

TABLE 1. Acreage Summary, Roosevelt County, Actual 2014

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, Actual 2014

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Seed:			
Wheat		\$/pound	\$0.45
Grain Sorghum		\$/pound	\$1.31
Cotton		\$/pound	\$7.55
Fuel:			
Diesel fuel		\$/gallon	\$3.83
Gasoline		\$/gallon	\$2.55
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)	\$0.55
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$18.44
	- 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, Actual 2014

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 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, Actual 2014
 Planting Dates: May 15 - May 30
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$7.06	15.00 CWT							\$105.96
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									\$110.96
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
SEED	\$1.31	3 LBS	\$3.93					\$3.93	
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88					\$15.88	
CROP INSURANCE	\$0.14		\$0.14					\$0.14	
SUBTOTAL			\$19.95					\$19.95	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	165 HP	0.11 HR		\$0.94	\$3.78	\$1.62	\$2.20	\$8.54	
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$3.43	\$1.34	\$2.52	\$8.15	
LISTER	165 HP	0.09 HR		\$0.77	\$3.09	\$0.84	\$1.62	\$6.32	
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.72	\$0.34	\$0.75	\$3.24	
PLANTER	93 HP	0.12 HR		\$1.03	\$1.86	\$0.43	\$2.60	\$5.92	
CULTIVATOR	93 HP	0.10 HR		\$0.86	\$1.55	\$0.59	\$0.46	\$3.46	
SPRAYER	93 HP	0.06 HR		\$0.51	\$0.93	\$0.10	\$0.63	\$2.17	
SUBTOTAL		0.63 HR		\$5.39	\$16.37	\$5.26	\$10.78	\$37.79	
HARVEST OPERATIONS									
COMBINE		0.14 HR		\$1.20	\$4.48	\$0.39	\$13.72	\$19.79	
HAUL	2 TON	0.14 HR		\$1.20	\$3.41	\$0.90	\$1.78	\$7.28	
SUBTOTAL		0.28 HR		\$2.39	\$7.88	\$1.29	\$15.50	\$27.07	
OVERHEAD EXPENSES									
DOWNTIME		0.12 HR		\$1.00				\$1.00	
EMPLOYEE BENEFITS				\$1.40				\$1.40	
INSURANCE			\$0.16					\$0.16	
LAND TAXES							\$0.55	\$0.55	
SUPERVISION AND MANAGEMENT				\$8.14				\$8.14	
OTHER EXPENSES			\$28.34					\$28.34	
SUBTOTAL		0.12 HR		\$28.49	\$10.55		\$0.55	\$39.59	
TOTAL OPERATING EXPENSES		1.03 HR		\$48.45	\$18.33	\$24.25	\$6.56	\$26.82	\$124.41
NET OPERATING PROFIT								(\$13.44)	
INTEREST ON OPERATING CAPITAL		(\$16.15 @	5.50%)				\$0.89	
INTEREST ON EQUIPMENT INVESTMENT								\$9.40	
RETURN TO LAND AND RISK								(\$23.73)	

BUDGET SUMMARY

GROSS RETURN		\$110.96	
VARIABLE OPERATING EXPENSES	\$79.26		
RETURN OVER VARIABLE EXPENSES		\$31.71	(GROSS MARGIN)
FIXED EXPENSES	\$26.82		
NET FARM INCOME		\$4.88	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$18.33		
NET OPERATING PROFIT		(\$13.44)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.29		
RETURN TO LAND AND RISK		(\$23.73)	

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, Actual 2014

Planting Dates: May 1 - June 10

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
LINT	\$0.85	250.00 LBS		\$212.50
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				\$277.68

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	\$5.15	\$1.06	\$2.22	\$9.71
DISC	165 HP	0.11 HR		\$0.94	\$3.78	\$1.62	\$2.20	\$8.54
LISTER	165 HP	0.09 HR		\$0.77	\$3.09	\$0.84	\$1.62	\$6.32
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.72	\$0.34	\$0.75	\$3.24
PLANTER	165 HP	0.12 HR		\$1.03	\$4.12	\$0.96	\$4.01	\$10.12
CULTIVATOR (2X)	93 HP	0.20 HR		\$1.71	\$3.11	\$1.18	\$0.92	\$6.91
HAND HOE (CUSTOM)			\$6.00					\$6.00
SUBTOTAL		0.72 HR	\$6.00	\$6.16	\$20.96	\$6.00	\$11.71	\$50.83

HARVEST OPERATIONS								
COTTON STRIPPER (MTD)	93 HP	0.58 HR		\$4.96	\$9.01	\$1.08	\$3.36	\$18.41
HAUL	2 TON	0.50 HR		\$4.28	\$12.17	\$3.22	\$6.36	\$26.02
GIN COTTON (CUSTOM)			\$38.40					\$38.40
SUBTOTAL		1.08 HR	\$38.40	\$9.23	\$21.17	\$4.30	\$9.72	\$82.83

POST HARVEST OPERATIONS								
SHREDDER	93 HP	0.25 HR		\$2.14	\$3.88	\$0.34	\$0.82	\$7.18

OVERHEAD EXPENSES								
DOWNTIME		0.47 HR		\$4.04				\$4.04
EMPLOYEE BENEFITS				\$3.15				\$3.15
INSURANCE			\$0.35					\$0.35
LAND TAXES						\$0.55		\$0.55
SUPERVISION AND MANAGEMENT				\$20.38				\$20.38
OTHER EXPENSES			\$28.34					\$28.34
SUBTOTAL		0.47 HR	\$28.69	\$27.58		\$0.55		\$56.81

TOTAL OPERATING EXPENSES		2.52 HR	\$206.43	\$45.10	\$46.02	\$10.64	\$22.80	\$331.00
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NET OPERATING PROFIT								(\$53.32)
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INTEREST ON OPERATING CAPITAL	(\$76.59	@	5.50%)			\$4.21
INTEREST ON EQUIPMENT INVESTMENT								\$6.43

RETURN TO LAND AND RISK								(\$63.97)
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BUDGET SUMMARY

GROSS RETURN		\$277.68		
VARIABLE OPERATING EXPENSES	\$263.09			
RETURN OVER VARIABLE EXPENSES		\$14.59	(GROSS MARGIN)	
FIXED EXPENSES	\$22.80			
NET FARM INCOME		(\$8.21)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$45.10			
NET OPERATING PROFIT		(\$53.32)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$10.65			
RETURN TO LAND AND RISK		(\$63.97)		

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, Actual 2014
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
WHEAT	\$7.00	18.00 BUSHEL							\$126.00
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									\$136.00
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.45	30 LB	\$13.50						\$13.50
CROP INSURANCE	\$0.14		\$0.14						\$0.14
									\$13.64
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$3.43	\$1.34	\$2.52	\$8.15	
DISC	165 HP	0.11 HR		\$0.94	\$3.78	\$1.62	\$2.20	\$8.54	
RODWEED	165 HP	0.05 HR		\$0.43	\$1.72	\$0.34	\$0.75	\$3.24	
DRILL	93 HP	0.05 HR		\$0.43	\$0.78	\$0.23	\$4.51	\$5.95	
SUBTOTAL		0.31 HR		\$2.65	\$9.71	\$3.53	\$9.98	\$25.87	
HARVEST OPERATIONS									
COMBINE		0.14 HR		\$1.20	\$4.48	\$0.39	\$13.72	\$19.79	
HAUL	2 TON	0.14 HR		\$1.20	\$3.41	\$0.90	\$1.78	\$7.28	
SUBTOTAL		0.28 HR		\$2.39	\$7.88	\$1.29	\$15.50	\$27.07	
OVERHEAD EXPENSES									
DOWNTIME		0.10 HR		\$0.86				\$0.86	
EMPLOYEE BENEFITS				\$0.91				\$0.91	
INSURANCE			\$0.10				\$0.10		
LAND TAXES							\$0.55	\$0.55	
SUPERVISION AND MANAGEMENT				\$9.68				\$9.68	
OTHER EXPENSES			\$28.34				\$28.34		
SUBTOTAL		0.10 HR	\$28.44	\$11.44				\$0.55	\$40.42
TOTAL OPERATING EXPENSES		0.41 HR	\$41.94	\$16.48	\$17.59	\$4.83	\$26.03	\$106.87	
NET OPERATING PROFIT									\$29.13
INTEREST ON OPERATING CAPITAL		(\$10.82 @ 5.50%)							\$0.60
INTEREST ON EQUIPMENT INVESTMENT									\$9.24
RETURN TO LAND AND RISK									\$19.30

BUDGET SUMMARY			
GROSS RETURN		\$136.00	
VARIABLE OPERATING EXPENSES	\$64.36		
RETURN OVER VARIABLE EXPENSES		\$71.64	(GROSS MARGIN)
FIXED EXPENSES	\$26.03		
NET FARM INCOME		\$45.61	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$16.48		
NET OPERATING PROFIT		\$29.13	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.83		
RETURN TO LAND AND RISK		\$19.30	

TABLE 8. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Roosevelt County, Actual 2014

	GRAIN SORGHUM	STRIPPER COTTON	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	250.00	18.00
PRIMARY PRICE	\$7.06	\$0.85	\$7.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$36.00	\$10.00
GROSS RETURN	\$110.96	\$277.68	\$136.00
CASH OPERATING EXPENSES			
SEED	\$3.93	\$113.25	\$13.50
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$24.25	\$46.02	\$17.59
FUEL-IRRIGATION			
REPAIRS	\$6.56	\$10.64	\$4.83
CUSTOM CHARGES	\$0.00	\$44.40	\$0.00
LAND TAXES	\$0.55	\$0.55	\$0.55
OTHER EXPENSES	\$28.49	\$28.69	\$28.44
TOTAL CASH EXPENSES	\$79.80	\$263.64	\$65.04
RETURN OVER CASH EXPENSES	\$31.16	\$14.04	\$70.96
FIXED EXPENSES	\$26.28	\$22.25	\$25.48
TOTAL EXPENSES	\$106.08	\$285.89	\$90.53
NET FARM INCOME	\$4.88	(\$8.21)	\$45.47
LABOR AND MANAGEMENT COSTS	\$18.33	\$45.10	\$16.48
NET OPERATING PROFIT	(\$13.44)	(\$53.32)	\$28.99
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$0.89	\$4.21	\$0.60
INTEREST ON EQUIPMENT INVESTMENT	\$9.40	\$6.43	\$9.24
TOTAL CAPITAL COSTS	\$10.29	\$10.65	\$9.83
RETURN TO LAND AND RISK	(\$23.73)	(\$63.97)	\$19.16

TABLE 9. Whole farm summary, Causey-Lingo area, Roosevelt County,
Actual 2014

GROSS RETURNS		
GRAIN SORGHUM	357.00 ACRES	
CROP		\$37,829
GRAZING		\$1,785
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546.00 ACRES	
LINT		\$116,025
SEED		\$19,656
DIRECT PAYMENT		\$0
WHEAT	357.00 ACRES	
CROP		\$44,982
GRAZING		\$3,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$223,847</u>
CASH OPERATING EXPENSES		
SEED		\$68,057
FERTILIZER		\$0
CHEMICALS		\$16,594
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$40,063
FUEL-IRRIGATION		\$0
REPAIRS		\$9,874
CUSTOM CHARGES		\$24,242
LAND TAXES		\$689
OTHER EXPENSES		\$35,986
TOTAL CASH EXPENSES		<u>\$195,656</u>
RETURN OVER CASH EXPENSES		\$28,191
FIXED EXPENSES		\$30,630
TOTAL EXPENSES		\$226,286
NET FARM INCOME		(\$2,438)
LABOR AND MANAGEMENT COSTS		\$37,055
NET OPERATING PROFIT		(\$39,493)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,830
INTEREST ON EQUIPMENT INVESTMENT		\$10,165
TOTAL CAPITAL COSTS		<u>\$12,995</u>
RETURN TO LAND AND RISK		<u>(\$52,488)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$58,248)	-10.37%
\$200 /ACRE	(\$60,168)	-8.88%
\$250 /ACRE	(\$62,088)	-7.76%
\$300 /ACRE	(\$64,008)	-6.89%
\$350 /ACRE	(\$65,928)	-6.20%
\$400 /ACRE	(\$67,848)	-5.64%

* 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)