

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... CAUSEY-LINGO AREA, ROOSEVELT COUNProjected 2009.
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 2009.

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 2009.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$8.55
General & Irrigators	\$/hour	\$7.25
Purchased Inputs:		
Seed:		
Wheat	\$/pound	\$0.26
Grain Sorghum	\$/pound	\$1.69
Cotton	\$/pound	\$1.86
Fuel:		
Diesel fuel	\$/gallon	\$2.80
Gasoline	\$/gallon	\$2.50
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	7.50%
Land Interest Rate	percent	7.25%
Equipment Interest Rate	percent	7.50%
Real Interest Rate	percent	3.00%
Land Taxes	\$89.00 /acre (full value)	\$0.66
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$22.17 \$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 2009.

Item		
Electricity (Domestic & Shop)	\$226.20 per month	\$2,714
Telephone	\$104.40 per month	\$1,253
Accounting & Legal		\$1,711
Misc. Supplies & Hand Tools		\$2,558
Pickup and Auto		
miles	29,870 @ \$0.415 per mile	\$12,396
Insurance		
- general liability (non-employee)		\$1,856
- fire/theft		\$1,438
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$1,398
Dues, fees, publications		\$418
Farmstead Equipment		\$186
	Total	\$31,937
	Total Per Planted Acre	\$25.35

TABLE 4. Equipment summary for a 1,280 acre, dryland farm with above average management, Causey-Lingo area, Roosevelt County, Projected 2008

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		TOTAL PER HR
				FUEL OIL LUBRICANT	REPAIR PER HR	FUEL OIL LUBRICANT PER HR	REPAIR PER HR	DEPRECIATION TAXES		
TRACTOR 90 HP	680	1	\$17,000	\$10,365	\$1,410	\$15.22	\$2.07	\$867	\$128	\$1.64
TRACTOR 165 HP	902	1	\$50,147	\$12,056	\$2,702	\$25.11	\$5.59	\$5,965	\$332	\$12.59
TRUCK 2 TON	373	1	\$22,000	\$6,034	\$2,297	\$17.79	\$6.16	\$4,400	\$163	\$12.23
COTTON STRIPPER (MT)	2 ROW	317	2	\$5,000	\$291	\$0.92	\$0.28	\$1,533	\$85	\$5.11
PLANTER 8 ROW	108	2	\$11,000	\$295	\$2.84	\$2.64	\$0.20	\$2,200	\$81	\$21.05
CULTIVATOR 8 ROW	145	1	\$4,000	\$710	\$4.96	\$3.39	\$1.57	\$333	\$30	\$3.88
DISC 18 FT OFFSET	139	1	\$3,500	\$1,260	\$9.50	\$6.82	\$2.68	\$1,000	\$55	\$7.61
DRILL 40 FT	19	1	\$7,750	\$65	\$3.72	\$2.57	\$1.15	\$1,550	\$27	\$20.04
LISTER 40 FT	81	1	\$2,500	\$65	\$3.07	\$2.04	\$0.93	\$427	\$24	\$5.54
STUBBLE MULCHER 20 FT	71	1	\$6,500	\$575	\$8.06	\$5.44	\$2.62	\$867	\$48	\$12.81
SHREDDER 4 ROW	137	1	\$2,500	\$65	\$3.63	\$2.43	\$1.20	\$333	\$19	\$5.26
SPRAYER (MTD)	21	1	\$1,500	\$15	\$0.72	\$0.48	\$0.24	\$200	\$11	\$3.85
COMBINE 145 HP	100	1	\$25,074	\$2,338	\$23.39	\$22.66	\$0.73	\$8,264	\$461	\$55.59
GRAIN HEAD 22 FT	100	1	\$3,800	\$15	\$0.15	\$0.15	\$0.00	\$971	\$28	\$5.29
ROD WEEDEE 37 FT	63	1	\$1,150	\$60	\$1.63	\$1.63	\$0.00	\$153	\$8	\$2.57
CHISEL 8 FT	82	1	\$1,350	\$137	\$1.67	\$1.67	\$0.00	\$180	\$10	\$2.32
			\$302,200	\$31,992	\$10,657			\$28,714	\$1,589	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL UNIT/HR	LUBE COEF	ACCUM HOURS	INTEREST EXPENSE
TRACTOR 90 HP	16620.00	17050.00	15.00	1.00	800.00	5.54	0.10	15944.37	23.00
TRACTOR 165 HP	49775.00	50146.50	15.00	1.00	800.00	8.15	0.10	2518.59	11.00
TRUCK	44000.00	22000.00	15.00	6.00	800.00	6.05	0.05	4848.43	13.00
COTTON STRIPPER (MT)	11500.00	4900.00	15.00	3.00	300.00			2254.42	13.00
PLANTER 8 ROW	11000.00	5000.00	15.00	6.00	100.00			704.34	13.00
CULTIVATOR 8 ROW	8500.00	4000.00	15.00	3.00	300.00			2318.40	16.00
DISC 18 FT OFFSET	15000.00	7500.00	15.00	3.00	300.00			2217.80	16.00
DRILL 40 FT	15000.00	7500.00	15.00	3.00	300.00			2202.05	13.00
LISTER 40 FT	6400.00	3200.00	15.00	3.00	300.00			1300.32	16.00
STUBBLE MULCHER 20 FT	13000.00	6000.00	15.00	3.00	300.00			1071.00	15.00
SHREDDER 4 ROW	5000.00	2500.00	15.00	6.00	150.00			2047.50	15.00
SPRAYER (MTD)	3000.00	1500.00	15.00	8.00	150.00			351.30	15.00
COMBINE 145 HP	132955.00	137073.00	15.00	2.00	300.00	6.96	0.20	1299.48	13.00
GRAIN HEAD 22 FT	7500.00	3800.00	15.00	2.00	300.00			1299.48	13.00
ROD WEEDEE 37 FT	2300.00	1150.00	15.00	3.00	300.00			945.00	15.00
CHISEL 8 FT	2700.00	1350.00	15.00	3.00	300.00			1310.40	16.00

USAGE LIST

ITEM	GRAIN			PER ACRE		
	SORGHUM	COTTON	WHEAT	SORGHUM	COTTON	TOTALS
				hours per acre		
TRACTOR 90 HP	0.26	1.03	0.05	1.36		
TRACTOR 165 HP	0.32	0.25	0.28	1.13		
TRUCK	0.14	0.50	0.14	0.78		
COTTON STRIPPER (MT)	0.00	0.08	0.00	0.08		
PLANTER 8 ROW	0.12	0.12	0.00	0.24		
CULTIVATOR 8 ROW	0.10	0.20	0.00	0.30		
DISC 18 FT OFFSET	0.11	0.11	0.11	0.33		
DRILL 40 FT	0.00	0.00	0.00	0.00		
LISTER 40 FT	0.09	0.09	0.00	0.18		
STUBBLE MULCHER 20 FT	0.10	0.00	0.10	0.20		
SHREDDER 4 ROW	0.00	0.25	0.00	0.25		
SPRAYER (MTD)	0.00	0.00	0.00	0.00		
COMBINE 145 HP	0.14	0.00	0.14	0.28		
GRAIN HEAD 22 FT	0.14	0.00	0.14	0.28		
ROD WEEDEE 37 FT	0.05	0.05	0.05	0.15		
CHISEL 8 FT	0.00	0.15	0.00	0.15		

INTEREST PROPORTION

GRAIN	COTTON	WHEAT
0.02	2.21	0.62
0.00	0.79	0.00
0.46	0.46	0.00
0.21	0.41	0.00
0.46	0.46	0.00
0.00	0.00	1.63
0.27	0.27	0.00
0.68	0.00	0.68
0.00	0.36	0.00
0.32	0.00	0.00
6.96	0.00	6.96
0.39	0.00	0.39
0.07	0.07	0.00
0.00	0.15	0.00
12.76	8.87	12.87

GRAIN SORGHUM ACRES: 357 PUMP WATER

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT			
			RATE	TOTAL	CUSTOM	
DISC STUBBLE MULCH	165 HP	1.00	0.11	0.11		
LISTER	165 HP	1.00	0.10	0.10		
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	0.06	0.06		
COMBINE	22 FT	1.00	0.14	0.14		
HAUL	2 TON	1.00	0.14	0.14		

COTTON ACRES: 546 PUMP WATER

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 WEEDEE	165 HP	1.00	0.05	0.05		
PLANTER	165 HP	1.00	0.12	0.12		
CULTIVATOR (2X)	93 HP	2.00	0.10	0.20	6.00	
HAND-ICE (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 ACRES: 357 PUMP WATER

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		
ROD WEEDEE	165 HP	1.00	0.05	0.05		
DRILL	93 HP	1.00	0.12	0.12		
COMBINE	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	0.000000	0.000020	0.000620	0.000220	0.000080	0.000140	0.000040	0.000240	0.000200
50	0.000000	0.000020	0.000620	0.000220	0.000080	0.000140	0.000040	0.000240	0.000200
100	0.000000	0.000020	0.000620	0.000220	0.000080	0.000140	0.000040	0.000240	0.000200
200	0.000020	0.000040	0.000840	0.000280	0.000100	0.000160	0.000060	0.000260	0.000220
300	0.000030	0.000060	0.000990	0.000330	0.000120	0.000180	0.000080	0.000280	0.000240
400	0.000030	0.000060	0.000990	0.000330	0.000120	0.000180	0.000080	0.000280	0.000240
500	0.000030	0.000060	0.000990	0.000330	0.000120	0.000180	0.000080	0.000280	0.000240
600	0.000030	0.000060	0.000990	0.000330	0.000120	0.000180	0.000080	0.000280	0.000240
700	0.000030	0.000060	0.000990	0.000330	0.000120	0.000180	0.000080	0.000280	0.000240
800	0.000030	0.000060	0.000990	0.000330	0.000120	0.000180	0.000080	0.000280	0.000240
900	0.000030	0.000060	0.000990	0.000330	0.000120	0.000180	0.000080	0.000280	0.000240
1000	0.000030	0.000060	0.000990	0.000330	0.000120	0.000180	0.000080	0.000280	0.000240
1200	0.000045	0.000090	0.001335	0.000445	0.000165	0.000240	0.000100	0.000300	0.000260
1400	0.000045	0.000090	0.001335	0.000445	0.000165	0.000240	0.000100	0.000300	0.000260
1600	0.000045	0.000090	0.001335	0.000445	0.000165	0.000240	0.000100	0.000300	0.000260
1800	0.000045	0.000090	0.001335	0.000445	0.000165	0.000240	0.000100	0.000300	0.000260
2000	0.000045	0.000090	0.001335	0.000445	0.000165	0.000240	0.000100	0.000300	0.000260
2500	0.000056	0.000112	0.001680	0.000560	0.000200	0.000280	0.000120	0.000360	0.000320
3000	0.000070	0.000140	0.002100	0.000700	0.000250	0.000340	0.000150	0.000440	0.000400
3500	0.000086	0.000172	0.002610	0.000860	0.000300	0.000410	0.000180	0.000530	0.000480
4000	0.000106	0.000212	0.003240	0.001060	0.000350	0.000480	0.000210	0.000620	0.000570
4500	0.000126	0.000252	0.003900	0.001260	0.000400	0.000560	0.000240	0.000710	0.000660
5000	0.000146	0.000292	0.004560	0.001460	0.000450	0.000640	0.000270	0.000800	0.000750
5500	0.000166	0.000332	0.005220	0.001660	0.000500	0.000720	0.000300	0.000890	0.000840
6000	0.000186	0.000372	0.005880	0.001860	0.000550	0.000800	0.000330	0.000980	0.000930
6500	0.000206	0.000412	0.006540	0.002060					

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 2009.

Planting Dates: May 15 - May 30

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$7.70	15.00 CWT		\$115.50
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				\$120.50

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.69	3 LBS	\$5.07		\$5.07
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88		\$15.88
CROP INSURANCE	\$0.14		\$0.14		\$0.14
SUBTOTAL			\$21.09		\$21.09

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	165 HP	0.11 HR		\$0.94	\$2.76	\$1.62	\$2.22	\$7.54
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.51	\$1.34	\$2.54	\$7.25
LISTER	165 HP	0.09 HR		\$0.77	\$2.26	\$0.84	\$1.63	\$5.50
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.26	\$0.34	\$0.76	\$2.78
PLANTER	93 HP	0.12 HR		\$1.03	\$1.83	\$0.57	\$2.72	\$6.14
CULTIVATOR	93 HP	0.10 HR		\$0.86	\$1.52	\$0.70	\$0.55	\$3.63
SPRAYER	93 HP	0.06 HR		\$0.51	\$0.91	\$0.17	\$0.69	\$2.28
SUBTOTAL		0.63 HR		\$5.39	\$13.05	\$5.58	\$11.12	\$35.13

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE		0.14 HR		\$1.20	\$3.27	\$0.39	\$13.84	\$18.71
HAUL	2 TON	0.14 HR		\$1.20	\$2.49	\$0.86	\$1.71	\$6.26
SUBTOTAL		0.28 HR		\$2.39	\$5.76	\$1.26	\$15.56	\$24.97

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.12 HR		\$1.00				\$1.00
EMPLOYEE BENEFITS			\$1.40				\$1.40
INSURANCE		\$0.16					\$0.16
LAND TAXES						\$0.66	\$0.66
SUPERVISION AND MANAGEMENT			\$8.81				\$8.81
OTHER EXPENSES		\$25.35					\$25.35
SUBTOTAL	0.12 HR	\$25.50	\$11.22			\$0.66	\$37.38

TOTAL OPERATING EXPENSES 1.03 HR \$46.60 \$19.00 \$18.81 \$6.83 \$27.33 \$118.57

NET OPERATING PROFIT \$1.93

INTEREST ON OPERATING CAPITAL (\$15.79 @ 7.50%) \$1.18
 INTEREST ON EQUIPMENT INVESTMENT \$12.79

RETURN TO LAND AND RISK (\$12.05)

BUDGET SUMMARY

GROSS RETURN		\$120.50	
VARIABLE OPERATING EXPENSES	\$72.25		
RETURN OVER VARIABLE EXPENSES		\$48.25	(GROSS MARGIN)
FIXED EXPENSES	\$27.33		
NET FARM INCOME		\$20.92	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$19.00		
NET OPERATING PROFIT		\$1.93	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.97		
RETURN TO LAND AND RISK		(\$12.05)	

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 2009.
 Planting Dates: May 1 - June 10
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
LINT	\$0.76	250.00 LBS		\$190.00
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				\$247.18

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.86	15 LBS	\$27.90		\$27.90
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01		\$20.01
CROP INSURANCE	\$0.09		\$0.09		\$0.09
SUBTOTAL			\$48.00		\$48.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	165 HP	0.15 HR		\$1.28	\$3.77	\$1.06	\$2.24	\$8.34
DISC	165 HP	0.11 HR		\$0.94	\$2.76	\$1.62	\$2.22	\$7.54
LISTER	165 HP	0.09 HR		\$0.77	\$2.26	\$0.84	\$1.63	\$5.50
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.26	\$0.34	\$0.76	\$2.78
PLANTER	165 HP	0.12 HR		\$1.03	\$3.01	\$0.96	\$4.04	\$9.04
CULTIVATOR (2X)	93 HP	0.20 HR		\$1.71	\$3.04	\$1.41	\$1.10	\$7.27
HAND HOE (CUSTOM)			\$6.00					\$6.00
SUBTOTAL		0.72 HR	\$6.00	\$6.16	\$16.10	\$6.23	\$11.99	\$46.47

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER (MTD)	93 HP	0.58 HR		\$4.96	\$8.83	\$1.74	\$3.91	\$19.44
HAUL	2 TON	0.50 HR		\$4.28	\$8.89	\$3.08	\$6.12	\$22.37
GIN COTTON (CUSTOM)			\$38.40					\$38.40
SUBTOTAL		1.08 HR	\$38.40	\$9.23	\$17.72	\$4.82	\$10.03	\$80.20

POST HARVEST OPERATION:	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	93 HP	0.25 HR		\$2.14	\$3.81	\$0.62	\$1.05	\$7.62

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.47 HR		\$4.04				\$4.04
EMPLOYEE BENEFITS			\$3.15				\$3.15
INSURANCE		\$0.35					\$0.35
LAND TAXES						\$0.66	\$0.66
SUPERVISION AND MANAGEMENT			\$18.25				\$18.25
OTHER EXPENSES		\$25.35					\$25.35
SUBTOTAL	0.47 HR	\$25.70	\$25.44			\$0.66	\$51.80

TOTAL OPERATING EXPENSES	2.52 HR	\$118.10	\$42.97	\$37.63	\$11.66	\$23.73	\$234.09
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NET OPERATING PROFIT							\$13.09
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INTEREST ON OPERATING CAPITAL	(\$32.57	@	7.50%)		\$2.44
INTEREST ON EQUIPMENT INVESTMENT							\$8.67

RETURN TO LAND AND RISK							\$1.97
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BUDGET SUMMARY			
GROSS RETURN		\$247.18	
VARIABLE OPERATING EXPENSES	\$167.39		
RETURN OVER VARIABLE EXPENSES	\$79.79		(GROSS MARGIN)
FIXED EXPENSES	\$23.73		
NET FARM INCOME	\$56.06		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$42.97		
NET OPERATING PROFIT	\$13.09		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.11		
RETURN TO LAND AND RISK		\$1.97	

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 2009.

Planting dates: August 15 - September 15

Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$6.00	18.00 BUSHELS		\$108.00
DIRECT PAYMENT	\$0.00	18.00 BUSHELS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$10.00	1.00 ACRE		\$10.00
TOTAL				\$118.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.26	30 LB	\$7.80		\$7.80
CROP INSURANCE	\$0.14		\$0.14		\$0.14
			<u>\$7.94</u>		<u>\$7.94</u>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.51	\$1.34	\$2.54	\$7.25
DISC	165 HP	0.11 HR		\$0.94	\$2.76	\$1.62	\$2.22	\$7.54
RODWEED	165 HP	0.05 HR		\$0.43	\$1.26	\$0.34	\$0.76	\$2.78
DRILL	93 HP	0.05 HR		\$0.43	\$0.76	\$0.29	\$4.58	\$6.06
SUBTOTAL		0.31 HR		\$2.65	\$7.29	\$3.59	\$10.10	\$23.63

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE		0.14 HR		\$1.20	\$3.27	\$0.39	\$13.84	\$18.71
HAUL	2 TON	0.14 HR		\$1.20	\$2.49	\$0.86	\$1.71	\$6.26
SUBTOTAL		0.28 HR		\$2.39	\$5.76	\$1.26	\$15.56	\$24.97

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.10 HR		\$0.86				\$0.86
EMPLOYEE BENEFITS			\$0.91				\$0.91
INSURANCE			\$0.10				\$0.10
LAND TAXES						\$0.66	\$0.66
SUPERVISION AND MANAGEMENT			\$8.42				\$8.42
OTHER EXPENSES			\$25.35				\$25.35
SUBTOTAL	0.10 HR		\$25.45	\$10.18		\$0.66	\$36.28

TOTAL OPERATING EXPENSES	0.41 HR		\$33.25	\$15.22	\$13.05	\$4.85	\$26.32	\$92.69
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NET OPERATING PROFIT								\$25.31
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INTEREST ON OPERATING CAPITAL	(\$7.20	@	7.50%)			\$0.54
INTEREST ON EQUIPMENT INVESTMENT								\$12.57

RETURN TO LAND AND RISK								\$12.20
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BUDGET SUMMARY

GROSS RETURN		\$118.00	
VARIABLE OPERATING EXPENSES	\$51.15		
RETURN OVER VARIABLE EXPENSES		\$66.85	(GROSS MARGIN)
FIXED EXPENSES	\$26.32		
NET FARM INCOME		\$40.53	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$15.22		
NET OPERATING PROFIT		\$25.31	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.11		
RETURN TO LAND AND RISK		\$12.20	

TABLE 8. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Roosevelt County, Projected 2009.

	GRAIN SORGHUM	STRIPPER COTTON	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	250.00	18.00
PRIMARY PRICE	\$7.70	\$0.76	\$6.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$28.00	\$10.00
GROSS RETURN	\$120.50	\$247.18	\$118.00
CASH OPERATING EXPENSES			
SEED	\$5.07	\$27.90	\$7.80
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$18.81	\$37.63	\$13.05
FUEL-IRRIGATION			
REPAIRS	\$6.83	\$11.66	\$4.85
CUSTOM CHARGES	\$0.00	\$44.40	\$0.00
LAND TAXES	\$0.66	\$0.66	\$0.66
OTHER EXPENSES	\$25.50	\$25.70	\$25.45
TOTAL CASH EXPENSES	\$72.90	\$168.04	\$51.94
RETURN OVER CASH EXPENSES	\$47.60	\$79.13	\$66.06
FIXED EXPENSES	\$26.67	\$23.08	\$25.66
TOTAL EXPENSES	\$99.58	\$191.12	\$77.61
NET FARM INCOME	\$20.92	\$56.06	\$40.39
LABOR AND MANAGEMENT COSTS	\$19.00	\$42.97	\$15.22
NET OPERATING PROFIT	\$1.93	\$13.09	\$25.17
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$1.18	\$2.44	\$0.54
INTEREST ON EQUIPMENT INVESTMENT	\$12.79	\$8.67	\$12.57
TOTAL CAPITAL COSTS	\$13.97	\$11.11	\$13.11
RETURN TO LAND AND RISK	(\$12.05)	\$1.97	\$12.06

TABLE 9. Whole farm summary, Causey-Lingo area, Roosevelt County,
Projected 2009.

GROSS RETURNS		
GRAIN SORGHUM	357.00 ACRES	
CROP		\$41,234
GRAZING		\$1,785
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546.00 ACRES	
LINT		\$103,740
SEED		\$15,288
DIRECT PAYMENT		\$0
WHEAT	357.00 ACRES	
CROP		\$38,556
GRAZING		\$3,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$204,173</u>
CASH OPERATING EXPENSES		
SEED		\$19,828
FERTILIZER		\$0
CHEMICALS		\$16,594
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$31,922
FUEL-IRRIGATION		\$0
REPAIRS		\$10,537
CUSTOM CHARGES		\$24,242
LAND TAXES		\$829
OTHER EXPENSES		\$32,220
TOTAL CASH EXPENSES		<u>\$136,323</u>
RETURN OVER CASH EXPENSES		\$67,849
FIXED EXPENSES		\$31,283
TOTAL EXPENSES		\$167,606
NET FARM INCOME		\$36,566
LABOR AND MANAGEMENT COSTS		\$35,677
NET OPERATING PROFIT		\$889
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,949
INTEREST ON EQUIPMENT INVESTMENT		\$13,787
TOTAL CAPITAL COSTS		<u>\$15,736</u>
RETURN TO LAND AND RISK		<u>(\$14,847)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$20,607)	0.23%
\$200 /ACRE	(\$22,527)	0.19%
\$250 /ACRE	(\$24,447)	0.17%
\$300 /ACRE	(\$26,367)	0.15%
\$350 /ACRE	(\$28,287)	0.14%
\$400 /ACRE	(\$30,207)	0.12%

* 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)