

Table 6A. Income and Cash Operating Cost Summary, Upland Cotton, 1996

COUNTY: Graham	FARM: Graham County Farm	WATER SOURCE: Both	TILLAGE: Conventional
CROP: Cotton, Upland	ACRES: 1.0	IRRIGATION SYSTEM: Flood Furrow	SOIL: Sandy-Loam
AREA: Safford Valley	YIELD: 872.0 Lb/Acre	PREVIOUS CROP: Cotton, Upland	DATE: 10/14/96

Item	Unit	Quantity	Price /Unit	Budgeted /Acre	Total /Acre	Your Farm Budget
INCOME -> Lint	Pound	872.00	\$0.7200	\$627.84		
Cottonseed	Ton	0.82	114.6000	93.97	\$721.81	
CASH LAND PREPARATION AND GROWING EXPENSES (including sales tax)						
Paid Labor (including benefits)					121.30	
Tractor/Self Propelled				54.97		
Hand				35.52		
Irrigation				30.81		
Chemicals & Custom Applications					86.15	
Fertilizers				22.64		
Insecticides				46.80		
Herbicides				16.71		
Farm Machinery and Vehicles					60.03	
Diesel Fuel				30.15		
Repairs & Maint.				29.88		
Irrigation (excluding labor)					18.91	
Pump Energy - Elect.				17.78		
Repairs & Maint.				1.13		
Water Assessment (See Note Below) **					**	
Other Purchased Inputs & Services					27.17	
Seed/Transplants				21.17		
Other Services & Rentals				6.00		
TOTAL CASH LAND PREPARATION AND GROWING EXPENSES					313.56	
CASH HARVEST AND POST HARVEST EXPENSES						
Paid Labor (including benefits)					19.25	
Tractor/Self Propelled				8.50		
Other/Contract				10.75		
Chemicals & Custom Applications					12.77	
Other Chemicals				12.77		
Farm Machinery and Vehicles					64.74	
Diesel Fuel				12.50		
Repairs & Maint.				52.24		
Custom Harvest/Post Harvest					2.67	
Cotton Ginning					76.94	
Crop Assessments					5.07	
Other Materials					1.32	
TOTAL HARVEST AND POST HARVEST EXPENSE					182.77	
OPERATING OVERHEAD->PICKUP USE					14.86	
OPERATING INTEREST AT 8.0%					9.55	
TOTAL CASH OPERATING EXPENSES					\$520.74	
RETURNS OVER CASH OPERATING EXPENSES					\$201.07	

Notes: The above figures do not include ownership costs, see Table 6B on Next Page for detailed cost allocation.

** A water assessment charge of \$35.00/Acre is included in the ownership costs of Table 6B.

Table 6B. Allocation of Ownership Costs; Upland Cotton, 1996

COUNTY: Graham	FARM: Graham County Farm	WATER SOURCE: Both	TILLAGE: Conventional
CROP: Cotton, Upland	ACRES: 1.0	IRRIGATION SYSTEM: Flood Furrow	SOIL: Sandy-Loam
AREA: Safford Valley	YIELD: 872.0 Lb/Acre	PREVIOUS CROP: Cotton, Upland	DATE: 10/14/96

Item	- CASH COST BASIS (\$/ACRE) -		- TOTAL COST BASIS (\$/ACRE) -	
	Income & Costs	Net Returns	Income & Costs	Net Returns
TOTAL INCOME at \$ 0.7200/Lb + 2nd Crop	\$721.81		\$721.81	
TOTAL OPERATING EXPENSES	520.73		520.73	
RETURN OVER CASH OPERATING EXPENSES		\$201.07		\$201.07
CASH OVERHEAD EXPENSES				
Taxes, Housing & Insur., Farm Machinery	11.39		11.39	
Wells & Irrig. System	5.53		5.53	
Gen. & Off. Overhead (5% of Tot. Oper. Exp.)	26.03		26.03	
General Farm Maint. (3% of Tot. Oper. Exp.)	15.62		15.62	
Total Cash Overhead Expenses	<u>58.57</u>		<u>58.57</u>	
Total Cash Oper. & Over. Cost	579.31		579.31	
RETURNS OVER CASH OPER. & OVER. EXPENSES.		142.49		142.49
CAPITAL ALLOCATIONS (100% Equity)				
Capital Replacement, Machinery & Vehicles			78.84	
Wells & Irrig. System			9.87	
Interest on Equity, Machinery & Vehicles			31.42	
Wells & Irrig. System			3.75	
Total Capital Allocations			<u>123.88</u>	
RETURNS TO LAND, CAPITAL, MANAGEMENT & RISK		142.49		
RETURNS TO LAND, MANAGEMENT & RISK				18.61
LAND COSTS / OWNERSHIP (100% Equity)				
Property Taxes (\$660 X 16% X .10016)	10.57		10.57	
Opport. Inter. on Land (100% X 6.0% X \$660)			39.60	
Water Assessment **	35.00		35.00	
Total Land Costs	<u>45.57</u>		<u>85.17</u>	
RETURNS TO MANAGEMENT, CAPITAL & RISK		96.91		
RETURNS TO MANAGEMENT & RISK				(66.56)
Management Services (8% of Tot. Oper. Exp.)			41.65	
TOTAL OWNERSHIP COST	<u>104.15</u>		<u>309.29</u>	
TOTAL COST	<u>624.89</u>		<u>830.03</u>	
RETURN TO MANAGEMENT, CAPITAL & RISK		\$96.91		
RETURN TO RISK (PROFITS)				(\$108.22)
BREAK-EVEN PRICE TO COVER OPERATING COST (PER Lb)		\$0.4894		\$0.4894
BREAK-EVEN PRICE TO COVER OWNERSHIP COST		\$0.1194		\$0.3546
BREAK-EVEN PRICE TO COVER TOTAL COST		\$0.6088		\$0.8441

Table 6C. Variable Operating Costs; Upland Cotton, 1996

COUNTY: Graham FARM: Graham County Farm WATER SOURCE: Both TILLAGE: Conventional
 CROP: Cotton, Upland ACRES: 1.0 IRRIGATION SYSTEM: Flood Furrow SOIL: Sandy-Loam
 AREA: Safford Valley YIELD: 872.0 Lb/Acre PREVIOUS CROP: Cotton, Upland DATE: 10/14/96

No.	First Month	Operation	— Hours * —		— Operating Costs (\$/Acre*) —				Times	Tot. Cash Expense	Class	
			Machine	Labor	Fuel/Rps.	Labor	Cust/Ser.	Materials				Total
30	Nov	Cotton, Second Pick	0.600	0.667	23.25	4.67			27.92	0.8	22.34	H
31	Nov	Cotton, Make Modules	0.265	0.294	3.54	2.47		0.20	6.21	1.0	6.21	H
32	Oct	Haul, Custom 0.1 Mu							0.00	1.0	0.00	H
33	Oct	Cotton Ginning 25.6 Cs					76.94		76.94	1.0	76.94	P
34	Dec	Cotton Classing 1.8 Ba					2.67		2.67	1.0	2.67	M
35	Dec	Crop Assessment 1.8 Ba					5.07		5.07	1.0	5.07	M
36	Dec	Cut Stalks	0.225	0.250	2.33	2.10			4.43	1.0	4.43	P
37	Dec	Disk Residue	0.300	0.333	3.59	2.80			6.39	1.0	6.39	L
		Pickup Use 60 Mi/Ac	2.000		14.85						14.85	O
		Operating Interest at 8.00%					9.61				9.61	O
TOTAL CASH OPERATING EXPENSES:					\$158.55	\$140.57	\$118.29	\$103.42			\$520.83	T

* NOTES: Machine and labor hours and operating cost are for one time over the designated acreage. The 'Tot. Cash Expense' column and the 'TOTAL CASH OPERATING EXPENSES:' row include all operations, all times over. Classes are defined below. A water assessment charge of \$35.00/Acre included as ownership cost in Table 6B.

OPERATING COST SUMMARY BY CLASS		SENSITIVITY OF NET REVENUES OVER TOTAL CASH EXPENSES (\$/Acre)								
		Prices ->		-25%	-10%	Budgeted	+10%	+25%		
Land Preparation (L)	\$76.62									
Growing (G)	236.96									
Harvest (H)	93.66	Yields		\$0.54	\$0.64	\$0.72	\$0.79	\$0.90	Break-even	
Post Harvest (P)	81.36									
Marketing (M)	7.74		-25%	654.0	-121.97	-51.34	-4.25	42.83	113.46	0.72
Operating Overhead (O)	24.46		-10%	784.8	-78.75	5.99	62.50	119.00	203.76	0.64
			Budgeted	872.0	-49.94	44.22	107.01	169.79	263.97	0.59
Total (T)	\$520.82		+10%	959.2	-21.13	82.45	151.51	220.58	324.17	0.56
			+25%	1,090.0	22.07	139.79	218.27	296.75	414.47	0.51
			Break-even Yield		1,023.17	771.11	662.33	580.45	489.65	

Table 6D. Resource and Cash Flow Requirements; Upland Cotton, 1996

COUNTY: Graham FARM: Graham County Farm WATER SOURCE: Both
 CROP: Cotton, Upland ACRES: 1.0 IRRIGATION SYSTEM: Flood Furrow TILLAGE: Conventional
 AREA: Safford Valley YIELD: 872.0 Lb/Acre PREVIOUS CROP: Cotton, Upland SOIL: Sandy-Loam
 DATE: 10/14/96

Month *	Number Irrig.	Water Applied (Inches)	Total Labor (Hrs)	Operating Cost (\$/Acre)						
				Purchased Water	Fuel, Oil & Repairs	Labor	Chemicals	Other Purchases	Services	Total
JAN C			1.00		10.54	8.41				18.95
FEB C	0.3	3.6	1.31		10.57	10.55	3.16			24.28
MAR C	0.7	8.4	1.09		5.81	8.10	0.79			14.70
APR C			1.74		13.69	14.71	22.64	21.17		72.21
MAY C			3.84		4.68	26.55				31.23
JUN C	2.0	8.0	3.08		7.05	21.57				28.61
JUL C	3.0	12.0	1.64		10.71	12.51	12.77		6.00	41.99
AUG C	4.0	16.0	1.70		9.85	12.58	19.20		12.00	53.63
SEP C	1.0	6.0	0.54		2.86	3.95	22.37		6.00	35.18
OCT C			1.41		39.88	10.52		1.13	61.55	113.07
NOV C			0.82		22.14	6.21		0.20	15.39	43.93
DEC C			0.58		5.92	4.90			7.74	18.56
Pickup Use 60 Mi/Ac					14.85					14.85
Operating Interest at 8.0%									9.60	9.60
Water Assessment				**						
Total	11.0	54.0	18.81		158.55	140.55	80.93	22.49	118.28	520.80
%					30.44	26.98	15.54	4.31	22.71	100.00
TOTAL RESOURCES REQUIREMENTS (/Acre)			TOTAL ENERGY REQUIREMENTS (/Acre)							
Total N	102.5 lbs			Diesel Fuel	39.0 Gal					
Total P	0.0 lbs			Regular Gas	0.0 Gal					
Total K	0.0 lbs			NonLead Gas	6.0 Gal					
Total Labor	18.8 Hrs			Electricity/Pumping	179.2 KWH					
Total Water	54.0 AI			All Direct Energy	6.7 M BTU					
EQUIPMENT REQUIREMENTS (/Acre)										
Tractor, 100 PTO HP, MFWD	5.86 Hrs	Moldboard Plow, 3-16 2 Way	0.90 Hrs	Landplane 12'X 45'	0.19 Hrs					
Drag Scraper, 10'	0.09 Hrs	Laser Receiver, Mast System	0.09 Hrs	Laser Trailer	0.09 Hrs					
Saddle Tk Sprayer, 2 Tk 8 Row	0.45 Hrs	Dbl. Offset Disk, 13'	0.23 Hrs	Lister, 5 Bottom	0.23 Hrs					
Offset Disk, 13.5'	0.57 Hrs	Rowbuck, 10'	0.21 Hrs	Power Mulcher, 4 Rw	0.60 Hrs					
Planter, 4 Row	0.00 Hrs	Section Harrow, 3 Section	0.18 Hrs	Fertilizer Injector, 4 Row	0.15 Hrs					
Cultivator, Sweep, 4 Rw	1.80 Hrs	Blade Scraper, 10'	0.05 Hrs	Cotton Picker, 2 Row	1.38 Hrs					
Tractor, 80 PTO HP, MFWD	0.64 Hrs	Module Builder	0.64 Hrs	Rotary Stalk Cutter, 4 Row	0.23 Hrs					
Pickup Truck, 1/2 Ton	2.00 Hrs									
MATERIALS REQUIREMENTS (/Acre)										
Trifluralin	1.00 Pt	Water, District	37.80 AI	Water, Pump	16.20 AI					
Upl Cotton Sd+NU-Flow ND	28.00 Lb	82-00-00, Anhyd. Ammonia	125.00 Lb		1.75 Qt					
Prometryn	1.20 Pt	Lambdacyhalothrin	15.00 Oz	Sodium Chlorate	2.00 Ga					
Module Tarps	25.22 CW									
LABOR REQUIREMENTS (/Acre)										
Tractor	7.55 Hrs	Irrigators	4.40 Hrs	Hand Weeders	5.33 Hrs					
Harvest	1.53 Hrs									

* NOTE: P = Previous Year C = Current Year N = Next Year
 ** A water assessment charge of \$35.00/Acre included as ownership cost in Table 6B.

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 CROP: Cotton, Upland ACRES: 1.0 IRRIGATION SYSTEM: Flood Furrow SOIL: Sandy-Loam
 AREA: Safford Valley YIELD: 872.0 Lb/Acre PREVIOUS CROP: Cotton, Upland DATE: 10/14/96

No.	First Month	Times	Operation	Equipment/Custom Oper.		Job Rate Acres/Hr	— Material Use & Cost —			Service Cost \$/Unit	Labor Type
				HP	Self-Prop./Implem.		Name	Appl. Rate	\$/Unit		
1	Jan	1.0	Plow	100	Moldboard Plow, 3-16	2	1.00				Tractor
2	Feb	0.7	Landplane	100	Landplane 12'X 45'		3.30				Tractor
3	Feb	0.3	Laser Level	100	Drag Scraper, 10'		3.00				Tractor
					Laser Receiver, Mast Sy						
					Laser Trailer						
4	Feb	1.0	Apply Herbicide/Groun	100	Saddle Tk Sprayer, 2 Tk		4.00	Trifluralin	1.00 Pt	30.06 Ga	Tractor
5	Feb	1.0	Disk	100	Dbl. Offset Disk, 13'		4.00				Tractor
6	Feb	1.0	List	100	Lister, 5 Bottom		4.00				Tractor
7	Feb	9.0	Disk Ends	100	Offset Disk, 13.5'		30.00				Tractor
8	Feb	7.0	Buck Rows	100	Rowbuck, 10'		30.00				Tractor
9	Feb	0.7	Preirrigate				1.00	Water, District	12.00 AI	0.00 AF	Irrigator
10	Feb	0.3	Preirrigate				0.67	Water, Pump	12.00 AI	14.00 AF	Irrigator
11	Mar	2.0	Mulch	100	Power Mulcher, 4 Rw		3.00				Tractor
12	Apr	1.0	Plant	100	Planter, 4 Row			Upl Cotton Sd+NU-F	28.00 Lb	72.00 CW	Tractor
13	Apr	1.0	Remove Cap	100	Section Harrow, 3 Secti		5.00				Tractor
14	Apr	1.0	Apply Fert/Ground	100	Fertilizer Injector, 4		6.00	82-00-00, Anhyd. A	125.00 Lb	345.00 Tn	Tractor
15	Apr	2.0	Cultivate	100	Cultivator, Sweep, 4 Rw		2.00				Tractor
16	May	1.0	Hand Weeding				0.30				Hand Weed
17	Jun	6.3	Irrigate				3.72	Water, District	4.00 AI	0.00 AF	Irrigator
18	Jun	2.7	Irrigate				2.48	Water, Pump	4.00 AI	14.00 AF	Irrigator
19	Jun	3.0	Cultivate	100	Cultivator, Sweep, 4 Rw		3.00				Tractor
20	Jun	1.0	Hand Weeding				0.50				Hand Weed
21	Jul	1.0	Apply Herbicide/Groun	100	Saddle Tk Sprayer, 2 Tk		4.00		1.75 Qt	17.50 Ga	Tractor
								Prometryn	1.20 Pt	30.00 Ga	
22	Jul	1.0	Field Scouting		CST Scout For Insects						6.00 Ac
23	Aug	3.0	Apply Insecticide/Air		CST Air Spray, 3 Gal Mi			Lambdacyhalothrin	5.00 Oz	234.04 Ga	6.00 Ac
24	Sep	0.7	Irrigate				2.48	Water, District	6.00 AI	0.00 AF	Irrigator
25	Sep	0.3	Irrigate				1.65	Water, Pump	6.00 AI	14.00 AF	Irrigator
26	Sep	1.0	Prepare Ends	100	Blade Scraper, 10'		20.00				Tractor
27	Sep	1.0	Apply Defoliant/Air		CST			Sodium Chlorate	2.00 Ga	6.08 Ga	0.00
28	Oct	1.0	Cotton, First Pick		Cotton Picker, 2 Row		1.00				Harvest
29	Oct	1.0	Cotton, Make Modules	80	Module Builder		2.40	Module Tarps	21.45 CW	0.05 CW	Tractor
30	Nov	0.8	Cotton, Second Pick		Cotton Picker, 2 Row		1.50				Harvest
31	Nov	1.0	Cotton, Make Modules	80	Module Builder		3.40	Module Tarps	3.77 CW	0.05 CW	Tractor
32	Oct	1.0	Haul, Custom		CST Haul Cotton Modules						0.00 Mu
33	Oct	1.0	Cotton Ginning		CST Gin Upland Cotton						3.00 Cs
34	Dec	1.0	Cotton Classing		CST Class Cotton, HVI						1.50 Ba
35	Dec	1.0	Crop Assessment		CST Upland (High Elev)						2.85 Ba
36	Dec	1.0	Cut Stalks	100	Rotary Stalk Cutter, 4		4.00				Tractor
37	Dec	1.0	Disk Residue	100	Offset Disk, 13.5'		3.00				Tractor
			Pickup Use 60 Mi/Ac		Pickup Truck, 1/2 Ton		0.50				

* NOTE: Machine times, labor times, and material rates are for one time over the designated acreage.

** A water assessment charge of \$35.00/Acre included as ownership cost in Table 6B.