

TABLE 1. Basic cost information for Lea County, 2003.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.36
Phosphate (P205)		\$/pound	\$0.33
Seed:			
Alfalfa		\$/pound	\$3.00
Wheat		\$/pound	\$0.13
Cotton		\$/pound	\$0.56
Electricity (Lea Co Elec Coop)		cents/KwHr	4.96
Natural gas (Gas Co NM)		\$/MCF	\$3.28
Service Charge		\$/month	\$10.00
Diesel fuel		\$/gallon	\$1.30
Gasoline		\$/gallon	\$1.35
LP Gas		\$/gallon	\$1.21
Employee Liability Insurance	\$/ \$1,000	wages	\$20.00
Employee Benefits	percent/w	ages	18.00%
Labor Downtime	percent		25.00%
Financial Rates:			
Operating Capital Interest Rate	percent		8.00%
Land Interest Rate	percent		7.00%
Equipment Interest Rate	percent		8.00%
Real Interest Rate	percent		4.00%
Land Taxes	\$90.00 /acre	(full value)	\$0.78
Personal Property Tax Rate - NR	\$/ \$1,000	(Assessed Value)	\$26.04
- R			\$24.13
Supervision Factors			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate	percent		7.00%

TABLE 1a. Overhead cost information for Lea County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$115.00 per month	\$1,380
Telephone		\$115.00 per month	\$1,380
Accounting & Legal			\$1,555
Misc. Supplies & Hand Tools			\$2,270
Pickup and Auto			
miles	20,600	@ \$0.365 per mile	\$7,519
Insurance			
- general liability (non-employee)			\$1,675
- fire/theft			\$1,330
Property Taxes			
- non-planted land			\$82
- other than land & machinery			\$610
Building repairs and maintenance			\$2,370
Dues, fees, publications			\$380
Farmstead Equipment			\$165
Total			\$20,716
Total per planted acre			\$55.24

TABLE 2. Pumping costs and data for irrigation wells, Lea County, 2003.

INPUT DATA

DELIVERY PSI:		DEPTH CHARACTERISTICS:	
SPRINKLER...	40	STATIC... ..	70
		DRAW DOV	30
		TOTAL HEAD.....	100
		CASING... ..	150
GALLONS PER MINUTE (GPM)...	750		
WORK HORSEPOWER.....	36		
EFFICIENCY FACTOR:			
ELECTRICITY.....	0.540		
NATURAL GAS.....	0.154		
LP GAS.....	0.154		
DIESEL.....	0.160		
FUEL COST PER UNIT:			
ELECTRICITY.....	4.96	CENTS/K	wHr
NATURAL GAS.....	\$3.28	\$/MCF	
LP GAS.....	\$1.21	\$/GAL	
DIESEL.....	\$1.30	\$/GAL	

FUEL PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR.....	\$2.53
COST PER ACRE INCH.....	\$1.53
NATURAL GAS WELL:	
COST PER HOUR.....	\$2.20
COST PER ACRE INCH.....	\$1.32
LP GAS WELL:	
COST PER HOUR.....	\$7.96
COST PER ACRE INCH.....	\$4.80
DIESEL WELL:	
COST PER HOUR.....	\$5.35
COST PER ACRE INCH.....	\$3.23

TABLE 3. Equipment summary for a 480 acre sprinkler-irrigated farm with above average management, Lea County, 2003.

EQUIPMENT ITEM & SIZE	ANNUAL		VARIABLE COSTS					FIXED COSTS		
	HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	FUEL,LUBE REPAIR	PER HR	REPAIR PER HR	DEPRE- CIATION	TAXES	TOTAL PER HOUR
TRACTOR 126 HP	344	1	\$31,240	\$3,164	\$2,263	\$9.19	\$6.58	\$2,740	\$297	\$8.82
TRACTOR 155 HP	483	1	\$14,420	\$5,462	\$5,172	\$11.31	\$10.71	\$3,500	\$228	\$7.72
COTTON STRIPPER (MTD)	89	1	\$2,520		\$389		\$4.37	\$1,150	\$50	\$13.46
SWATHER 16 FT	69	1	\$24,740	\$335	\$299	\$4.87	\$4.34	\$3,621	\$314	\$57.23
BALER PTO 2-WIRE & ACCUM.	156	1	\$4,100		\$327		\$2.09	\$550	\$48	\$3.83
DISC 14 FT	76	1	\$3,000		\$139		\$1.83	\$400	\$26	\$5.61
DRILL 13 FT	23	1	\$2,150		\$62		\$2.71	\$430	\$19	\$19.59
PLOW (MOLDBOARD) 4-14 IN	79	1	\$4,000		\$190		\$2.40	\$533	\$35	\$7.18
CHISEL 9 PT.	16	1	\$1,350		\$19		\$1.16	\$180	\$12	\$12.03
PLANTER 6-ROW	24	1	\$4,250		\$131		\$5.36	\$850	\$37	\$36.29
FLOAT 12 FT	4	1	\$500		\$0		\$0.02	\$53	\$3	\$14.24
CULTIVATOR 6-ROW	56	1	\$2,500		\$87		\$1.55	\$333	\$22	\$6.33
FRONT END LOADER	156	1	\$2,550		\$0		\$0.00	\$255	\$22	\$1.77
SHREDDER 4-ROW	20	1	\$2,500		\$23		\$1.15	\$333	\$22	\$17.64
ANHYDROUS APPLICATOR	18	1	\$1,500		\$34		\$1.89	\$200	\$13	\$11.79
FERT SPREADER DEALER FURNI:	20									
MODULE BUILDER	89	1	\$8,000		\$663		\$7.44	\$1,067	\$69	\$12.75
CENTER PIVOT SPRINKLER	6261	3	\$45,000	\$155	\$1,002	\$0.02	\$0.16	\$6,000	\$391	\$1.02
NATURAL GAS WELL	6261	5	\$74,375	\$13,745	\$1,252	\$2.20	\$0.20	\$5,950	\$646	\$1.15
			\$228,695	\$22,862	\$12,051			\$28,145	\$2,253	

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.
Planting dates: August 15 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	\$3.00	30 LBS						\$90.00
NITROGEN (N)	\$0.36	55 LBS						\$19.80
PHOSPHATE (P205)	\$0.33	140 LBS						\$46.20
PUMP WATER		6 AC. IN.						
SUBTOTAL								\$156.00
<u>PREHARVEST OPERATIONS</u>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	155 HP	0.48 HR		\$3.62	\$5.43	\$6.29	\$7.15	\$22.50
DISC (2X)	155 HP	0.28 HR		\$2.11	\$3.17	\$3.51	\$3.73	\$12.53
FLOAT	155 HP	0.19 HR		\$1.43	\$2.15	\$2.04	\$4.17	\$9.79
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.46	\$0.33	\$0.44	\$1.61
DRILL	126 HP	0.18 HR		\$1.36	\$1.66	\$1.67	\$5.11	\$9.80
IRRIGATE (3X)		0.30 HR		\$2.03	\$8.04	\$1.30	\$7.86	\$19.22
SUBTOTAL		1.48 HR		\$10.93	\$20.90	\$15.15	\$28.47	\$75.45
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.30 HR		\$2.23				\$2.23
EMPLOYEE BENEFITS				\$1.97				\$1.97
INSURANCE			\$0.22					\$0.22
SUPERVISION AND MANAGEMENT				\$17.09				\$17.09
SUBTOTAL		0.30 HR	\$0.22	\$21.29				\$21.51
TOTAL OPERATING EXPENSES		1.78 HR	\$156.22	\$32.22	\$20.90	\$15.15	\$28.47	\$252.95

TABLE 5. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.

Harvest dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$140.00	6.50 TONS (STACKED)						\$910.00
TOTAL							\$910.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			FIXED COST	TOTAL	
PHOSPHATE (P2O5)	\$0.33	90 LBS	\$29.70				\$29.70	
INSECTICIDE (CUSTOM)	\$14.08	1 ACRE	\$14.08				\$14.08	
HERBICIDE	\$12.80	1 ACRE	\$12.80				\$12.80	
WIRE	\$0.37	56 LBS	\$20.69				\$20.69	
ESTABLISHMENT: Principal		6 YEARS				\$42.16	\$42.16	
: Interest						\$11.15	\$11.15	
PUMP WATER*		42 AC. IN.						
SUBTOTAL			\$77.27			\$53.30	\$130.58	
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.46	\$0.33	\$0.44	\$1.61
IRRIGATE		1.40 HR		\$9.45	\$56.27	\$9.12	\$54.99	\$129.84
SUBTOTAL		1.45 HR		\$9.83	\$56.73	\$9.45	\$55.44	\$131.44
HARVEST OPERATIONS								
SWATHER (5X)	16 FT SP	0.55 HR		\$4.15	\$2.68	\$2.39	\$31.48	\$40.70
BALER & ACCUM (5X)	155 HP	1.25 HR		\$9.44	\$14.14	\$16.00	\$14.43	\$54.01
FRONT END LOADER (5X)	126 HP	1.25 HR		\$9.44	\$11.49	\$8.22	\$13.25	\$42.40
SUBTOTAL		3.05 HR		\$23.03	\$28.31	\$26.61	\$59.16	\$137.10
OVERHEAD EXPENSES								
DOWNTIME		0.78 HR		\$5.85				\$5.85
EMPLOYEE BENEFITS				\$5.91				\$5.91
INSURANCE			\$0.66					\$0.66
LAND TAXES						\$0.78		\$0.78
SUPERVISION AND MANAGEMENT				\$66.65				\$66.65
OTHER EXPENSES			\$55.24					\$55.24
SUBTOTAL		0.78 HR	\$55.90	\$78.42			\$0.78	\$135.10
TOTAL OPERATING EXPENSES		5.28 HR	\$133.17	\$111.27	\$85.04	\$36.06	\$168.68	\$534.22
NET OPERATING PROFIT							\$375.78	
INTEREST ON OPERATING CAPITAL	(\$59.76	@	8.00%)		\$4.78	
INTEREST ON EQUIPMENT INVESTMENT							\$26.89	
RETURN TO LAND AND RISK							\$344.11	

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$910.00	
VARIABLE OPERATING EXPENSES	\$254.27		
RETURN OVER VARIABLE EXPENSES		\$655.73	(GROSS MARGIN)
FIXED EXPENSES	\$168.68		
NET FARM INCOME		\$487.05	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$111.27		
NET OPERATING PROFIT		\$375.78	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$31.67		
RETURN TO LAND AND RISK		\$344.11	

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.

Planting dates: August 15 - October 30

Harvest dates: June 20 - July 5

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	\$3.45	21.00	BUSHELS					\$72.45
DIRECT PAYMENT	\$0.52	48.00	BUSHELS					\$24.96
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$50.00	1.00	ACRE					\$50.00
TOTAL								\$147.41
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.13	90	LBS	\$11.70				\$11.70
PHOSPHATE (P205)	\$0.33	70	LBS	\$23.10				\$23.10
ANHYDROUS AMMONIA (NH3)	\$0.1500	200	LBS	\$30.00				\$30.00
PUMP WATER*		20	ACRE IN.					
CROP INSURANCE	\$0.47			\$0.47				\$0.47
SUBTOTAL				\$65.27				\$65.27
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	155 HP	0.15 HR		\$1.13	\$1.70	\$1.78	\$2.96	\$7.57
DISC	155 HP	0.14 HR		\$1.06	\$1.58	\$1.76	\$1.87	\$6.26
ANNHYDROUS APPL	155 HP	0.17 HR		\$1.28	\$1.92	\$2.14	\$3.32	\$8.67
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.46	\$0.33	\$0.44	\$1.61
DISC	155 HP	0.14 HR		\$1.06	\$1.58	\$1.76	\$1.87	\$6.26
DRILL	126 HP	0.18 HR		\$1.36	\$1.66	\$1.67	\$5.11	\$9.80
IRRIGATE (12X)		1.20 HR		\$8.10	\$26.79	\$4.34	\$26.19	\$65.43
SUBTOTAL		2.03 HR		\$14.37	\$35.70	\$13.78	\$41.76	\$105.60
HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$7.54				\$7.54
HAUL (CUSTOM)				\$3.36				\$3.36
SUBTOTAL				\$10.90				\$10.90
OVERHEAD EXPENSES								
DOWNTIME		0.21 HR		\$1.57				\$1.57
EMPLOYEE BENEFITS				\$2.59				\$2.59
INSURANCE				\$0.29				\$0.29
LAND TAXES							\$0.78	\$0.78
SUPERVISION AND MANAGEMENT				\$11.93				\$11.93
OTHER EXPENSES				\$55.24				\$55.24
SUBTOTAL		0.21 HR		\$55.53	\$16.09		\$0.78	\$72.40
TOTAL OPERATING EXPENSES		2.24 HR		\$131.70	\$30.45	\$35.70	\$13.78	\$254.17
NET OPERATING PROFIT								(\$106.76)
INTEREST ON OPERATING CAPITAL	(\$45.91	@	8.00%				\$3.67
INTEREST ON EQUIPMENT INVESTMENT								\$6.72
RETURN TO LAND AND RISK								(\$117.14)

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$147.41	
VARIABLE OPERATING EXPENSES	\$181.17		
RETURN OVER VARIABLE EXPENSES		(\$33.76)	(GROSS MARGIN)
FIXED EXPENSES	\$42.54		
NET FARM INCOME		(\$76.30)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$30.45		
NET OPERATING PROFIT		(\$106.76)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.39		
RETURN TO LAND AND RISK		(\$117.14)	

TABLE 7. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.
 Planting dates: May 1 - May 25
 Harvest dates: November 1 - December 15

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
LINT	\$0.470	675.00	LBS						\$317.25	
SEED	\$0.08	1080.00	LBS						\$81.00	
DIRECT PAYMENT	\$0.0599	675.00	LBS						\$40.43	
COUNTER CYCLICAL PAYMENT	\$0.1373	425.00	LBS						\$58.35	
TOTAL								\$497.04		
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS							TOTAL
SEED	\$0.56	20	LBS	\$11.20						\$11.20
NITROGEN (N)	\$0.36	32	LBS	\$11.52						\$11.52
PHOSPHATE (P2O5)	\$0.33	40	LBS	\$13.20						\$13.20
INSECTICIDE	\$11.20	1	X/ACRE	\$11.20						\$11.20
HERBICIDE	\$8.00	1	X/ACRE	\$8.00						\$8.00
INSECTICIDE (CUSTOM)	\$11.07	1	X/ACRE	\$11.07						\$11.07
CROP INSURANCE				\$0.35						\$0.35
PUMP WATER*		20	ACRE IN.							
SUBTOTAL				\$66.54						\$66.54
PREHARVEST OPERATIONS										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
PLOW	155 HP	0.48 HR		\$3.62	\$5.43	\$6.29	\$7.15	\$22.50		
DISC	155 HP	0.14 HR		\$1.06	\$1.58	\$1.76	\$1.87	\$6.26		
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.46	\$0.33	\$0.44	\$1.61		
DISC	155 HP	0.14 HR		\$1.06	\$1.58	\$1.76	\$1.87	\$6.26		
PRE-IRRIGATE		0.10 HR		\$0.68	\$3.35	\$0.54	\$3.27	\$7.84		
PLANTER	155 HP	0.17 HR		\$1.28	\$1.92	\$2.73	\$7.48	\$13.42		
CULTIVATOR (3X)	126 HP	0.39 HR		\$2.94	\$3.59	\$3.17	\$5.91	\$15.61		
HOE (CUSTOM 2X)			\$20.00					\$20.00		
IRRIGATE (7X)		0.70 HR		\$4.73	\$23.44	\$3.80	\$22.91	\$54.89		
SUBTOTAL		2.17 HR	\$20.00	\$15.74	\$41.36	\$20.38	\$50.91	\$148.39		
HARVEST OPERATIONS										
COTTON STRIPPER	126 HP	0.62 HR		\$4.68	\$5.70	\$6.79	\$13.82	\$30.99		
MODULE BUILDER	155 HP	0.62 HR		\$4.68	\$7.01	\$11.25	\$12.69	\$35.64		
GIN COTTON (CUSTOM)			\$127.04					\$127.04		
SUBTOTAL		1.24 HR	\$127.04	\$9.36	\$12.71	\$18.04	\$26.51	\$193.66		
PREHARVEST OPERATIONS										
SHREDDER	155 HP	0.14 HR		\$1.06	\$1.58	\$1.66	\$3.55	\$7.85		
OVERHEAD EXPENSES										
DOWNTIME		0.68 HR		\$5.10				\$5.10		
EMPLOYEE BENEFITS				\$4.71				\$4.71		
INSURANCE			\$0.52					\$0.52		
LAND TAXES						\$0.78		\$0.78		
SUPERVISION AND MANAGEMENT				\$36.94				\$36.94		
OTHER EXPENSES			\$55.24					\$55.24		
SUBTOTAL		0.68 HR	\$55.77	\$46.75			\$0.78	\$103.30		
TOTAL OPERATING EXPENSES		4.23 HR	\$269.34	\$72.91	\$55.66	\$40.08	\$81.75	\$519.73		
NET OPERATING PROFIT								(\$22.70)		
INTEREST ON OPERATING CAPITAL	(\$62.66	@	8.00%)			\$5.01		
INTEREST ON EQUIPMENT INVESTMENT								\$18.01		
RETURN TO LAND AND RISK								(\$45.72)		

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$497.04	
VARIABLE OPERATING EXPENSES	\$365.07		
RETURN OVER VARIABLE EXPENSES		\$131.96	(GROSS MARGIN)
FIXED EXPENSES	\$81.75		
NET FARM INCOME		\$50.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$72.91		
NET OPERATING PROFIT		(\$22.70)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$23.02		
RETURN TO LAND AND RISK		(\$45.72)	

TABLE 8. Summary of per acre costs and returns for a 480 acre farm with above average management, Lea County, 2002.

	ALFALFA ESTABLISHMENT	ALFALFA HAY -----SPRINKLER-----	WHEAT	STRIPPER COTTON
		TONS	BU	LBS
PRIMARY YIELD		6.50	21.00	675.00
PRIMARY PRICE		140.00	3.45	0.47
GOVERNMENT PAYMENTS		0.00	24.96	98.79
SECOND INCOME		0.00	50.00	81.00
GROSS RETURN		\$910.00	\$147.41	\$497.04
CASH OPERATING EXPENSES				
SEED	\$90.00		\$11.70	\$11.20
FERTILIZER	\$66.00	\$29.70	\$53.10	\$24.72
CHEMICALS		\$26.88		\$30.27
CROP INSURANCE			\$0.47	\$0.35
OTHER PURCHASED INPUTS		\$20.69		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$12.86	\$28.77	\$8.90	\$28.86
FUEL-IRRIGATION	\$8.04	\$56.27	\$26.79	\$26.79
REPAIRS	\$15.15	\$36.06	\$13.78	\$40.08
CUSTOM CHARGES			\$10.90	\$147.04
LAND TAXES		\$0.78	\$0.78	\$0.78
OTHER EXPENSES	\$0.22	\$55.90	\$55.53	\$55.77
TOTAL CASH EXPENSES	\$192.26	\$255.05	\$181.96	\$365.86
RETURN OVER CASH EXPENSES	(\$192.26)	\$654.95	(\$34.55)	\$131.18
FIXED EXPENSES	\$28.47	\$167.90	\$41.76	\$80.97
TOTAL EXPENSES	\$220.73	\$422.95	\$223.71	\$446.82
RETURNS TO CAPITAL, LABOR, LAND & RISK	(\$220.73)	\$487.05	(\$76.30)	\$50.21
LABOR AND MANAGEMENT COSTS	\$32.22	\$111.27	\$30.45	\$72.91
RETURNS TO CAPITAL, LAND & RISK	(\$252.95)	\$375.78	(\$106.76)	(\$22.70)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$4.78	\$3.67	\$5.01
INTEREST ON EQUIPMENT INVESTMENT		\$26.89	\$6.72	\$18.01
TOTAL CAPITAL COSTS	\$0.00	\$31.67	\$10.39	\$23.02
RETURN TO LAND AND RISK	(\$252.95)	\$344.11	(\$117.14)	(\$45.72)

TABLE 9. Whole farm summary, Lea County, 2002.

GROSS RETURNS		
ALFALFA HAY	125 ACRES	
CROP		\$113,750
WHEAT	106 ACRES	
CROP		\$7,698
GRAZING		\$5,313
DIRECT PAYMENT		\$1,716
COUNTER CYCLICAL PAYMENT		\$0
COTTON	144 ACRES	
LINT		\$45,605
SEED		\$11,644
DIRECT PAYMENT		\$5,812
COUNTER CYCLICAL PAYMENT		\$8,388
GROSS RETURN		<u>\$199,925</u>
CASH OPERATING EXPENSES		
SEED		\$4,743
FERTILIZER		\$14,294
CHEMICALS		\$7,712
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,587
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,961
FUEL-IRRIGATION		\$13,901
REPAIRS		\$12,051
CUSTOM CHARGES		\$22,294
LAND TAXES		\$293
OTHER EXPENSES		\$20,909
TOTAL CASH EXPENSES		<u>\$107,844</u>
RETURN OVER CASH EXPENSES		\$92,081
FIXED EXPENSES		\$32,391
TOTAL EXPENSES		\$140,235
NET FARM INCOME		\$59,690
LABOR AND MANAGEMENT COSTS		\$28,302
NET OPERATING PROFIT		\$31,389
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,708
INTEREST ON EQUIPMENT INVESTMENT		\$6,664
TOTAL CAPITAL COSTS		<u>\$8,372</u>
RETURN TO LAND AND RISK		<u>\$23,016</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$13,416	6.70%
\$700 /ACRE	\$9,576	5.56%
\$900 /ACRE	\$5,736	4.75%
\$1,100 /ACRE	\$1,896	4.15%
\$1,300 /ACRE	(\$1,944)	3.68%
\$1,500 /ACRE	(\$5,784)	3.31%

* 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)