

TABLE B18. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2001.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN SILAGE	PICKER COTTON	GRAIN SORGHUM
	-----FLOOD-----				
		TONS	TONS	LBS	CWT
PRIMARY YIELD		6.50	22.00	1000.00	85.00
PRIMARY PRICE		116.00	18.00	0.34	3.75
GOVERNMENT PAYMENTS		0.00	0.00	99.90	49.30
SECOND INCOME		15.00	0.00	100.00	10.00
GROSS RETURN		\$769.00	\$396.00	\$536.90	\$378.05
CASH OPERATING EXPENSES					
SEED	\$72.50		\$33.66	\$11.90	\$8.88
FERTILIZER	\$21.40		\$22.24	\$43.60	\$22.24
CHEMICALS				\$13.75	\$24.79
CROP INSURANCE				\$0.74	\$1.47
OTHER PURCHASED INPUTS		\$20.69			
CANAL WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$16.93	\$13.10	\$14.19	\$45.70	\$24.62
FUEL-IRRIGATION	\$3.90	\$14.02	\$10.91	\$9.35	\$9.35
REPAIRS	\$11.43	\$7.32	\$9.53	\$36.83	\$15.51
CUSTOM CHARGES				\$138.20	\$51.85
LAND TAXES		\$2.99	\$2.99	\$2.99	\$2.99
OTHER EXPENSES	\$0.56	\$77.94	\$77.92	\$78.71	\$78.01
TOTAL CASH EXPENSES	\$126.72	\$136.07	\$171.43	\$381.76	\$239.70
RETURN OVER CASH EXPENSES	(\$126.72)	\$632.93	\$224.57	\$155.14	\$138.35
FIXED EXPENSES	\$48.33	\$160.83	\$61.42	\$139.91	\$85.82
TOTAL EXPENSES	\$175.05	\$296.89	\$232.85	\$521.67	\$325.52
NET FARM INCOME	(\$175.05)	\$472.11	\$163.15	\$15.23	\$52.53
LABOR AND MANAGEMENT COSTS	\$53.82	\$113.48	\$85.90	\$152.83	\$88.14
NET OPERATING PROFIT	(\$228.86)	\$358.63	\$77.24	(\$137.60)	(\$35.61)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.36	\$3.18	\$5.21	\$3.95
INTEREST ON EQUIPMENT INVESTMENT		\$30.40	\$26.33	\$78.78	\$41.68
TOTAL CAPITAL COSTS	\$0.00	\$31.76	\$29.51	\$83.99	\$45.62
RETURN TO LAND AND RISK	(\$228.86)	\$326.86	\$47.73	(\$221.59)	(\$81.23)

TABLE C18. Whole farm summary, Virden area, Hidalgo County, 2001.

GROSS RETURNS		
ALFALFA HAY	45 ACRES	
CROP		\$33,930
GRAZING		\$675
CORN SILAGE	43 ACRES	
CROP		\$17,028
UPLAND COTTON	68 ACRES	
LINT		\$22,916
SEED		\$6,800
ASCS DEFICIENCY		\$2,995
ASCS DIVERSION		\$2,720
GRAIN SORGHUM	34 ACRES	
CROP		\$10,838
ASCS DEFICIENCY		\$1,676
ASCS DIVERSION		\$0
GRAZING		\$340
GROSS RETURN		<u>\$99,578</u>
CASH OPERATING EXPENSES		
SEED		\$3,646
FERTILIZER		\$4,998
CHEMICALS		\$1,778
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$931
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$5,398
FUEL-IRRIGATION		\$2,112
REPAIRS		\$3,942
CUSTOM CHARGES		\$11,161
LAND TAXES		\$568
OTHER EXPENSES		\$14,871
TOTAL CASH EXPENSES		<u>\$49,505</u>
RETURN OVER CASH EXPENSES		\$50,073
FIXED EXPENSES		\$19,602
TOTAL EXPENSES		\$69,107
NET FARM INCOME		\$30,471
LABOR AND MANAGEMENT COSTS		\$22,997
NET OPERATING PROFIT		\$7,474
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$686
INTEREST ON EQUIPMENT INVESTMENT		\$9,274
TOTAL CAPITAL COSTS		<u>\$9,961</u>
RETURN TO LAND AND RISK		<u>(\$2,487)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$8,087)	3.00%
\$900 /ACRE	(\$9,687)	2.59%
\$1,100 /ACRE	(\$11,287)	2.27%
\$1,300 /ACRE	(\$12,887)	2.03%
\$1,500 /ACRE	(\$14,487)	1.83%
\$1,700 /ACRE	(\$16,087)	1.67%
\$1,900 /ACRE	(\$17,687)	1.53%

\* 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)