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Impact of Alternative Property and Sales Tax Policies on Texas Representative Cotton Farms



AFPC Briefing Paper 04-5

December 2004

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**Impact of Alternative Property and Sales Tax
Policies on Texas Representative Cotton Farms**

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Impact of Alternative Property and Sales Tax Policies on Texas Representative Cotton Farms

Abstract

The call for school finance reform has threatened to modify or possibly remove the current property and sales and use tax exemptions currently benefiting Texas cotton producers. This study utilizes a whole farm simulation model to evaluate the economic and financial impact of three alternative sales and/or property tax policy changes on Texas cotton farms along with their respective landowners. Results indicate that removing sales tax exemptions would most adversely impact producers, while removing property tax exemptions has a more negative effect on landowners.

Agricultural producers (farmers and ranchers) in Texas benefit from several tax exemptions; however, recent State budget difficulties in Texas have led to calls for changes in tax policies that may reduce, or possibly eliminate, the benefits agricultural producers and many other types of businesses enjoy as a result of these exemptions. This paper focuses solely on the impacts on agricultural producers. Currently, producers do not pay sales tax on purchases of inputs or services. In addition, they benefit from a special “agricultural use” valuation of productive land resulting in a reduction in the amount of property tax they must pay (Texas Property Tax Code 2000). A Special Session of the Texas State Legislature was called during 2004 to discuss alternative school finance issues put forth in Senate Bill 2. Senate Bill 2 proposes to reduce the local maintenance and operating expense (M&O) portion of school property tax from its current maximum of \$15.00 per \$1,000 of assessed property value to \$7.50, however, the bill proposes to levy a sales tax on services not taxed under the current law (78(R) SB2 2003). The sales tax is intended to offset the lost revenue resulting from lower property taxes. The primary objective of this research is to evaluate the economic and financial impacts of sales and/or property tax changes on cotton farms in Texas. A secondary objective is to determine if the tax policy changes will have different regional impacts.

Review of Literature

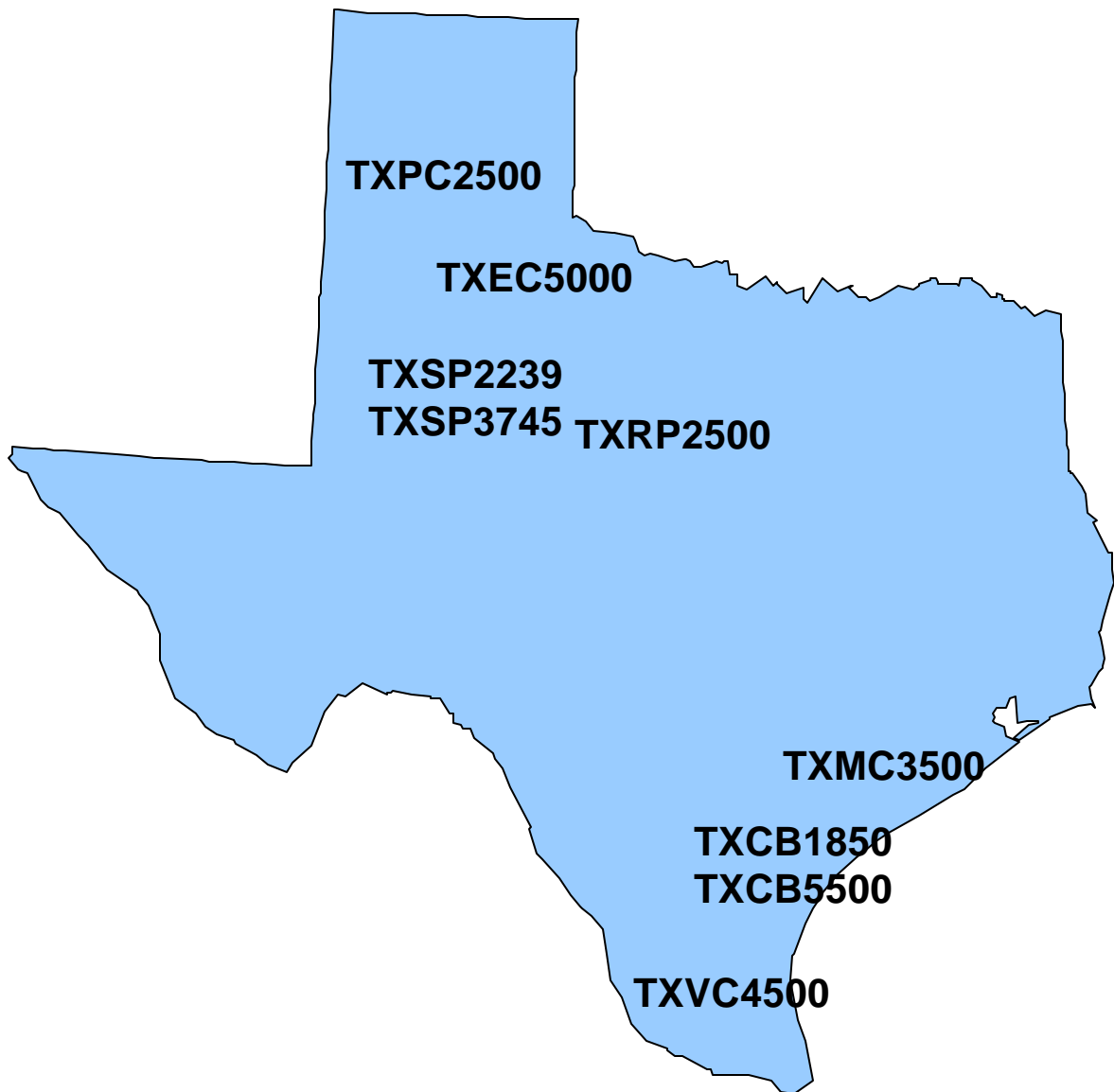
Most of the tax studies in the agricultural economics literature have focused on Federal Income Tax (FIT) legislation. Only a few have examined procedures for valuing productive land and at the impact of shifting property tax burden (Boisvert and Bills 1984, Drummond 1975).

Richardson and Nixon (1984) utilized a whole farm simulation model (FLIPSIM) to study the effects of the 1980, 1981, and 1982 Federal Income Tax laws on a representative Texas Gulf Coast rice farm, finding that the 1981 (ERTA) law resulted in the most favorable financial position for the farm. Like Nixon and Richardson, this study will utilize representative farm data collected from panels of cotton farms across Texas to evaluate the impacts of State tax policy changes. The representative farm data will be analyzed using a whole farm simulation model (FLIPSIM) developed by Richardson and Nixon (1986).

Methodology

This study will utilize primary data collected for representative farms with a whole farm simulation model to examine the effects of modifying state tax policies on Texas agricultural producers. Nine representative cotton farms, created through a focus group interview process, were analyzed for the alternative tax policies using the farm level simulation model (FLIPSIM) developed by Richardson and Nixon (1986) at Texas A&M University. These farms are representative of the major cotton production regions of Texas (Figure 1). A description of each representative farm is included in the appendix. These representative operations display a wide variety of land tenure arrangements ranging from 50 percent ownership to 96 percent leasing. Lease arrangements include both cash lease and sharecropping, although sharecropping is the most common arrangement (Table 1).

FIGURE 1. LOCATIONS OF TEXAS REPRESENTATIVE COTTON FARMS



Note: Letters are AFPC regional descriptions and numbers represent total crop acres on the farms.

Table 1. Land Tenure Arrangements for Texas Representative Cotton Farms

	Acres Owned	Acres Leased	Cash Lease	Share Lease	Cash Rental Rate	Share Rental Rates							
						Crop	Seed	Fertilizer	Herbicide	Insecticide	Irrigation	Other	Harvest
			--%--	--%--	--\$/Acre--	--%--	--%--	--%--	--%--	--%--	--%--	--%--	--%--
TXSP2239	670	1569	0.0	100.0	0	25	17*	25	0	25	0	0	0
TXSP3745	1650	2095	0.0	100.0	0	25	0	25	6	25	0	0	25
TXRP2500	400	2600	19.2	80.8	5	25	0	25	0	25	0	0	25
TXCB1850	360	1490	0.0	100.0	0	25	0	25	0	25	0	0	4
TXCB5500	225	5275	0.5	99.5	55	25	0	25	0	13	0	0	19
TXVC4500	900	3600	6.3	93.8	100	25	0	25	0	0	0	0	25
TXPC2500	1250	1250	50.0	50.0	42	25	0	25	0	25	25	0	25
TXMC3500	350	3150	50.0	50.0	40	25	0	25	25	25	0	25	25
TXEC5000	640	4360	0.0	100.0	0	25	0	25	0	25	0	0	25

*The landlord shares only the seed technology fees.

The FLIPSIM model draws random crop yields, livestock production variables, and prices based on historical values for these variables, thus allowing projections to incorporate production and price risk. A complete description of FLIPSIM is provided in Richardson and Nixon (1986). Each tax alternative was simulated 100 times (iterations) for a five-year (2004 to 2008) projection period using risky prices and yields. Annual mean crop and livestock prices, inflation rates for input prices, national average interest rates, and inflation rates for land were obtained from the August 2004 Baseline reported by FAPRI (Tables 2 and 3) (FAPRI 2004). State and local sales tax rates and local property tax rates were obtained from the Texas State Comptroller of Public Accounts (Table 4) (Local Sales and Use Tax 2000, Texas Property Tax Rates by County 2000). Three general assumptions were made in this analysis: (1) long term and intermediate debt beginning in 2001 is 20 percent for the farms, (2) the provisions of the 2002 Farm Bill are assumed to continue throughout the projection period, and (3) cash rents and share lease arrangements remain constant throughout the study period.

The following potential tax policies will be analyzed relative to the **Base**, or current tax policy situation:

- **SB2** - Senate Bill 2 provisions including reduction of the mil rate for school taxes from the current average level of \$15.00 to \$7.50 while levying an 8.25 percent sales tax on services (custom applications and harvesting, veterinary services, custom feeding, insurance, utilities, transportation, repairs, and other services);

Table 2. FAPRI August 2004 Baseline Projections of Crop, Livestock, and Milk Prices, 2001-2008

	2001	2002	2003	2004	2005	2006	2007	2008
Crop Prices								
Corn (\$/bu.)	1.97	2.32	2.40	2.28	2.37	2.40	2.43	2.44
Wheat (\$/bu.)	2.78	3.56	3.40	3.19	3.23	3.20	3.31	3.41
Cotton (\$/lb.)	0.2980	0.4450	0.6240	0.4697	0.4691	0.4738	0.4969	0.5238
Sorghum (\$/bu.)	1.94	2.32	2.38	2.20	2.30	2.30	2.32	2.33
Soybeans (\$/bu.)	4.38	5.53	7.40	5.84	5.46	5.36	5.46	5.38
Barley (\$/bu.)	2.22	2.72	2.83	2.45	2.57	2.59	2.58	2.57
Oats (\$/bu.)	1.59	1.81	1.48	1.40	1.44	1.45	1.47	1.48
Rice (\$/cwt.)	4.25	4.49	7.48	7.10	6.30	6.13	6.03	6.18
Soybean Meal (\$/ton)	159.98	173.18	247.99	182.05	177.72	182.01	187.79	186.44
All Hay (\$/ton)	96.50	92.40	92.90	87.03	89.06	90.81	91.87	92.81
Peanuts (\$/ton)	468.00	364.00	376.00	374.56	359.71	372.72	378.13	379.80
Cattle Prices								
Feeder Cattle (\$/cwt)	95.29	86.11	95.21	107.01	106.49	103.08	94.94	88.57
Fat Cattle (\$/cwt)	72.43	67.04	84.69	86.34	87.16	86.82	82.30	77.12
Culled Cows (\$/cwt)	44.39	39.23	46.62	53.57	55.00	52.99	48.63	45.60

Source: FAPRI 2004 U.S. and World Agricultural Outlook

Table 3. FAPRI August 2004 Baseline Assumed Rates of Change in Input Prices, Annual Interest Rates, and Annual Changes in Land Values, 2002-2008

	2002	2003	2004	2005	2006	2007	2008
Annual Rate of Change for Input Prices Paid							
Seed Prices (%)	1.30	7.12	1.21	0.45	0.74	1.00	0.89
Fertilizer Prices (%)	0.07	20.60	-8.83	-4.84	-1.17	2.02	1.56
Chemical Prices (%)	1.64	6.36	-0.16	2.90	2.03	1.09	0.77
Machinery Prices (%)	1.95	0.30	0.39	0.40	0.31	0.34	0.34
Fuel and Lube Prices (%)	0.14	20.60	-8.83	-4.84	-1.17	2.02	1.56
Labor (%)	4.38	0.76	0.73	0.73	0.68	0.69	0.67
Other Input Prices (%)	2.31	1.51	1.78	2.17	2.15	2.19	2.24
Non-Feed Beef Costs (%)	0.56	4.86	-0.76	0.12	0.56	0.96	0.82
Annual Change in Consumer Price Index (%)	2.32	1.51	1.78	2.17	2.15	2.19	2.24
Annual Interest Rates							
Long-Term (%)	5.40	4.99	5.47	5.85	5.71	5.71	5.98
Intermediate-Term (%)	4.53	3.65	4.34	5.10	5.24	5.36	5.84
Savings Account (%)	1.70	1.11	1.11	1.80	2.17	2.44	3.18
Annual Rate of Change for U.S. Land Prices (%)	5.22	4.96	4.62	2.11	2.00	2.57	2.73

Source: FAPRI 2004 U.S. and World Agricultural Outlook

Table 4. County, School District, and City Property Tax Rates for Texas Representative Farms, 2000

	City	County	County Tax Rate	School Tax Rate	City Tax Rate
			--%--	--%--	--%--
TXSP2239	Lamesa	Dawson	0.68	1.40	0.69
TXSP3745	Lamesa	Dawson	0.68	1.40	0.69
TXRP2500	Anson	Jones	0.63	1.36	1.04
TXCB1850	Sinton	San Patricio	0.54	1.47	0.62
TXCB5500	Robstown	Nueces	0.36	1.61	1.08
TXVC4500	Lyford	Willacy	0.54	1.50	0.90
TXPC2500	Hereford	Deaf Smith	0.57	1.50	0.41
TXMC3500	Edna	Jackson	0.55	1.52	0.39
TXEC5000	Ralls	Crosby	0.78	1.33	0.73

Source: 2000 Texas Property Tax Rates by County, Texas Comptroller of Public Accounts

- **NoSTaxempt** - Remove the sales tax exemption, charging an 8.25 percent sales tax on all inputs and services;
- **NoAgUseVal** - Eliminate agricultural-use valuation for productive land, resulting in increased property taxes paid (the agricultural use valuations for each county in which representative farms are located were used to determine the size of the current exemption for each of the representative farms, and that exemption was subsequently removed).
The following key assumptions were made in the analysis of the individual scenarios:
 - The maintenance and operating expense (M&O) school district portion of all local property taxes is assumed to be at the current maximum allowed level of \$15.00. The average school district portion of total property tax for the combined maintenance and operating expense (M&O) and expense associated with interest and sinking fund (I&S) debt service for building projects was 1.5057 percent for communities in which representative farms are located according to the 2000 Texas Property Tax Rates by County report published by the Texas Comptroller of Public Accounts.
 - The state, city, and county sales taxes sum to 8.25 percent for all representative farm locations.

Preference for each alternative will be evaluated based on the projected average net cash farm income (NCFI) for each operation over the study period¹. Net cash farm income is defined as total cash receipts minus all cash expenses. It does not reflect profit, as family living expenses, principal payments on loans, income taxes, self-employment taxes, and machinery replacement costs must be paid from this sum.

Policies that shift more emphasis toward sales tax are expected to increase total cash costs, thus adversely impacting farmers who own little land or those who engage in more intensive production. Policies that shift emphasis to property taxes are expected to have a more adverse impact on producers who own a large portion of their land, thus significantly reducing their NCFI. This would mean that landowners and their tenants would not necessarily rank their preferred options in the same order due to the shifting tax burdens, and the preferred options will likely differ across type of operation (e.g., crop farms, dairies, or ranches).

Results

With respect to net cash farm income, all nine of the representative farms analyzed prefer the **Base** situation in which they have lower taxes and higher NCFI via special use valuation of land and no sales and use taxes on goods or services (Table 5).

The **SB2** option is the second choice for 5 of the 9 representative cotton farms. TXRP2500, TXCB1850, TXVC4500, TXPC2500, and TXMC3500 all prefer the **SB2** option over other policy options.

¹ Consistent results were found when average total cash expenses and change in real net worth were used to determine the most preferred option. For space considerations, only the NCFI results are provided.

Table 5. Average Net Cash Farm Income for Texas Representative Farm Tenants Under Current and Alternative Tax Policies, 2004-2008

	<u>Base</u> ¹	<u>SB2</u> ²	<u>NoSTexempt</u> ³	<u>NoAgUseVal</u> ⁴
	--\$1000--	--\$1000--	--\$1000--	--\$1000--
TXSP2239	136.7	118.8	77.3	132.3
TXSP3745	148.9	120.6	62.1	133.5
TXRP2500	81.8	76.9	65.5	74.5
TXCB1850	140.2	132.0	104.1	124.8
TXCB5500	158.2	141.7	67.3	150.7
TXVC4500	277.7	263.6	189.5	227.9
TXPC2500	166.5	155.8	111.1	145.7
TXEC5000	125.6	92.2	4.4	120.5
TXMC3500	266.5	254.2	190.8	246.5

¹ Base: Current situation

² SB2: Reduction of the mil rate for school property taxes from \$15.00 to \$7.50 while levying an 8.25 percent sales tax on services

³ NoSTexempt: Removal of the sales tax exemption, charging an 8.25 percent sales tax on all inputs and services

⁴ NoAgUseVal: Elimination of agricultural-use valuation for productive land

Removal of special use valuations and property tax exemptions (**NoAgUseVal**) is the second choice for 4 of the 9 representative cotton farms (TXSP2239, TXSP 3745, TXCB5500, and TXEC5000).

Levying an 8.25 percent sales and use tax (**NoSTexempt**) on all goods and services is the last choice for all 9 of the representative cotton farms.

All 9 of the landlords for the representative farms analyzed prefer either the **Base** situation or the **SB2** option with respect to net cash farm income (Table 6). Three of the nine cotton farms (TXSP2239, TXSP3745, and TXEC5000) prefer the **Base** situation, while the remaining six prefer the **SB2** option to the **Base** situation. Similarly, all of the landowners analyzed ranked levying an 8.25 percent sales and use tax on all goods and services (**NoSTexempt**) their third choice and the removal of special use land valuations (**NoAgUseVal**) their least preferred choice.

Table 6. Average Net Cash Farm Income for Texas Representative Farm Land Owners Under Current and Alternative Tax Policies, 2004-2008

	<u>Base</u> ¹	<u>SB2</u> ²	<u>NoST exempt</u> ³	<u>NoAgUseVal</u> ⁴
	--\$1000--	--\$1000--	--\$1000--	--\$1000--
TXSP2239	62.5	62.0	59.9	53.7
TXSP3745	76.5	76.3	70.5	60.1
TXRP2500	39.7	41.6	37.6	2.0
TXCB1850	109.0	113.7	106.2	52.8
TXCB5500	296.8	308.0	286.1	134.0
TXVC4500	161.5	181.6	153.9	-27.3
TXPC2500	57.4	58.9	55.2	37.9
TXEC5000	212.6	212.2	201.1	182.0
TXMC3500	121.0	130.5	113.1	-55.5

¹ Base: Current situation

² SB2: Reduction of the mil rate for school property taxes from \$15.00 to \$7.50 while levying an 8.25 percent sales tax on services

³ NoST exempt: Removal of the sales tax exemption, charging an 8.25 percent sales tax on all inputs and services

⁴ NoAgUseVal: Elimination of agricultural-use valuation for productive land

As expected, landlords prefer plans that result in lower property taxes. Most share lease arrangements provide for sharing of a relatively small portion of costs, so landlords would generally prefer to pay taxes on those inputs versus increasing their property taxes.

Conclusions and Implications

All operations in this study rent at least some land; therefore, they are generally less affected by increasing property taxes than by removing sales tax exemptions. As landowners begin to pay higher property tax rates, pressure will arise to increase cash rents or to modify share lease arrangements; however, agricultural lease arrangements are traditionally resistant to change. Conversely, all of the farms own some land, so cutting the school district portion of property taxes in half while levying a 8.25 percent sales tax on services generally hurts the farms less than removing the special use valuation altogether. Completely removing the sales tax exemption has the most adverse impact on NCFI for the representative farms.

For landowners, no significant changes are generally observed when **SB2** and **NoST exempt** policies are implemented; however, removing special use valuation for productive land is detrimental to their survival if rents or arrangements are not adjusted upward.

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APPENDIX A.

**CHARACTERISTICS OF
REPRESENTATIVE COTTON FARMS**

2003 CHARACTERISTICS OF PANEL FARMS PRODUCING COTTON

- TXSP2239** A 2,239-acre Texas South Plains (Dawson County) cotton farm that is moderate-sized for the area. TXSP2239 plants 1,616 acres of cotton (1,250 dryland, 366 irrigated), 270 acres of peanuts, and has 183 acres in CRP. For 2003, 59 percent of receipts came from cotton.
- TXSP3745** The Texas South Plains (Dawson County) is home to this 3,745-acre, large-sized cotton farm that grows 2,625 acres of cotton (2,120 dryland, 505 irrigated), 245 acres of peanuts, and has 288 acres in CRP. Cotton sales comprised 75 percent of 2003 receipts.
- TXPC2500** The Texas Panhandle is home to this 2,500-acre farm (Deaf Smith County). Annually, cotton is planted on 1,184 acres (1,000 irrigated and 184 dryland), 308 acres to sorghum (125 irrigated and 183 dryland), 883 acres planted to wheat (700 irrigated and 183 dryland), and 125 irrigated acres are planted to corn. Sixty-four percent of 2003 cash receipts were generated by cotton sales.
- TXEC5000** This 5,000-acre farm is located on the Eastern Caprock of the Texas South Plains (Crosby County). Annually, 4,300 acres are planted to cotton (2,800 irrigated and 1,500 dryland), 400 acres of wheat (100 irrigated and 300 dryland), and 300 acres of dryland sorghum. In 2003, cotton sales accounted for 96 percent of gross receipts.
- TXRP2500** TXRP2500 is a 2,500-acre cotton farm located in the Rolling Plains of Texas (Jones County). This farm plants 1,122 acres of cotton and 825 acres of winter wheat each year. Eighty percent of 2003 farm receipts came from cotton sales. Twelve head of beef cows generated approximately two percent of farm receipts.

Appendix Table A1. Characteristics of Texas Representative Cotton Farms.

	TXSP2239	TXSP3745	TXPC2500	TXEC5000	TXRP2500
County	Dawson	Dawson	Deaf Smith	Crosby	Jones
Total Cropland	2,239.00	3,745.00	2,500.00	5,000.00	2,500.00
Acres Owned	670.00	1,650.00	1,250.00	640.00	400.00
Acres Leased	1,569.00	2,095.00	1,250.00	4,360.00	2,100.00
Pastureland					
Acres Leased	0.00	0.00	0.00	0.00	500.00
Assets (\$1000)					
Total	765.00	1,455.00	1,628.00	1,134.00	427.00
Real Estate	354.00	868.00	681.00	343.00	195.00
Machinery	329.00	587.00	776.00	792.00	188.00
Other & Livestock	82.00	0.00	171.00	0.00	44.00
Debt/Asset Ratios					
Total	0.11	0.12	0.16	0.39	0.12
Intermediate	0.09	0.09	0.16	0.50	0.10
Long Run	0.14	0.14	0.16	0.14	0.15
Number of Livestock					
Beef Cows	0.00	0.00	0.00	0.00	12.00
2003 Gross Receipts (\$1,000)*					
Total	633.10	830.10	811.60	1,125.10	230.40
Cattle	0.00	0.00	0.00	0.00	4.40
	0.00	0.00	0.00	0.00	0.02
Cotton	375.90	618.10	516.70	1,079.70	183.10
	0.59	0.75	0.64	0.96	0.80
Sorghum	0.00	0.00	36.60	0.00	0.00
	0.00	0.00	0.05	0.00	0.00
Wheat	0.00	0.00	116.00	20.10	42.90
	0.00	0.00	0.14	0.02	0.19
Corn	0.00	0.00	74.70	0.00	0.00
	0.00	0.00	0.09	0.00	0.00
Peanuts	252.00	202.50	0.00	0.00	0.00
	0.40	0.24	0.00	0.00	0.00
Sorghum	0.00	0.00	0.00	25.30	0.00
	0.00	0.00	0.00	0.02	0.00
Other Receipts	5.10	9.50	67.70	0.00	0.00
	0.01	0.01	0.08	0.00	0.00
2003 Planted Acres**					
Total	2,069.00	3,158.00	2,500.00	5,000.00	1,947.00
Cotton	1,616.00	2,625.00	1,184.00	4,300.00	1,122.00
	0.78	0.83	0.47	0.86	0.58
Sorghum	0.00	0.00	308.00	0.00	0.00
	0.00	0.00	0.12	0.00	0.00
Wheat	0.00	0.00	883.00	400.00	825.00
	0.00	0.00	0.35	0.08	0.42
Corn	0.00	0.00	125.00	0.00	0.00
	0.00	0.00	0.05	0.00	0.00
Peanuts	270.00	245.00	0.00	0.00	0.00
	0.13	0.08	0.00	0.00	0.00
Sorghum	0.00	0.00	0.00	300.00	0.00
	0.00	0.00	0.00	0.06	0.00
CRP	183.00	288.00	0.00	0.00	0.00
	0.09	0.09	0.00	0.00	0.00

*Receipts for 2003 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

**Acreages for 2003 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.

2003 CHARACTERISTICS OF PANEL FARMS PRODUCING COTTON (continued)

- TXMC3500** A 3,500-acre cotton farm located on the middle Texas Gulf Coast (Jackson County) that farms 1,750 acres of cotton and 875 acres each of sorghum and corn. In 2003, cotton sales comprised 72 percent of total cash receipts on this operation.
- TXCB1850** A 1,850-acre cotton farm located on the Texas Coastal Bend (San Patricio County) that farms 925 acres of cotton, 775 acres of sorghum, and 150 acres of corn annually. Seventy-three percent of 2003 cash receipts were generated by cotton.
- TXCB5500** Nueces County, Texas is home to this 5,500-acre farm. Annually, 2,750 acres are planted to cotton and 2,750 acres to sorghum. Cotton sales accounted for 75 percent of 2003 receipts.
- TXVC4500** This 4,500-acre farm is located in the lower Rio Grande Valley of Texas (Willacy County) and plants 2,388 acres to cotton (500 irrigated and 1,888 acres dryland), 1,887 acres to sorghum, and 225 acres of sugarcane. In 2003, 72 percent of TXVC4500's cash receipts were generated by cotton sales.

Appendix Table A2. Characteristics of Texas Representative Cotton Farms.

	TXMC3500	TXCB1850	TXCB5500	TXVC4500
County	Jackson	San Patricio	Nueces	Willacy
Total Cropland	3,500.00	1,850.00	5,500.00	4,500.00
Acres Owned	350.00	360.00	225.00	900.00
Acres Leased	3,150.00	1,490.00	5,275.00	3,600.00
Assets (\$1000)				
Total	1,006.00	965.00	1,265.00	2,031.00
Real Estate	313.00	496.00	248.00	1,416.00
Machinery	545.00	277.00	754.00	615.00
Other & Livestock	148.00	192.00	263.00	0.00
Debt/Asset Ratios				
Total	0.14	0.12	0.17	0.24
Intermediate	0.14	0.09	0.17	0.43
Long Run	0.15	0.16	0.16	0.15
2003 Gross Receipts (\$1,000)*				
Total	1,285.70	551.60	1,301.80	1,320.50
Cotton	923.00	403.00	971.30	954.50
	0.72	0.73	0.75	0.72
Sorghum	169.10	128.10	330.50	243.60
	0.13	0.23	0.25	0.18
Corn	187.90	20.40	0.00	0.00
	0.15	0.04	0.00	0.00
Rice	5.70	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Sugar Cane	0.00	0.00	0.00	122.40
	0.00	0.00	0.00	0.09
2003 Planted Acres**				
Total	3,500.00	1,850.00	5,500.00	4,500.00
Cotton	1,750.00	925.00	2,750.00	2,387.50
	0.50	0.50	0.50	0.53
Sorghum	875.00	775.00	2,750.00	1,887.50
	0.25	0.42	0.50	0.42
Corn	875.00	150.00	0.00	0.00
	0.25	0.08	0.00	0.00
Sugar Cane	0.00	0.00	0.00	225.00
	0.00	0.00	0.00	0.05

*Receipts for 2003 are included to indicate the relative importance of each enterprise to the farm. Percents indicate the percentage of the total receipts accounted for by the livestock categories and the crops.

**Acreages for 2003 are included to indicate the relative importance of each enterprise to the farm. Total planted acreage may exceed total cropland available due to double cropping. Percents indicate the percentage of total planted acreage accounted for by the crop.