\$8.82
CULTIVATOR (2X)	93 HP	0.20 HR		\$1.49	\$2.98	\$1.41	\$1.11	\$6.99
HAND HOE (CUSTOM)			\$6.00					\$6.00
SUBTOTAL		0.72 HR	\$6.00	\$5.36	\$15.57	\$6.23	\$12.06	\$45.23
HARVEST OPERATIONS								
COTTON STRIPPER (MTD)	93 HP	0.58 HR		\$4.32	\$8.65	\$1.74	\$3.95	\$18.66
HAUL	2 TON	0.50 HR		\$3.73	\$8.58	\$3.08	\$6.14	\$21.52
GIN COTTON (CUSTOM)			\$38.40					\$38.40
SUBTOTAL		1.08 HR	\$38.40	\$8.05	\$17.23	\$4.82	\$10.09	\$78.58
POST HARVEST OPERATIONS								
SHREDDER	93 HP	0.25 HR		\$1.86	\$3.73	\$0.62	\$1.06	\$7.27
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				\$15.62				\$15.62
OTHER EXPENSES			\$24.11					\$24.11
SUBTOTAL		0.47 HR	\$24.41	\$21.89		\$0.74		\$47.04
TOTAL OPERATING EXPENSES		2.52 HR	\$118.91	\$37.16	\$36.53	\$11.66	\$23.95	\$228.22
NET OPERATING PROFIT								(\$18.54)
INTEREST ON OPERATING CAPITAL		(\$33.42 @	8.00%)				\$2.67
INTEREST ON EQUIPMENT INVESTMENT								\$9.25
RETURN TO LAND AND RISK								(\$30.47)

BUDGET SUMMARY

GROSS RETURN		\$209.68	
VARIABLE OPERATING EXPENSES	\$167.10		
RETURN OVER VARIABLE EXPENSES		\$42.57	(GROSS MARGIN)
FIXED EXPENSES	\$23.95		
NET FARM INCOME		\$18.62	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$37.16		
NET OPERATING PROFIT		(\$18.54)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.92		
RETURN TO LAND AND RISK		(\$30.47)	

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 2007.

Planting dates: August 15 - September 15

Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
WHEAT	\$5.00	18.00 BUSHELS							\$90.00
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									\$100.00
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$0.22	30 LB	\$6.60						\$6.60
CROP INSURANCE	\$0.14		\$0.14						\$0.14
			\$6.74						\$6.74
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
STUBBLE MULCH	165 HP	0.10 HR		\$0.75	\$2.42	\$1.34	\$2.56	\$7.07	
DISC	165 HP	0.11 HR		\$0.82	\$2.66	\$1.62	\$2.24	\$7.33	
RODWEED	165 HP	0.05 HR		\$0.37	\$1.21	\$0.34	\$0.76	\$2.69	
DRILL	93 HP	0.05 HR		\$0.37	\$0.75	\$0.29	\$4.60	\$6.01	
SUBTOTAL		0.31 HR		\$2.31	\$7.04	\$3.59	\$10.16	\$23.10	
HARVEST OPERATIONS									
COMBINE		0.14 HR		\$1.04	\$3.16	\$0.39	\$13.93	\$18.52	
HAUL	2 TON	0.14 HR		\$1.04	\$2.40	\$0.86	\$1.72	\$6.03	
SUBTOTAL		0.28 HR		\$2.09	\$5.56	\$1.26	\$15.65	\$24.55	
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				\$7.16				\$7.16	
OTHER EXPENSES			\$24.11					\$24.11	
SUBTOTAL		0.10 HR	\$24.19	\$8.69			\$0.74	\$33.62	
TOTAL OPERATING EXPENSES		0.41 HR	\$30.79	\$13.09	\$12.60	\$4.85	\$26.55	\$87.87	
NET OPERATING PROFIT								\$12.13	
INTEREST ON OPERATING CAPITAL		(\$6.53 @	8.00%)				\$0.52	
INTEREST ON EQUIPMENT INVESTMENT								\$13.41	
RETURN TO LAND AND RISK								(\$1.80)	

BUDGET SUMMARY

GROSS RETURN		\$100.00	
VARIABLE OPERATING EXPENSES	\$48.24		
RETURN OVER VARIABLE EXPENSES		\$51.76	(GROSS MARGIN)
FIXED EXPENSES	\$26.55		
NET FARM INCOME		\$25.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$13.09		
NET OPERATING PROFIT		\$12.13	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.93		
RETURN TO LAND AND RISK		(\$1.80)	

TABLE 8. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Roosevelt County Projected 2007.

	GRAIN SORGHUM	STRIPPER COTTON	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	250.00	18.00
PRIMARY PRICE	\$5.75	\$0.61	\$5.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$28.00	\$10.00
GROSS RETURN	\$91.25	\$209.68	\$100.00
CASH OPERATING EXPENSES			
SEED	\$1.80	\$30.00	\$6.60
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$18.21	\$36.53	\$12.60
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	\$24.24	\$24.41	\$24.19
TOTAL CASH EXPENSES	\$67.85	\$167.84	\$49.12
RETURN OVER CASH EXPENSES	\$23.40	\$41.84	\$50.88
FIXED EXPENSES	\$26.84	\$23.22	\$25.81
TOTAL EXPENSES	\$94.68	\$191.06	\$74.93
NET FARM INCOME	(\$3.43)	\$18.62	\$25.07
LABOR AND MANAGEMENT COSTS	\$15.64	\$37.16	\$13.09
NET OPERATING PROFIT	(\$19.07)	(\$18.54)	\$11.99
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$1.12	\$2.67	\$0.52
INTEREST ON EQUIPMENT INVESTMENT	\$13.64	\$9.25	\$13.41
TOTAL CAPITAL COSTS	\$14.76	\$11.92	\$13.93
RETURN TO LAND AND RISK	(\$33.84)	(\$30.47)	(\$1.94)

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TABLE 9. Whole farm summary, Causey-Lingo area, Roosevelt County,
Projected 2007.

GROSS RETURNS		
GRAIN SORGHUM	357.00 ACRES	
CROP		\$30,791
GRAZING		\$1,785
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546.00 ACRES	
LINT		\$83,265
SEED		\$15,288
DIRECT PAYMENT		\$0
WHEAT	357.00 ACRES	
CROP		\$32,130
GRAZING		\$3,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$166,829</u>
CASH OPERATING EXPENSES		
SEED		\$19,379
FERTILIZER		\$0
CHEMICALS		\$16,594
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$30,945
FUEL-IRRIGATION		\$0
REPAIRS		\$10,537
CUSTOM CHARGES		\$24,242
LAND TAXES		\$929
OTHER EXPENSES		\$30,619
TOTAL CASH EXPENSES		<u>\$133,395</u>
RETURN OVER CASH EXPENSES		\$33,434
FIXED EXPENSES		\$31,472
TOTAL EXPENSES		\$164,868
NET FARM INCOME		\$1,962
LABOR AND MANAGEMENT COSTS		\$30,546
NET OPERATING PROFIT		(\$28,584)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,047
INTEREST ON EQUIPMENT INVESTMENT		\$14,706
TOTAL CAPITAL COSTS		<u>\$16,753</u>
RETURN TO LAND AND RISK		<u>(\$45,338)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$51,098)	-7.42%
\$200 /ACRE	(\$53,018)	-6.36%
\$250 /ACRE	(\$54,938)	-5.57%
\$300 /ACRE	(\$56,858)	-4.95%
\$350 /ACRE	(\$58,778)	-4.46%
\$400 /ACRE	(\$60,698)	-4.05%

* 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)