

TABLE 1. Acreage Summary, Roosevelt County,
Projected 2017

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 2017

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Seed:			
Wheat		\$/pound	\$0.44
Grain Sorghum		\$/pound	\$1.70
Cotton		\$/pound	\$7.55
Fuel:			
Diesel fuel		\$/gallon	\$2.35
Gasoline		\$/gallon	\$2.10
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	5.50%
Land Interest Rate		percent	5.00%
Equipment Interest Rate		percent	5.50%
Real Interest Rate		percent	3.00%
Land Taxes		\$89.00 /acre (full value)	\$0.60
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$20.21
	- 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 2017

Item			
Electricity (Domestic & Shop)		\$235.95 per month	\$2,831
Telephone		\$108.90 per month	\$1,307
Accounting & Legal			\$1,785
Misc. Supplies & Hand Tools			\$2,668
Pickup and Auto			
miles	31,158	@ \$0.500 per mile	\$15,579
Insurance			
- general liability (non-employee)			\$1,936
- fire/theft			\$1,500
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,458
Dues, fees, publications			\$436
Farmstead Equipment			\$194
		Total	\$35,703
		Total Per Planted Acre	\$28.34

TABLE 4. Equipment summary for a 1280-acre, dryland farm with above average management, Casey/Lingo area, Rowlett County, Fall 2014-2017

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 PER HR	REPAIR PER HR	DEPRECIATION	TAXES	
TRACTOR 93 HP	660	1	\$17,335	\$8,688	\$642	\$12.79	\$0.94	\$450	\$53	\$0.74
TRACTOR 165 HP	502	1	\$40,865	\$10,571	\$2,702	\$21.07	\$5.39	\$3,985	\$302	\$12.53
TRUCK 2 TON	373	1	\$23,000	\$8,688	\$2,402	\$14.63	\$6.44	\$4,400	\$155	\$12.75
COTTON STRIPPER (MTD)	2 ROW	317	2	\$5,900		\$291	\$0.92	\$1,533	\$77	\$0.99
PLANTER 8 ROW	106	2	\$11,000		\$296		\$2.64	\$2,200	\$74	\$0.99
CULTIVATOR 8 ROW	145	1	\$4,000		\$719		\$4.98	\$533	\$27	\$3.87
DISC 18 FT OFFSET	139	1	\$5,500		\$1,289		\$9.20	\$1,000	\$51	\$7.98
DRILL 40 FT	16	1	\$7,750		\$88		\$3.72	\$1,500	\$52	\$8.76
LISTER 8 ROW	81	1	\$2,500		\$427		\$5.27	\$200	\$22	\$6.52
STUBBLE MULCHER 20 FT	71	1	\$6,500		\$575		\$8.08	\$867	\$44	\$12.75
SHEDDER 4 ROW	137	1	\$2,500		\$55		\$0.55	\$333	\$17	\$2.27
SPRAYER (MTD)	21	1	\$1,500		\$15		\$0.72	\$200	\$10	\$0.81
COMBINE 145 HP	100	1	\$51,677	\$1,862	\$266	\$16.63	\$2.66	\$8,864	\$448	\$83.15
GRAIN HEAD 22 FT	100	1	\$3,600		\$51		\$0.15	\$501	\$25	\$2.27
ROD WEEDER 37 FT	63	1	\$1,150		\$90		\$1.43	\$153	\$8	\$2.66
CHISEL 9 FT	82	1	\$1,350		\$137		\$1.67	\$180	\$9	\$2.31
				\$18,828	\$26,799	\$3,874		\$28,376	\$1,374	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LEF	EQUIP CODE	MAX HOURS	FUEL LITERS	LUBE GALS	ACCUM HOURS	INTEREST AVE EXPENSE	
TRACTOR 93 HP	15735.00	1734.50	15.00	1.00	800.00	8.54	0.10	15644.57	23.00	432.71
TRACTOR 165 HP	39775.00	40865.00	15.00	2.00	200.00	8.15	0.10	5918.59	11.00	248.81
TRUCK 2 TON	46000.00	23000.00	10.00	6.00	800.00	6.05	0.05	4848.48	13.00	1265.00
COTTON STRIPPER (MTD)	11500.00	2950.00	10.00	6.00	100.00			2068.42	13.00	316.25
PLANTER 8 ROW	11000.00	5500.00	10.00	8.00	100.00			704.34	13.00	302.50
CULTIVATOR 8 ROW	4000.00	4000.00	15.00	3.00	300.00			2818.40	16.00	220.00
DISC 18 FT OFFSET	15000.00	7500.00	15.00	3.00	300.00			2217.60	16.00	412.50
DRILL 40 FT	15000.00	7750.00	15.00	6.00	100.00			232.05	13.00	426.25
LISTER 8 ROW	4400.00	3200.00	15.00	3.00	300.00			1300.52	16.00	178.00
STUBBLE MULCHER 20 FT	15000.00	6000.00	15.00	3.00	100.00			5071.00	15.00	357.00
SHEDDER 4 ROW	5000.00	2500.00	15.00	5.00	150.00			2047.60	15.00	137.50
SPRAYER (MTD)	1500.00	1500.00	15.00	1.00	100.00			321.00	15.00	62.00
COMBINE 145 HP	132955.00	11678.50	15.00	2.00	300.00	6.96	0.20	1299.48	13.00	3656.26
GRAIN HEAD 22 FT	7300.00	3600.00	15.00	2.00	300.00			1299.48	13.00	268.80
ROD WEEDER 37 FT	2300.00	1150.00	15.00	3.00	300.00			945.00	15.00	63.25
CHISEL 9 FT	2700.00	1350.00	15.00	3.00	300.00			910.40	16.00	74.25

USAGE LIST

GRAIN SORGHUM	COTTON	WHEAT	TOTALS
---------------	--------	-------	--------

hours per acre	hours per acre	hours per acre	hours per acre
0.28	1.00	0.05	1.36
0.35	0.52	0.26	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	0.00	0.00	0.18
0.10	0.00	0.10	0.20
0.00	0.25	0.00	0.25
0.06	0.00	0.00	0.06
0.14	0.00	0.14	0.28
0.05	0.05	0.15	0.25
0.00	0.15	0.00	0.15

INTEREST PROXATION

GRAIN SORGHUM	COTTON	WHEAT
---------------	--------	-------

hours per acre	hours per acre	hours per acre
1.72	2.56	1.28
0.47	1.70	0.47
0.00	0.00	0.00
0.33	0.33	0.00
0.15	0.30	0.00
0.33	0.33	0.33
0.00	0.00	1.18
0.19	0.19	0.00
0.00	0.00	0.50
0.00	0.25	0.00
0.23	0.00	0.00
5.12	0.00	5.12
0.28	0.00	0.28
0.05	0.05	0.05
0.00	0.14	0.00
0.46	0.43	0.24

GRAIN SORGHUM ACRES: 357 PUMP WATER:

MACHINE	POWER LNT	TIMES OVER	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	0.05	0.05		
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 HAUL 2 TON

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 LNT	TIMES OVER	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 165 HP	1.00	0.12	0.12		
CULTIVATOR (2X) 93 HP	2.00	0.10	0.20		6.00

COTTON STRIPPER (MTD) 93 HP HAUL 2 TON

COTTON STRIPPER (MTD) 93 HP	1.00	0.58	0.58		
HAUL 2 TON	1.00	0.50	0.50		0.15

SHREDDER 93 HP

SHREDDER 93 HP	1.00	0.25	0.25		
----------------	------	------	------	--	--

WHEAT ACRES: 357 PUMP WATER:

MACHINE	POWER LNT	TIMES OVER	RATE	TOTAL	CUSTOM
---------	-----------	------------	------	-------	--------

STUBBLE MULCH 165 HP	1.00	0.10	0.10		
DISC 165 HP	1.00	0.11	0.11		
ROD WEED 165 HP	1.00	0.05	0.05		
DRILL 93 HP	1.00	0.05	0.05		

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	0.000200	0.000200	0.000080	0.000140	0.000040	0.000340	0.000200
50	0.000000	0.000020	0.000200	0.000200	0.000080	0.000140	0.000040	0.000340	0.000200
100	0.000000	0.000020	0.000200	0.000200	0.000140	0.000220	0.000100	0.000300	0.000300
200	0.000020	0.000020	0.000400	0.000400	0.000160	0.000280	0.000110	0.000310	0.000300
300	0.000030	0.000050	0.000390	0.000390	0.000220	0.000310	0.000140	0.000300	0.000400
400	0.000020	0.000050	0.000370	0.000370	0.000260	0.000340	0.000150	0.000310	0.000400
500	0.000030	0.000070	0.000360	0.000130	0.000280	0.000370	0.000170	0.000300	0.000300
600	0.000020	0.000050	0.000340	0.000140	0.000260	0.000350	0.000160	0.000300	0.000300
700	0.000030	0.000100	0.000340	0.000130	0.000330	0.000410	0.000200	0.000310	0.000360
800	0.000020	0.000100	0.000320	0.000160	0.000300	0.000380	0.000210	0.000300	0.000360
900	0.000030	0.000120	0.000320	0.000160	0.000370	0.000400	0.000230	0.001020	0.000360
1000	0.000050	0.000150	0.000310	0.000180	0.000360	0.000400	0.000230	0.001070	0.000360
1200	0.000045	0.000145	0.000305	0.000225	0.000405	0.000400	0.000245	0.001135	0.000770
1400	0.000045	0.000145	0.000300	0.000230	0.000405	0.000410	0.000245	0.001200	0.000765
1500	0.000150	0.000170	0.000300	0.000230	0.000405	0.000410	0.000245	0.001260	0.000765
1600	0.000150	0.000170	0.000295	0.000235	0.000405	0.000410	0.000245	0.001325	0.000765
1800	0.000075	0.000170	0.000285	0.000235	0.000405	0.000400	0.000225	0.001325	0.000765
2000	0.000110	0.000205	0.000285	0.000205	0.000400	0.000390	0.000210	0.001310	0.000765
2500	0.000050								
3000	0.000070								
3500	0.000082								
4000	0.000096								
4500	0.000108								
5000	0.000122								
5500	0.000136								
6000	0.000148								
6500	0.000162								
7000	0.000176								
7500	0.000188								
8000	0.000204								

Based on unpublished data of D. R. Hart, Department of Agricultural Engineering, University of Illinois.

Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1963.

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windmills, pickups
- 3 rotary hoes, disks, moldboard plows, chisels, field cultivators
- 4 harrows, mowers, flails, row track, drag, roller, water furrow, feed choppers
- 5 baler-mowers, cotton pickers, cotton strippers, corn pickers
- 6 corn heads, forage equipment, rotary mowers, sickle choppers, feed wagons, farm trucks
- 7 baler or engine, manure spreader
- 8 plows, chisels, weeding equipment, mounted sprayers
- 9 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 2017

Planting Dates: May 15 - May 30

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$5.91	15.00 CWT		\$88.71
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				\$93.71

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.70	3 LBS	\$5.10		\$5.10
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88		\$15.88
CROP INSURANCE	\$0.14		\$0.14		\$0.14
SUBTOTAL			\$21.12		\$21.12

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	165 HP	0.11 HR		\$0.94	\$2.32	\$1.62	\$2.21	\$7.09
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.11	\$1.34	\$2.53	\$6.84
LISTER	165 HP	0.09 HR		\$0.77	\$1.90	\$0.84	\$1.62	\$5.13
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.05	\$0.34	\$0.75	\$2.58
PLANTER	93 HP	0.12 HR		\$1.03	\$1.53	\$0.43	\$2.61	\$5.60
CULTIVATOR	93 HP	0.10 HR		\$0.86	\$1.28	\$0.59	\$0.46	\$3.18
SPRAYER	93 HP	0.06 HR		\$0.51	\$0.77	\$0.10	\$0.63	\$2.01
SUBTOTAL		0.63 HR		\$5.39	\$10.96	\$5.26	\$10.82	\$32.43

HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.20	\$2.75	\$0.39	\$13.78	\$18.12
HAUL	2 TON	0.14 HR		\$1.20	\$2.09	\$0.90	\$1.78	\$5.97
SUBTOTAL		0.28 HR		\$2.39	\$4.84	\$1.29	\$15.56	\$24.09

OVERHEAD EXPENSES								
DOWNTIME		0.12 HR		\$1.00				\$1.00
EMPLOYEE BENEFITS				\$1.40				\$1.40
INSURANCE			\$0.16					\$0.16
LAND TAXES							\$0.60	\$0.60
SUPERVISION AND MANAGEMENT				\$6.94				\$6.94
OTHER EXPENSES			\$28.34					\$28.34
SUBTOTAL		0.12 HR		\$28.49	\$9.34		\$0.60	\$38.43

TOTAL OPERATING EXPENSES 1.03 HR \$49.62 \$17.12 \$15.79 \$6.56 \$26.98 \$116.07

NET OPERATING PROFIT (\$22.36)

INTEREST ON OPERATING CAPITAL (\$15.13 @ 5.50%) \$0.83
 INTEREST ON EQUIPMENT INVESTMENT \$9.40

RETURN TO LAND AND RISK (\$32.59)

BUDGET SUMMARY

GROSS RETURN		\$93.71	
VARIABLE OPERATING EXPENSES	\$71.97		
RETURN OVER VARIABLE EXPENSES		\$21.75	(GROSS MARGIN)
FIXED EXPENSES	\$26.98		
NET FARM INCOME		(\$5.24)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$17.12		
NET OPERATING PROFIT		(\$22.36)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.23		
RETURN TO LAND AND RISK		(\$32.59)	

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 2017

Planting Dates: May 1 - June 10

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
LINT	\$0.70	250.00 LBS		\$175.00
SEED	\$0.09	400 LBS		\$36.00
DIRECT PAYMENT	\$0.0000	250.00 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	250.00 LBS	0.85	\$29.18
TOTAL				\$240.18

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	15 LBS	\$113.25		\$113.25
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01		\$20.01
CROP INSURANCE	\$0.09		\$0.09		\$0.09
SUBTOTAL			\$133.35		\$133.35

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	165 HP	0.15 HR		\$1.28	\$3.16	\$1.06	\$2.23	\$7.73
DISC	165 HP	0.11 HR		\$0.94	\$2.32	\$1.62	\$2.21	\$7.09
LISTER	165 HP	0.09 HR		\$0.77	\$1.90	\$0.84	\$1.62	\$5.13
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.05	\$0.34	\$0.75	\$2.58
PLANTER	165 HP	0.12 HR		\$1.03	\$2.53	\$0.96	\$4.02	\$8.54
CULTIVATOR (2X)	93 HP	0.20 HR		\$1.71	\$2.56	\$1.18	\$0.92	\$6.37
HAND HOE (CUSTOM)			\$6.00					\$6.00
SUBTOTAL		0.72 HR	\$6.00	\$6.16	\$13.51	\$6.00	\$11.76	\$43.43

HARVEST OPERATIONS								
COTTON STRIPPER (MTD)	93 HP	0.58 HR		\$4.96	\$7.42	\$1.08	\$3.38	\$16.84
HAUL	2 TON	0.50 HR		\$4.28	\$7.46	\$3.22	\$6.37	\$21.33
GIN COTTON (CUSTOM)			\$38.40					\$38.40
SUBTOTAL		1.08 HR	\$38.40	\$9.23	\$14.88	\$4.30	\$9.75	\$76.57

POST HARVEST OPERATIONS								
SHREDDER	93 HP	0.25 HR		\$2.14	\$3.20	\$0.34	\$0.83	\$6.50

OVERHEAD EXPENSES								
DOWNTIME		0.47 HR		\$4.04				\$4.04
EMPLOYEE BENEFITS				\$3.15				\$3.15
INSURANCE			\$0.35					\$0.35
LAND TAXES						\$0.60		\$0.60
SUPERVISION AND MANAGEMENT				\$17.76				\$17.76
OTHER EXPENSES			\$28.34					\$28.34
SUBTOTAL		0.47 HR	\$28.69	\$24.95		\$0.60		\$54.24

TOTAL OPERATING EXPENSES		2.52 HR	\$206.43	\$42.48	\$31.59	\$10.64	\$22.94	\$314.09
--------------------------	--	---------	----------	---------	---------	---------	---------	----------

NET OPERATING PROFIT								(\$73.91)
----------------------	--	--	--	--	--	--	--	-----------

INTEREST ON OPERATING CAPITAL	(\$74.03	@	5.50%)			\$4.07
INTEREST ON EQUIPMENT INVESTMENT								\$6.43

RETURN TO LAND AND RISK								(\$84.41)
-------------------------	--	--	--	--	--	--	--	-----------

BUDGET SUMMARY

GROSS RETURN		\$240.18		
VARIABLE OPERATING EXPENSES	\$248.67			
RETURN OVER VARIABLE EXPENSES		(\$8.49)	(GROSS MARGIN)	
FIXED EXPENSES	\$22.94			
NET FARM INCOME		(\$31.43)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$42.48			
NET OPERATING PROFIT		(\$73.91)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$10.50			
RETURN TO LAND AND RISK		(\$84.41)		

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 2017
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE						TOTAL	
GROSS RETURNS										
WHEAT	\$4.20	18.00 BUSHEL							\$75.60	
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									\$85.60	
PURCHASED INPUTS										
	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL	
SEED	\$0.44	30 LB	\$13.20						\$13.20	
CROP INSURANCE	\$0.14		\$0.14						\$0.14	
									\$13.34	
PREHARVEST OPERATIONS										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.11	\$1.34	\$2.53	\$6.84		
DISC	165 HP	0.11 HR		\$0.94	\$2.32	\$1.62	\$2.21	\$7.09		
RODWEED	165 HP	0.05 HR		\$0.43	\$1.05	\$0.34	\$0.75	\$2.58		
DRILL	93 HP	0.05 HR		\$0.43	\$0.64	\$0.23	\$4.52	\$5.83		
SUBTOTAL		0.31 HR		\$2.65	\$6.12	\$3.53	\$10.02	\$22.32		
HARVEST OPERATIONS										
COMBINE		0.14 HR		\$1.20	\$2.75	\$0.39	\$13.78	\$18.12		
HAUL	2 TON	0.14 HR		\$1.20	\$2.09	\$0.90	\$1.78	\$5.97		
SUBTOTAL		0.28 HR		\$2.39	\$4.84	\$1.29	\$15.56	\$24.09		
OVERHEAD EXPENSES										
DOWNTIME		0.10 HR		\$0.86				\$0.86		
EMPLOYEE BENEFITS				\$0.91				\$0.91		
INSURANCE			\$0.10				\$0.10			
LAND TAXES							\$0.60	\$0.60		
SUPERVISION AND MANAGEMENT				\$6.15				\$6.15		
OTHER EXPENSES			\$28.34				\$28.34			
SUBTOTAL		0.10 HR	\$28.44	\$7.91				\$0.60	\$36.95	
TOTAL OPERATING EXPENSES		0.41 HR	\$41.64	\$12.95	\$10.96	\$4.83	\$26.18	\$96.56		
NET OPERATING PROFIT									(\$10.96)	
INTEREST ON OPERATING CAPITAL (\$9.52 @ 5.50%)									\$0.52	
INTEREST ON EQUIPMENT INVESTMENT									\$9.24	
RETURN TO LAND AND RISK									(\$20.72)	

BUDGET SUMMARY			
GROSS RETURN		\$85.60	
VARIABLE OPERATING EXPENSES	\$57.42		
RETURN OVER VARIABLE EXPENSES	\$28.18		(GROSS MARGIN)
FIXED EXPENSES	\$26.18		
NET FARM INCOME	\$1.99		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$12.95		
NET OPERATING PROFIT		(\$10.96)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.76		
RETURN TO LAND AND RISK		(\$20.72)	

TABLE 8. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Roosevelt County, Projected 2017

	GRAIN SORGHUM	STRIPPER COTTON	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	250.00	18.00
PRIMARY PRICE	\$5.91	\$0.70	\$4.20
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$36.00	\$10.00
GROSS RETURN	\$93.71	\$240.18	\$85.60
CASH OPERATING EXPENSES			
SEED	\$5.10	\$113.25	\$13.20
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$15.79	\$31.59	\$10.96
FUEL-IRRIGATION			
REPAIRS	\$6.56	\$10.64	\$4.83
CUSTOM CHARGES	\$0.00	\$44.40	\$0.00
LAND TAXES	\$0.60	\$0.60	\$0.60
OTHER EXPENSES	\$28.49	\$28.69	\$28.44
TOTAL CASH EXPENSES	\$72.57	\$249.27	\$58.16
RETURN OVER CASH EXPENSES	\$21.15	(\$9.09)	\$27.44
FIXED EXPENSES	\$26.38	\$22.34	\$25.58
TOTAL EXPENSES	\$98.95	\$271.61	\$83.75
NET FARM INCOME	(\$5.24)	(\$31.43)	\$1.85
LABOR AND MANAGEMENT COSTS	\$17.12	\$42.48	\$12.95
NET OPERATING PROFIT	(\$22.36)	(\$73.91)	(\$11.10)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$0.83	\$4.07	\$0.52
INTEREST ON EQUIPMENT INVESTMENT	\$9.40	\$6.43	\$9.24
TOTAL CAPITAL COSTS	\$10.23	\$10.50	\$9.76
RETURN TO LAND AND RISK	(\$32.59)	(\$84.41)	(\$20.86)

TABLE 9. Whole farm summary, Causey-Lingo area, Roosevelt County,
Projected 2017

GROSS RETURNS		
GRAIN SORGHUM	357.00 ACRES	
CROP		\$31,671
GRAZING		\$1,785
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546.00 ACRES	
LINT		\$95,550
SEED		\$19,656
DIRECT PAYMENT		\$0
WHEAT	357.00 ACRES	
CROP		\$26,989
GRAZING		\$3,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$179,221</u>
CASH OPERATING EXPENSES		
SEED		\$68,368
FERTILIZER		\$0
CHEMICALS		\$16,594
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$26,799
FUEL-IRRIGATION		\$0
REPAIRS		\$9,874
CUSTOM CHARGES		\$24,242
LAND TAXES		\$755
OTHER EXPENSES		\$35,986
TOTAL CASH EXPENSES		<u>\$182,769</u>
RETURN OVER CASH EXPENSES		(\$3,548)
FIXED EXPENSES		\$30,750
TOTAL EXPENSES		\$213,519
NET FARM INCOME		(\$34,298)
LABOR AND MANAGEMENT COSTS		\$33,931
NET OPERATING PROFIT		(\$68,229)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,707
INTEREST ON EQUIPMENT INVESTMENT		\$10,165
TOTAL CAPITAL COSTS		<u>\$12,873</u>
RETURN TO LAND AND RISK		<u>(\$81,101)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$86,861)	-17.92%
\$200 /ACRE	(\$88,781)	-15.34%
\$250 /ACRE	(\$90,701)	-13.41%
\$300 /ACRE	(\$92,621)	-11.91%
\$350 /ACRE	(\$94,541)	-10.71%
\$400 /ACRE	(\$96,461)	-9.74%

* 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)