

TABLE 1. Acreage Summary, Roosevelt County, Projected 2004.

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 2004.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.75
Purchased Inputs:		
Seed:		
Wheat	\$/pound	\$0.18
Grain Sorghum	\$/pound	\$1.30
Cotton	\$/pound	\$0.68
Fuel:		
Diesel fuel	\$/gallon	\$1.50
Gasoline	\$/gallon	\$1.45
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	6.50%
Land Interest Rate	percent	6.00%
Equipment Interest Rate	percent	6.50%
Real Interest Rate	percent	4.00%
Land Taxes	\$26.00 /acre (full value)	\$0.16
Personal Property Tax Rate	- NR \$/\$1,000 (Assessed Value)	\$18.03
	- 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 2004.

Item		
Electricity (Domestic & Shop)	\$215.00 per month	\$2,580
Telephone	\$100.00 per month	\$1,200
Accounting & Legal		\$1,660
Misc. Supplies & Hand Tools		\$2,480
Pickup and Auto		
miles	25,750 @ \$0.365 per mile	\$9,399
Insurance		
- general liability (non-employee)		\$1,800
- fire/theft		\$1,395
Property Taxes		
- non-planted land		\$8
- other than land & machinery		\$650
Building repairs and maintenance		\$1,355
Dues, fees, publications		\$400
Farmstead Equipment		\$180
	Total	\$23,107
	Total Per Planted Acre	\$18.34

TABLE 4. Equipment summary for a 1,280 acre, dryland farm with above average management, Causey-Lingo area, Roosevelt County
Projected 2004.

EQUIPMENT		ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS			FIXED COSTS			
ITEM & SIZE	FUEL, OIL, LUBRICANT				REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR	93 HP	680	1	\$19,045	\$7,008	\$5,954	\$10.30	\$8.75	\$1,226	\$129	\$1.99
TRACTOR	165 HP	502	1	\$25,350	\$7,392	\$3,361	\$14.73	\$6.70	\$4,652	\$210	\$9.69
TRUCK	2 TON	373	1	\$22,000	\$3,554	\$0	\$9.53	\$0.00	\$4,400	\$132	\$12.15
COTTON STRIPPER (M	2 ROW	317	1	\$2,950		\$0		\$0.00	\$767	\$35	\$2.53
PLANTER	8 ROW	108	1	\$5,500		\$1,472		\$13.59	\$1,100	\$33	\$10.46
CULTIVATOR	8 ROW	145	1	\$4,000		\$325		\$2.24	\$533	\$24	\$3.85
DISC	18 FT OFFSET	139	1	\$7,500		\$582		\$4.20	\$1,000	\$45	\$7.54
DRILL	40 FT	18	1	\$7,750		\$141		\$7.91	\$1,550	\$47	\$89.44
LISTER	8 ROW	81	1	\$3,200		\$159		\$1.95	\$427	\$19	\$5.49
STUBBLE MULCHER	20 FT	71	1	\$6,500		\$283		\$3.97	\$867	\$39	\$12.69
SHREDDER	4 ROW	137	1	\$2,500		\$345		\$2.53	\$333	\$15	\$2.55
SPRAYER (MTD)		21	1	\$1,500		\$40		\$1.89	\$200	\$9	\$9.76
COMBINE	145 HP	100	1	\$35,240	\$1,162	\$1,652	\$11.63	\$16.53	\$7,600	\$343	\$79.46
GRAIN HEAD	22 FT	100	1	\$3,600		\$128		\$1.28	\$501	\$23	\$5.24
ROD WEEDER	37 FT	63	1	\$1,150		\$45		\$0.71	\$153	\$7	\$2.54
CHISEL	9 PT	82	1	\$1,350		\$67		\$0.82	\$180	\$8	\$2.30
				\$149,135	\$19,117	\$14,554			\$25,490	\$1,117	

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 2004.

Planting Dates: May 15 - May 30

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$4.03	16.00 CWT		\$64.48
DIRECT PAYMENT	\$0.35	16.00 CWT	0.85	\$4.76
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$5.00	1 ACRE		\$5.00
TOTAL				\$74.24

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.30	3 LBS	\$3.90		\$3.90
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88		\$15.88
CROP INSURANCE	\$0.14		\$0.14		\$0.14
SUBTOTAL			\$19.92		\$19.92

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	165 HP	0.11 HR		\$0.83	\$1.62	\$1.20	\$1.90	\$5.55
STUBBLE MULCH	165 HP	0.10 HR		\$0.76	\$1.47	\$1.07	\$2.24	\$5.53
LISTER	165 HP	0.09 HR		\$0.68	\$1.33	\$0.78	\$1.37	\$4.15
ROD WEED	165 HP	0.05 HR		\$0.38	\$0.74	\$0.37	\$0.61	\$2.10
PLANTER	93 HP	0.12 HR		\$0.91	\$1.24	\$2.68	\$1.49	\$6.32
CULTIVATOR	93 HP	0.10 HR		\$0.76	\$1.03	\$1.10	\$0.58	\$3.47
SPRAYER	93 HP	0.06 HR		\$0.45	\$0.62	\$0.64	\$0.70	\$2.41
SUBTOTAL		0.63 HR		\$4.76	\$8.04	\$7.83	\$8.89	\$29.53

HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.06	\$1.63	\$2.49	\$11.86	\$17.04
HAUL	2 TON	0.14 HR		\$1.06	\$1.33	\$0.00	\$1.70	\$4.09
SUBTOTAL		0.28 HR		\$2.11	\$2.96	\$2.49	\$13.56	\$21.13

OVERHEAD EXPENSES								
DOWNTIME		0.12 HR		\$0.89				\$0.89
EMPLOYEE BENEFITS				\$1.24				\$1.24
INSURANCE			\$0.14					\$0.14
LAND TAXES							\$0.16	\$0.16
SUPERVISION AND MANAGEMENT				\$5.57				\$5.57
OTHER EXPENSES			\$18.34					\$18.34
SUBTOTAL		0.12 HR		\$18.48	\$7.70		\$0.16	\$26.33

TOTAL OPERATING EXPENSES 1.03 HR \$38.40 \$14.57 \$11.00 \$10.33 \$22.61 \$96.91

NET OPERATING PROFIT (\$22.67)

INTEREST ON OPERATING CAPITAL (\$14.39 @ 6.50%) \$0.94
 INTEREST ON EQUIPMENT INVESTMENT \$9.77

RETURN TO LAND AND RISK (\$33.37)

BUDGET SUMMARY

GROSS RETURN		\$74.24	
VARIABLE OPERATING EXPENSES	\$59.73		
RETURN OVER VARIABLE EXPENSES		\$14.51	(GROSS MARGIN)
FIXED EXPENSES	\$22.61		
NET FARM INCOME		(\$8.10)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.57		
NET OPERATING PROFIT		(\$22.67)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.70		
RETURN TO LAND AND RISK		(\$33.37)	

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 2004.

Planting Dates: May 1 - June 10

Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
LINT	\$0.50	250.00 LBS						\$125.00
SEED	\$0.08	400 LBS						\$30.00
DIRECT PAYMENT	\$0.0667	250.00 LBS	0.85					\$14.17
COUNTER CYCLICAL PAYMENT	\$0.1373	250.00 LBS	0.85					\$29.18
TOTAL								\$198.35
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.68	15 LBS	\$10.20					\$10.20
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01					\$20.01
CROP INSURANCE	\$0.09		\$0.09					\$0.09
SUBTOTAL			\$30.30					\$30.30
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	165 HP	0.15 HR		\$1.13	\$2.21	\$1.13	\$1.80	\$6.27
DISC	165 HP	0.11 HR		\$0.83	\$1.62	\$1.20	\$1.90	\$5.55
LISTER	165 HP	0.09 HR		\$0.68	\$1.33	\$0.78	\$1.37	\$4.15
ROD WEED	165 HP	0.05 HR		\$0.38	\$0.74	\$0.37	\$0.61	\$2.10
PLANTER	165 HP	0.12 HR		\$0.91	\$1.77	\$2.43	\$2.42	\$7.53
CULTIVATOR (2X)	93 HP	0.20 HR		\$1.51	\$2.06	\$2.20	\$1.17	\$6.94
HAND HOE (CUSTOM)			\$6.00					\$6.00
SUBTOTAL		0.72 HR	\$6.00	\$5.44	\$9.72	\$8.11	\$9.26	\$38.53
HARVEST OPERATIONS								
COTTON STRIPPER (MTD)	93 HP	0.58 HR		\$4.38	\$5.98	\$5.08	\$2.62	\$18.06
HAUL	2 TON	0.50 HR		\$3.78	\$4.76	\$0.00	\$6.08	\$14.62
GIN COTTON (CUSTOM)			\$38.40					\$38.40
SUBTOTAL		1.08 HR	\$38.40	\$8.15	\$10.74	\$5.08	\$8.70	\$71.07
POST HARVEST OPERATIONS								
SHREDDER	93 HP	0.25 HR		\$1.89	\$2.58	\$2.82	\$1.14	\$8.42
OVERHEAD EXPENSES								
DOWNTIME		0.47 HR		\$3.57				\$3.57
EMPLOYEE BENEFITS				\$2.79				\$2.79
INSURANCE			\$0.31					\$0.31
LAND TAXES						\$0.16		\$0.16
SUPERVISION AND MANAGEMENT				\$14.83				\$14.83
OTHER EXPENSES			\$18.34					\$18.34
SUBTOTAL		0.47 HR	\$18.65	\$21.18		\$0.16		\$39.99
TOTAL OPERATING EXPENSES		2.52 HR	\$93.35	\$36.66	\$23.04	\$16.01	\$19.25	\$188.30
NET OPERATING PROFIT								\$10.05
INTEREST ON OPERATING CAPITAL		(\$22.27 @	6.50%)				\$1.45
INTEREST ON EQUIPMENT INVESTMENT								\$6.84
RETURN TO LAND AND RISK								\$1.76

BUDGET SUMMARY

GROSS RETURN		\$198.35	
VARIABLE OPERATING EXPENSES	\$132.39		
RETURN OVER VARIABLE EXPENSES		\$65.96	(GROSS MARGIN)
FIXED EXPENSES	\$19.25		
NET FARM INCOME		\$46.71	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$36.66		
NET OPERATING PROFIT		\$10.05	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$8.29		
RETURN TO LAND AND RISK		\$1.76	

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 2004.

Planting dates: August 15 - September 15

Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
WHEAT	\$3.75	18.00 BUSHELS							\$67.50
DIRECT PAYMENT	\$0.52	18.00 BUSHEL	0.85						\$7.96
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00
GRAZING	\$10.00	1.00 ACRE							\$10.00
TOTAL									\$85.46
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$0.18	30 LB	\$5.40						\$5.40
CROP INSURANCE	\$0.14		\$0.14						\$0.14
			\$5.54						\$5.54
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
STUBBLE MULCH	165 HP	0.10 HR		\$0.76	\$1.47	\$1.07	\$2.24	\$5.53	
DISC	165 HP	0.11 HR		\$0.83	\$1.62	\$1.20	\$1.90	\$5.55	
RODWEED	165 HP	0.05 HR		\$0.38	\$0.74	\$0.37	\$0.61	\$2.10	
DRILL	93 HP	0.05 HR		\$0.38	\$0.52	\$0.83	\$4.57	\$6.30	
SUBTOTAL		0.31 HR		\$2.34	\$4.35	\$3.47	\$9.32	\$19.47	
HARVEST OPERATIONS									
COMBINE		0.14 HR		\$1.06	\$1.63	\$2.49	\$11.86	\$17.04	
HAUL	2 TON	0.14 HR		\$1.06	\$1.33	\$0.00	\$1.70	\$4.09	
SUBTOTAL		0.28 HR		\$2.11	\$2.96	\$2.49	\$13.56	\$21.13	
OVERHEAD EXPENSES									
DOWNTIME		0.10 HR		\$0.76				\$0.76	
EMPLOYEE BENEFITS				\$0.80				\$0.80	
INSURANCE			\$0.09					\$0.09	
LAND TAXES							\$0.16	\$0.16	
SUPERVISION AND MANAGEMENT				\$6.14				\$6.14	
OTHER EXPENSES			\$18.34					\$18.34	
SUBTOTAL		0.10 HR	\$18.43	\$7.69			\$0.16	\$26.28	
TOTAL OPERATING EXPENSES		0.41 HR	\$23.83	\$12.15	\$7.31	\$5.96	\$23.03	\$72.28	
NET OPERATING PROFIT								\$13.18	
INTEREST ON OPERATING CAPITAL		(\$5.11 @ 6.50%)						\$0.33	
INTEREST ON EQUIPMENT INVESTMENT								\$9.69	
RETURN TO LAND AND RISK								\$3.15	

BUDGET SUMMARY

GROSS RETURN		\$85.46	
VARIABLE OPERATING EXPENSES	\$37.10		
RETURN OVER VARIABLE EXPENSES		\$48.36	(GROSS MARGIN)
FIXED EXPENSES	\$23.03		
NET FARM INCOME		\$25.33	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$12.15		
NET OPERATING PROFIT		\$13.18	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.02		
RETURN TO LAND AND RISK		\$3.15	

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

	GRAIN SORGHUM	STRIPPER COTTON	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	16.00	250.00	18.00
PRIMARY PRICE	\$4.03	\$0.50	\$3.75
GOVERNMENT PAYMENTS	\$4.76	\$14.17	\$7.96
SECOND INCOME	\$5.00	\$30.00	\$10.00
GROSS RETURN	\$74.24	\$198.35	\$85.46
CASH OPERATING EXPENSES			
SEED	\$3.90	\$10.20	\$5.40
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.09	\$0.14
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$11.00	\$23.04	\$7.31
FUEL-IRRIGATION			
REPAIRS	\$10.33	\$16.01	\$5.96
CUSTOM CHARGES	\$0.00	\$44.40	\$0.00
LAND TAXES	\$0.16	\$0.16	\$0.16
OTHER EXPENSES	\$18.48	\$18.65	\$18.43
TOTAL CASH EXPENSES	\$59.89	\$132.55	\$37.39
RETURN OVER CASH EXPENSES	\$14.35	\$65.80	\$48.06
FIXED EXPENSES	\$22.45	\$19.09	\$22.88
TOTAL EXPENSES	\$82.34	\$151.64	\$60.27
NET FARM INCOME	(\$8.10)	\$46.71	\$25.19
LABOR AND MANAGEMENT COSTS	\$14.57	\$36.66	\$12.15
NET OPERATING PROFIT	(\$22.67)	\$10.05	\$13.04
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$0.94	\$1.45	\$0.33
INTEREST ON EQUIPMENT INVESTMENT	\$9.77	\$6.84	\$9.69
TOTAL CAPITAL COSTS	\$10.70	\$8.29	\$10.02
RETURN TO LAND AND RISK	(\$33.37)	\$1.76	\$3.01

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

GROSS RETURNS		
GRAIN SORGHUM	357.00 ACRES	
CROP		\$23,019
GRAZING		\$1,785
DIRECT PAYMENT		\$1,699
COUNTER CYCLICAL PAYMENT		\$0
COTTON	546.00 ACRES	
LINT		\$68,250
SEED		\$16,380
DIRECT PAYMENT		\$5,060
WHEAT	357.00 ACRES	
CROP		\$24,098
GRAZING		\$3,570
DIRECT PAYMENT		\$2,840
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$146,702</u>
CASH OPERATING EXPENSES		
SEED		\$8,889
FERTILIZER		\$0
CHEMICALS		\$16,594
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$19,117
FUEL-IRRIGATION		\$0
REPAIRS		\$14,554
CUSTOM CHARGES		\$24,242
LAND TAXES		\$197
OTHER EXPENSES		\$23,357
TOTAL CASH EXPENSES		<u>\$107,101</u>
RETURN OVER CASH EXPENSES		\$39,601
FIXED EXPENSES		\$26,607
TOTAL EXPENSES		\$133,708
NET FARM INCOME		\$12,994
LABOR AND MANAGEMENT COSTS		\$29,554
NET OPERATING PROFIT		(\$16,560)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,243
INTEREST ON EQUIPMENT INVESTMENT		\$10,683
TOTAL CAPITAL COSTS		<u>\$11,926</u>
RETURN TO LAND AND RISK		<u>(\$28,486)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$36,166)	-4.85%
\$200 /ACRE	(\$38,726)	-4.09%
\$250 /ACRE	(\$41,286)	-3.53%
\$300 /ACRE	(\$43,846)	-3.11%
\$350 /ACRE	(\$46,406)	-2.77%
\$400 /ACRE	(\$48,966)	-2.50%

* 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)