

TABLE 1. Acreage Summary, Roosevelt County,
Projected 2019

BUDGET AREA.....	CAUSEY-LINGO AREA, ROOSEVELT COUNTY
FARM SIZE.....	1,280 ACRES
IRRIGATION TYPE.....	DRYLAND
NUMBER OF CROPS.....	3...
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ACREAGE SUMMARY:	LAND USE (ACRES)
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GRAIN SORGHUM	357.00
ARP	0.00
FLEX IN COTTON	63.00
COTTON	157.00
ARP	0.00
FLEX IN COTTON	63.00
WHEAT	557.00
ARP	0.00
FLEX IN COTTON	63.00
ROADS, HOMESTEAD	20.00
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TOTAL	1,280.00
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TABLE 2. Basic cost information for the Causey-Lingo area, Roosevelt County,
Projected 2019

Item			
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Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Seed:			
Wheat		\$/pound	\$0.40
Grain Sorghum		\$/pound	\$2.05
Cotton		\$/pound	\$8.10
Fuel:			
Diesel fuel		\$/gallon	\$2.65
Gasoline		\$/gallon	\$2.35
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)	\$20.26
	- R		\$13.80
Supervision Factor		\$/labor hour	\$0.50
Management Rate		percent	7.00%
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TABLE 3. Overhead cost information for the Causey-Lingo area, Roosevelt County,
Projected 2019

Item			
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Electricity (Domestic & Shop)		\$249.60 per month	\$2,995
Telephone		\$115.20 per month	\$1,382
Accounting & Legal			\$1,888
Misc. Supplies & Hand Tools			\$2,822
Pickup and Auto			
miles	32,960	@ \$0.500 per mile	\$16,480
Insurance			
- general liability (non-employee)			\$2,048
- fire/theft			\$1,587
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,542
Dues, fees, publications			\$461
Farmstead Equipment			\$205
			Total
			\$37,421
Total Per Planted Acre			\$29.70
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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 2019
 Planting Dates: May 15 - May 30
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$6.33	15.00 CWT		\$94.88
PROGRAM PAYMENT	\$0.00	15.00 CWT	0.85	\$0.00
PLC PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$5.00	1 ACRE		\$5.00
TOTAL				\$99.88

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.05	3 LBS	\$6.15		\$6.15
INSECTICIDE	\$15.88	1 X/ACRE	\$15.88		\$15.88
CROP INSURANCE	\$0.14		\$0.14		\$0.14
SUBTOTAL			\$22.17		\$22.17

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	165 HP	0.11 HR		\$0.94	\$2.61	\$1.61	\$2.36	\$7.53
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.38	\$1.34	\$2.38	\$6.96
LISTER	165 HP	0.09 HR		\$0.77	\$2.14	\$0.84	\$1.89	\$5.63
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.19	\$0.34	\$0.82	\$2.78
PLANTER	93 HP	0.12 HR		\$1.03	\$1.72	\$0.42	\$1.74	\$4.90
CULTIVATOR	93 HP	0.10 HR		\$0.86	\$1.43	\$0.59	\$0.63	\$3.50
SPRAYER	93 HP	0.06 HR		\$0.51	\$0.86	\$0.10	\$0.65	\$2.12
SUBTOTAL		0.63 HR		\$5.39	\$12.32	\$5.24	\$10.47	\$33.42

HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.20	\$3.10	\$0.36	\$9.81	\$14.46
HAUL	2 TON	0.14 HR		\$1.20	\$2.36	\$0.90	\$2.21	\$6.67
SUBTOTAL		0.28 HR		\$2.39	\$5.46	\$1.26	\$12.02	\$21.13

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				\$7.37				\$7.37
OTHER EXPENSES			\$29.70					\$29.70
SUBTOTAL		0.12 HR		\$29.85	\$9.77		\$0.60	\$40.23

TOTAL OPERATING EXPENSES 1.03 HR \$52.03 \$17.55 \$17.78 \$6.50 \$23.09 \$116.95

NET OPERATING PROFIT (\$17.07)

INTEREST ON OPERATING CAPITAL (\$16.04 @ 5.50%) \$0.88
 INTEREST ON EQUIPMENT INVESTMENT \$8.24

RETURN TO LAND AND RISK (\$26.19)

BUDGET SUMMARY			
GROSS RETURN		\$99.88	
VARIABLE OPERATING EXPENSES	\$76.31		
RETURN OVER VARIABLE EXPENSES		\$23.57	(GROSS MARGIN)
FIXED EXPENSES	\$23.09		
NET FARM INCOME		\$0.48	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$17.55		
NET OPERATING PROFIT		(\$17.07)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.12		
RETURN TO LAND AND RISK		(\$26.19)	

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 2019
 Planting Dates: May 1 - June 10
 Harvest Dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
LINT	\$0.68	250.00 LBS						\$170.00
SEED	\$0.08	400 LBS						\$33.60
PROGRAM PAYMENT	\$0.0000	250.00 LBS	0.85					\$0.00
PLC PAYMENT	\$0.3670	250.00 LBS	0.85					\$77.99
TOTAL								\$281.59
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$8.10	15 LBS	\$121.50					\$121.50
INSECTICIDE (CUSTOM)	\$20.01	1 X/ACRE	\$20.01					\$20.01
CROP INSURANCE	\$0.14		\$0.14					\$0.14
SUBTOTAL			\$141.65					\$141.65
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	165 HP	0.15 HR		\$1.28	\$3.56	\$1.05	\$2.63	\$8.53
DISC	165 HP	0.11 HR		\$0.94	\$2.61	\$1.61	\$2.36	\$7.53
LISTER	165 HP	0.09 HR		\$0.77	\$2.14	\$0.84	\$1.89	\$5.63
ROD WEED	165 HP	0.05 HR		\$0.43	\$1.19	\$0.34	\$0.82	\$2.78
PLANTER	165 HP	0.12 HR		\$1.03	\$2.85	\$0.96	\$3.28	\$8.12
CULTIVATOR (2X)	93 HP	0.20 HR		\$1.71	\$2.86	\$1.17	\$1.27	\$7.01
HAND HOE (CUSTOM)			\$6.00					\$6.00
SUBTOTAL		0.72 HR	\$6.00	\$6.16	\$15.22	\$5.97	\$12.25	\$45.59
HARVEST OPERATIONS								
COTTON STRIPPER (MTD)	93 HP	0.58 HR		\$4.96	\$8.30	\$1.05	\$2.90	\$17.22
HAUL	2 TON	0.50 HR		\$4.28	\$8.42	\$3.22	\$7.90	\$23.81
GIN COTTON (CUSTOM)			\$38.40					\$38.40
SUBTOTAL		1.08 HR	\$38.40	\$9.23	\$16.72	\$4.27	\$10.80	\$79.43
POST HARVEST OPERATIONS								
SHREDDER	93 HP	0.25 HR		\$2.14	\$3.58	\$0.32	\$1.26	\$7.30
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				\$20.66				\$20.66
OTHER EXPENSES			\$29.70					\$29.70
SUBTOTAL		0.47 HR	\$30.05	\$27.85			\$0.60	\$58.50
TOTAL OPERATING EXPENSES		2.52 HR	\$216.10	\$45.38	\$35.51	\$10.57	\$24.91	\$332.47
NET OPERATING PROFIT								(\$50.89)
INTEREST ON OPERATING CAPITAL		(\$78.85 @	5.50%)				\$4.34
INTEREST ON EQUIPMENT INVESTMENT								\$7.94
RETURN TO LAND AND RISK								(\$63.16)

BUDGET SUMMARY

GROSS RETURN		\$281.59	
VARIABLE OPERATING EXPENSES	\$262.18		
RETURN OVER VARIABLE EXPENSES		\$19.40	(GROSS MARGIN)
FIXED EXPENSES	\$24.91		
NET FARM INCOME		(\$5.51)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$45.38		
NET OPERATING PROFIT		(\$50.89)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.28		
RETURN TO LAND AND RISK		(\$63.16)	

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 2019
 Planting dates: August 15 - September 15
 Harvesting dates: June 1 - June 25

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
WHEAT	\$5.10	18.00 BUSHELS						\$91.80
PROGRAM PAYMENT	\$0.00	18.00 BUSHELS	0.85					\$0.00
PLC PAYMENT	\$0.00							\$0.00
GRAZING	\$20.00	1.00 ACRE						\$20.00
TOTAL								\$111.80
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.40	30 LB	\$12.00					\$12.00
CROP INSURANCE	\$0.09		\$0.09					\$0.09
			\$12.09					\$12.09
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
STUBBLE MULCH	165 HP	0.10 HR		\$0.86	\$2.38	\$1.34	\$2.38	\$6.96
DISC	165 HP	0.11 HR		\$0.94	\$2.61	\$1.61	\$2.36	\$7.53
RODWEED	165 HP	0.05 HR		\$0.43	\$1.19	\$0.34	\$0.82	\$2.78
DRILL	93 HP	0.05 HR		\$0.43	\$0.72	\$0.23	\$2.93	\$4.30
SUBTOTAL		0.31 HR		\$2.65	\$6.89	\$3.52	\$8.49	\$21.56
HARVEST OPERATIONS								
COMBINE		0.14 HR		\$1.20	\$3.10	\$0.36	\$9.81	\$14.46
HAUL	2 TON	0.14 HR		\$1.20	\$2.36	\$0.90	\$2.21	\$6.67
SUBTOTAL		0.28 HR		\$2.39	\$5.46	\$1.26	\$12.02	\$21.13
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				\$7.98				\$7.98
OTHER EXPENSES			\$29.70					\$29.70
SUBTOTAL		0.10 HR	\$29.80	\$9.74			\$0.60	\$40.15
TOTAL OPERATING EXPENSES		0.41 HR	\$41.80	\$14.79	\$12.35	\$4.78	\$21.11	\$94.83
NET OPERATING PROFIT								\$16.97
INTEREST ON OPERATING CAPITAL		(\$9.16 @	5.50%)				\$0.50
INTEREST ON EQUIPMENT INVESTMENT								\$7.39
RETURN TO LAND AND RISK								\$9.07

BUDGET SUMMARY			
GROSS RETURN		\$111.80	
VARIABLE OPERATING EXPENSES	\$58.93		
RETURN OVER VARIABLE EXPENSES	\$52.87		(GROSS MARGIN)
FIXED EXPENSES	\$21.11		
NET FARM INCOME		\$31.76	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$14.79		
NET OPERATING PROFIT		\$16.97	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$7.89		
RETURN TO LAND AND RISK		\$9.07	

TABLE 8. Summary of per acre costs and returns for a 1,280 acre farm with above average management, Roosevelt County, Projected 2019

	GRAIN SORGHUM	STRIPPER COTTON	WHEAT
	CWT	LBS	BU
PRIMARY YIELD	15.00	250.00	18.00
PRIMARY PRICE	\$6.33	\$0.68	\$5.10
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$5.00	\$33.60	\$20.00
GROSS RETURN	\$99.88	\$281.59	\$111.80
CASH OPERATING EXPENSES			
SEED	\$6.15	\$121.50	\$12.00
FERTILIZER			
CHEMICALS	\$15.88	\$20.01	
CROP INSURANCE	\$0.14	\$0.14	\$0.09
OTHER PURCHASED INPUTS			
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$17.78	\$35.51	\$12.35
FUEL-IRRIGATION			
REPAIRS	\$6.50	\$10.57	\$4.78
CUSTOM CHARGES	\$0.00	\$44.40	\$0.00
LAND TAXES	\$0.60	\$0.60	\$0.60
OTHER EXPENSES	\$29.85	\$30.05	\$29.80
TOTAL CASH EXPENSES	\$76.91	\$262.79	\$59.62
RETURN OVER CASH EXPENSES	\$22.97	\$18.80	\$52.18
FIXED EXPENSES	\$22.49	\$24.31	\$20.51
TOTAL EXPENSES	\$99.40	\$287.10	\$80.13
NET FARM INCOME	\$0.48	(\$5.51)	\$31.67
LABOR AND MANAGEMENT COSTS	\$17.55	\$45.38	\$14.79
NET OPERATING PROFIT	(\$17.07)	(\$50.89)	\$16.88
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL	\$0.88	\$4.34	\$0.50
INTEREST ON EQUIPMENT INVESTMENT	\$8.24	\$7.94	\$7.39
TOTAL CAPITAL COSTS	\$9.12	\$12.28	\$7.89
RETURN TO LAND AND RISK	(\$26.19)	(\$63.16)	\$8.98

TABLE 9. Whole farm summary, Causey-Lingo area, Roosevelt County,
Projected 2019

GROSS RETURNS		
GRAIN SORGHUM	357.00 ACRES	
CROP		\$33,870
GRAZING		\$1,785
PROGRAM PAYMENT		\$0
PLC PAYMENT		\$0
COTTON	346.00 ACRES	
LINT		\$58,820
SEED		\$11,626
DIRECT PAYMENT		\$0
WHEAT	557.00 ACRES	
CROP		\$51,133
GRAZING		\$11,140
PROGRAM PAYMENT		\$0
PLC PAYMENT		\$0
GROSS RETURN		<u>\$168,374</u>
CASH OPERATING EXPENSES		
SEED		\$50,919
FERTILIZER		\$0
CHEMICALS		\$12,593
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$25,513
FUEL-IRRIGATION		\$0
REPAIRS		\$8,640
CUSTOM CHARGES		\$15,362
LAND TAXES		\$757
OTHER EXPENSES		\$37,654
TOTAL CASH EXPENSES		<u>\$151,589</u>
RETURN OVER CASH EXPENSES		\$16,785
FIXED EXPENSES		\$27,865
TOTAL EXPENSES		\$179,454
NET FARM INCOME		(\$11,080)
LABOR AND MANAGEMENT COSTS		\$30,204
NET OPERATING PROFIT		(\$41,285)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,096
INTEREST ON EQUIPMENT INVESTMENT		\$9,804
TOTAL CAPITAL COSTS		<u>\$11,900</u>
RETURN TO LAND AND RISK		<u>(\$53,184)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$58,944)	-11.09%
\$200 /ACRE	(\$60,864)	-9.46%
\$250 /ACRE	(\$62,784)	-8.25%
\$300 /ACRE	(\$64,704)	-7.32%
\$350 /ACRE	(\$66,624)	-6.57%
\$400 /ACRE	(\$68,544)	-5.96%

* 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)