

TABLE 1. Basic cost information for Dell City area, Otero County, 2003.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.50
General & Irrigators	\$/hour		\$6.75
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.36
Phosphate (P205)	\$/pound		\$0.33
Anhydrous Ammonia (NH3)	\$/ton		\$310.00
Seed:			
Alfalfa	\$/pound		\$3.00
Wheat	\$/pound		\$0.13
White Corn	\$/bag		\$89.75
Cotton	\$/pound		\$0.56
Diesel fuel	\$/gallon		\$1.30
Gasoline	\$/gallon		\$1.35
Electricity (Rio Grande Elec)	cents/KwHr		5.09
LP Gas	\$/gallon		\$1.21
Baling Wire	\$/pound		\$0.37
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	\$300.00 /acre (full value)		\$3.08
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)		\$30.76
- R			\$24.62
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 Dell City area, Otero County, 2003.

ITEM				
Electricity (Domestic & Shop)			\$215.00 per month	\$2,580
Telephone			\$210.00 per month	\$2,520
Accounting & Legal				\$1,600
Misc. Supplies & Hand Tools				\$4,960
Pickup and Auto				
miles	51,500	@	\$0.365 per mile	\$18,798
Insurance				
- general liability (non-employee)				\$1,725
- fire/theft				\$1,370
Property Taxes				
- non-planted land				\$176
- other than land & machinery				\$610
Building repairs and maintenance				\$1,310
Dues, fees, publications				\$390
Farmstead Equipment				\$175
			Total	\$36,214
			Total per planted acre	\$59.37

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

INPUT DATA

DELIVERY PSI:		DEPTH CHARACTERISTICS:	
SPRINKLER...	40	STATIC... ..	75
		DRAW DOWN	50
		TOTAL HEAD.....	125
		CASING... ..	350
GALLONS PER MINUTE (GPM)...	1100		
WORK HORSEPOWER... ..	60		
EFFICIENCY FACTOR:			
ELECTRICITY.	0.540		
LP GAS..... ..	0.140		
DIESEL..... ..	0.180		
FUEL COST PER UNIT:			
ELECTRICITY.	5.09	CENTS/K	wHr
LP GAS..... ..	\$1.21	\$/GAL	
DIESEL..... ..	\$1.30	\$/GAL	

FUEL PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR.....	.....\$ 4.28
COST PER ACRE INCH .....	.....\$ 1.76
LP GAS WELL:	
COST PER HOUR.....	.....\$ 14.49
COST PER ACRE INCH .....	.....\$ 5.96
DIESEL WELL:	
COST PER HOUR.....	.....\$ 7.87
COST PER ACRE INCH .....	.....\$ 3.24

TABLE 3. Equipment summary for a 1,280 acre sprinkler-irrigated farm with above average management, Otero County, 2003.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBE	TOTAL VALUE	FUEL AND LUBRICANT	FUEL,LUBE REPAIR	PER HR	REPAIR PER HR	DEPRE-CIATION	TAXES	TOTAL PER HOUR
TRACTOR 93 HP	857	1	\$19,240	\$8,226	\$7,506	\$9.59	\$8.75	\$1,226	\$220	\$1.69
TRACTOR 155 HP	329	1	\$31,290	\$4,361	\$1,548	\$13.25	\$4.70	\$5,600	\$431	\$18.33
COTTON STRIPPER 2-ROW	52	1	\$2,520		\$187		\$3.57	\$767	\$59	\$15.76
SWATHER 16 FT	154	1	\$24,740	\$778	\$1,338	\$5.05	\$8.69	\$3,621	\$371	\$25.92
BALER	238	3	\$12,300		\$288		\$1.21	\$1,650	\$169	\$7.64
BALE WAGON	280	1	\$13,230		\$5,992		\$21.40	\$2,250	\$231	\$8.86
PLANTER 6-ROW	27	1	\$4,250		\$164		\$6.04	\$850	\$44	\$32.85
CHISEL 7 SHANK	26	1	\$1,200		\$6		\$0.22	\$160	\$12	\$6.55
ROLLING CULTIVATOR 6-ROW	73	1	\$3,000		\$134		\$1.83	\$400	\$31	\$5.87
DISC 14 FT	132	1	\$3,000		\$221		\$1.68	\$400	\$31	\$3.28
PLOW 4-BTM	67	1	\$4,000		\$167		\$2.48	\$533	\$41	\$8.52
DRAG 14 FT	59	1	\$250		\$5		\$0.08	\$33	\$3	\$0.61
FLOAT 14 FT	27	1	\$600		\$2		\$0.08	\$60	\$5	\$2.39
DRILL 20 FT	27	1	\$3,600		\$139		\$5.11	\$720	\$37	\$27.91
LISTER 4 ROW	19	1	\$1,600		\$24		\$1.25	\$213	\$16	\$11.97
SPRAYER 30 FT	14	1	\$1,500		\$22		\$1.53	\$200	\$15	\$15.01
SHREDDER 2 ROW	25	1	\$1,250		\$14		\$0.58	\$167	\$13	\$7.32
COTTON TRAILER 8 BALE	85	2	\$2,400		\$26		\$0.31	\$320	\$25	\$4.08
SIDEROLL SPRINKLER	4746	8	\$20,000	\$0	\$223	\$0.00	\$0.05	\$2,667	\$205	\$0.61
ELECTRIC WELL	8903	5	\$97,500	\$38,088	\$868	\$4.28	\$0.10	\$10,263	\$1,000	\$1.27
			\$247,470	\$51,453	\$18,874			\$32,100	\$2,957	

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, 20023
Planting dates: August 1 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	\$3.00	30 LBS						\$90.00
PUMP WATER*		6 AC. IN.						\$90.00
SUBTOTAL								\$90.00
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.86	\$0.89	\$3.02	\$6.82
CHISEL	155 HP	0.20 HR		\$1.50	\$2.65	\$0.98	\$4.98	\$10.11
PLOW	155 HP	0.48 HR		\$3.60	\$6.36	\$3.45	\$12.88	\$26.29
DISC (2X)	155 HP	0.28 HR		\$2.10	\$3.71	\$1.79	\$6.05	\$13.65
DRAG (2X)	155 HP	0.30 HR		\$2.25	\$3.98	\$1.44	\$5.68	\$13.34
DRILL	93 HP	0.12 HR		\$0.90	\$1.15	\$1.66	\$3.55	\$7.27
IRRIGATE (3X)		0.75 HR		\$5.06	\$10.56	\$0.36	\$4.62	\$20.60
SUBTOTAL		2.27 HR		\$16.46	\$30.27	\$10.57	\$40.78	\$98.08
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.12 HR		\$0.86				\$0.86
EMPLOYEE BENEFITS				\$2.96				\$2.96
INSURANCE			\$0.33					\$0.33
SUPERVISION AND MANAGEMENT				\$14.15				\$14.15
SUBTOTAL		0.12	0.33	17.97				18.30
TOTAL OPERATING EXPENSES		2.39 HR	\$90.33	\$34.43	\$30.27	\$10.57	\$40.78	\$206.38

TABLE 5. Alfalfa hay, sideroll sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, 2003.
Harvesting dates: June 1 - October 10

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$140.00	4.50 TONS (STACKED)						\$630.00
GRAZING	\$15.00	1 ACRE						\$15.00
TOTAL								\$645.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.36	75 LBS	\$27.00					\$27.00
PHOSPHATE (P2O5)	\$0.33	200 LBS	\$66.00					\$66.00
INSECTICIDE	\$16.03	2 X/ACRE	\$32.05					\$32.05
ESTAB LISHMENT: Principal		5 YEARS					\$41.28	\$41.28
: Interest							\$8.36	\$8.36
BALING TWINE	\$0.37	39 LBS	\$0.14					\$0.14
PUMP WATER*		40 AC. IN.						
SUBTOTAL			\$125.19				\$49.63	\$174.83
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DRAG	93 HP	0.15 HR		\$1.13	\$1.44	\$1.33	\$0.34	\$4.23
IRRIGATE (11X)		2.75 HR		\$18.56	\$70.41	\$2.38	\$30.78	\$122.12
SUBTOTAL		2.90 HR		\$19.69	\$71.84	\$3.70	\$31.12	\$126.36
HARVEST OPERATIONS								
SWATHER (5X)	16 FT	0.55 HR		\$4.13	\$2.78	\$4.78	\$14.26	\$25.94
BALER (5X)	93 HP	0.85 HR		\$6.38	\$8.15	\$8.47	\$7.93	\$30.93
LOAD (5X)	93 HP	1.00 HR		\$7.50	\$9.59	\$25.89	\$10.55	\$53.53
SUBTOTAL		2.40 HR		\$18.00	\$20.53	\$39.14	\$32.73	\$110.40
OVERHEAD EXPENSES								
DOWNTIME		0.60 HR		\$4.50				\$4.50
EMPLOYEE BENEFITS				\$6.78				\$6.78
INSURANCE			\$0.75					\$0.75
LAND TAXES							\$3.08	\$3.08
SUPERVISION AND MANAGEMENT				\$49.10				\$49.10
OTHER EXPENSES			\$59.37					\$59.37
SUBTOTAL		0.60 HR	\$60.12	\$60.38			\$3.08	\$123.58
TOTAL OPERATING EXPENSES		5.90 HR	\$185.32	\$98.07	\$92.37	\$42.84	\$116.56	\$535.16
NET OPERATING PROFIT								\$109.84
INTEREST ON OPERATING CAPITAL	(	\$86.46	@	8.00%	)			\$6.92
INTEREST ON EQUIPMENT INVESTMENT								\$25.98
RETURN TO LAND AND RISK								\$76.95

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

BUDGET SUMMARY

GROSS RETURN		\$645.00	
VARIABLE OPERATING EXPENSES	\$320.53		
RETURN OVER VARIABLE EXPENSES		\$324.47	(GROSS MARGIN)
FIXED EXPENSES	\$116.56		
NET FARM INCOME		\$207.91	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$98.07		
NET OPERATING PROFIT		\$109.84	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$32.89		
RETURN TO LAND AND RISK		\$76.95	

TABLE 6. Wheat, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, 2003.
 Planting dates: August 15 - September 15
 Harvesting dates: July 15 - July 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	\$5.75	24.00 CWT						\$138.00
DIRECT PAYMENT	\$0.867	35.00 CWT						\$30.35
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$25.00	1.00 ACRE						\$25.00
TOTAL							\$193.35	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			FIXED COST	TOTAL	
SEED	\$0.13	150 LBS	\$19.50				\$19.50	
ANHYDROUS (NH3)	\$0.1550	125 LBS	\$19.38				\$19.38	
LIVESTOCK FAC & EQUIP						\$5.00	\$5.00	
PUMP WATER*		25 AC. IN.					\$0.00	
CROP INSURANCE	\$0.29						\$0.29	
SUBTOTAL			\$38.88			\$5.00	\$44.17	
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.86	\$0.89	\$3.02	\$6.82
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.50	\$2.65	\$0.94	\$3.67	\$15.76
DISC	155 HP	0.14 HR		\$1.05	\$1.86	\$0.89	\$3.02	\$6.82
DRILL	93 HP	0.12 HR		\$0.90	\$1.15	\$1.66	\$3.55	\$7.27
IRRIGATE (5X)		2.50 HR		\$16.88	\$44.00	\$1.00	\$13.01	\$74.89
SUBTOTAL		3.10 HR	\$7.00	\$21.38	\$51.52	\$5.40	\$26.28	\$111.56
HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$26.00					\$26.00
SUBTOTAL			\$26.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26.00
OVERHEAD EXPENSES								
DOWNTIME		0.15 HR		\$1.13				\$1.13
EMPLOYEE BENEFITS				\$3.85				\$3.85
INSURANCE			\$0.43					\$0.43
LAND TAXES							\$3.08	\$3.08
SUPERVISION AND MANAGEMENT				\$16.33				\$16.33
OTHER EXPENSES			\$59.37					\$59.37
SUBTOTAL		0.15 HR	\$59.80	\$21.31			\$3.08	\$84.18
TOTAL OPERATING EXPENSES		3.25 HR	\$131.67	\$42.68	\$51.52	\$5.40	\$34.35	\$265.91
NET OPERATING PROFIT							(\$72.57)	
INTEREST ON OPERATING CAPITAL		(\$33.81 @	8.00%)				\$2.70	
INTEREST ON EQUIPMENT INVESTMENT							\$8.73	
RETURN TO LAND AND RISK							(\$84.00)	

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

BUDGET SUMMARY

GROSS RETURN		\$193.35	
VARIABLE OPERATING EXPENSES	\$188.58		
RETURN OVER VARIABLE EXPENSES		\$4.76	(GROSS MARGIN)
FIXED EXPENSES	\$34.35		
NET FARM INCOME		(\$29.59)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$42.68		
NET OPERATING PROFIT		(\$72.27)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.43		
RETURN TO LAND AND RISK		(\$83.71)	

TABLE 7. White corn, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, 2003.
 Planting dates: April 15 - May 15
 Harvesting dates: October 1 - November 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
CORN	\$7.50	70.00 CWT							\$525.00
GRAZING	\$20.00	1.00 ACRE							\$20.00
TOTAL								\$545.00	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	\$0.90		25 000	\$22.44				\$22.44	
NITROGEN (N)	\$0.36		30 LBS	\$10.80				\$10.80	
PHOSPHATE (P2O5)	\$0.33		70 LBS	\$23.10				\$23.10	
TRACE ELEMENTS	\$0.15		65 LBS	\$9.75				\$9.75	
ANHYDROUS (NH3)	\$0.1550		175 LBS	\$27.13				\$27.13	
INSECTICIDE (CUSTOM)	\$16.03		3 ACRE	\$48.08				\$48.08	
HERBICIDE	\$9.45		1 ACRE	\$9.45				\$9.45	
LIVESTOCK FAC & EQUIP								\$5.00	
PUMP WATER*			48 AC. IN.					\$0.00	
SUBTOTAL				\$150.74				\$5.00	\$155.74
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14	HR		\$1.05	\$1.86	\$0.89	\$3.02	\$6.82
CHISEL	155 HP	0.20	HR		\$1.50	\$2.65	\$0.98	\$4.98	\$10.11
ANHYDROUS APPL	155 HP	0.20	HR	\$7.00	\$1.50	\$2.65	\$0.94	\$3.67	\$15.76
DISC & SPRAY	155 HP	0.19	HR		\$1.43	\$2.52	\$1.50	\$6.96	\$12.40
LISTER	155 HP	0.12	HR		\$0.90	\$1.59	\$0.71	\$3.64	\$6.84
PLANTER	93 HP	0.17	HR		\$1.28	\$1.63	\$2.51	\$5.87	\$11.29
ROLLING CULT (3X)	93 HP	0.39	HR		\$2.93	\$3.74	\$4.13	\$2.95	\$13.74
IRRIGATE (8X)		4.00	HR		\$27.00	\$84.49	\$1.93	\$24.98	\$138.40
SUBTOTAL		5.41	HR	\$7.00	\$37.58	\$101.12	\$13.60	\$56.06	\$215.36
HARVEST OPERATIONS									
COMBINE (CUSTOM)				\$23.25					\$23.25
HAUL (CUSTOM)				\$14.00					\$14.00
SUBTOTAL				\$37.25	\$0.00	\$0.00	\$0.00	\$0.00	\$37.25
OVERHEAD EXPENSES									
DOWNTIME		0.27	HR		\$2.04				\$2.04
EMPLOYEE BENEFITS					\$6.76				\$6.76
INSURANCE				\$0.75					\$0.75
LAND TAXES							\$3.08		\$3.08
SUPERVISION AND MANAGEMENT					\$44.27				\$44.27
OTHER EXPENSES				\$59.37					\$59.37
SUBTOTAL		0.27	HR	\$60.12	\$53.07			\$3.08	\$116.27
TOTAL OPERATING EXPENSES		5.68	HR	\$255.10	\$90.65	\$101.12	\$13.60	\$64.14	\$524.62
NET OPERATING PROFIT								\$20.38	
INTEREST ON OPERATING CAPITAL	(	\$104.05	@	8.00%	)			\$8.32	
INTEREST ON EQUIPMENT INVESTMENT								\$20.38	
RETURN TO LAND AND RISK								(\$8.32)	

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

BUDGET SUMMARY

GROSS RETURN		\$545.00	
VARIABLE OPERATING EXPENSES	\$369.83		
RETURN OVER VARIABLE EXPENSES		\$175.17	(GROSS MARGIN)
FIXED EXPENSES	\$64.14		
NET FARM INCOME		\$111.03	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$90.65		
NET OPERATING PROFIT		\$20.38	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.71		
RETURN TO LAND AND RISK		(\$8.32)	

TABLE 8. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, 2003.
 Planting dates: April 15 - May 15
 Harvesting dates: November 1 - January 15

ITEM	PRICE	YIELD		PURCHASED INPUTS					TOTAL
GROSS RETURNS									
COTTON LINT	\$0.520	1,000	LBS						\$520.00
COTTON SEED	\$0.08	1,600	LBS						\$120.00
DIRECT PAYMENT	\$0.0667	1,000	LBS						\$66.70
COUNTER CYCLICAL PAYMEN	\$0.1373	1,000	LBS						\$137.30
TOTAL									\$844.00
PURCHASED INPUTS									
SEED	\$0.56	25	LBS	\$14.00					\$14.00
NITROGEN (N)	\$0.36	72	LBS	\$25.92					\$25.92
PHOSPHATE (P2O5)	\$0.33	184	LBS	\$60.72					\$60.72
HERBICIDE (CUSTOM)	\$19.93	1	X/ACRE	\$19.93					\$19.93
INSECTICIDE (CUSTOM)	\$18.91	1	X/ACRE	\$18.91					\$18.91
CROP INSURANCE			FCIC	\$0.59					\$0.59
PUMP WATER*		30	AC. IN.						
SUBTOTAL				\$140.07					\$140.07
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR			\$1.05	\$1.86	\$0.89	\$3.02	\$6.82
FLOW	155 HP	0.48 HR			\$3.60	\$6.36	\$3.45	\$12.88	\$26.29
DISC (2X)	155 HP	0.28 HR			\$2.10	\$3.71	\$1.79	\$6.05	\$13.65
FLOAT (2X)	93 HP	0.32 HR			\$2.40	\$3.07	\$2.83	\$1.30	\$9.60
LISTER	155 HP	0.12 HR			\$0.90	\$1.59	\$0.71	\$3.64	\$6.84
PLANTER	155 HP	0.17 HR			\$1.28	\$2.25	\$1.83	\$8.70	\$14.05
ROLLING CULT. (4X)	93 HP	0.52 HR			\$3.90	\$4.99	\$5.50	\$3.93	\$18.32
HAND HOE (CUSTOM)				\$25.00					\$25.00
IRRIGATE (6X)		3.00 HR			\$20.25	\$52.80	\$1.20	\$15.61	\$89.87
SUBTOTAL		5.03 HR		\$25.00	\$35.48	\$76.63	\$18.20	\$55.14	\$210.45
HARVEST OPERATIONS									
COTTON STRIPPER	93 HP	0.62 HR			\$4.65	\$5.95	\$7.64	\$10.82	\$29.05
HAUL	93 HP	1.00 HR			\$7.50	\$9.59	\$9.07	\$5.76	\$31.92
GIN COTTON (CUSTOM)				\$204.40					\$204.40
SUBTOTAL		1.62 HR		\$204.40	\$12.15	\$15.54	\$16.70	\$16.58	\$265.37
POST HARVEST OPERATIONS									
SHREDDER	93 HP	0.29 HR			\$2.18	\$2.78	\$2.71	\$2.61	\$10.28
OVERHEAD EXPENSES									
DOWNTIME		0.91 HR			\$6.79				\$6.79
EMPLOYEE BENEFITS					\$8.57				\$8.57
INSURANCE				\$0.95					\$0.95
LAND TAXES							\$3.08		\$3.08
SUPERVISION AND MANAGEMENT					\$65.17				\$65.17
OTHER EXPENSES				\$59.37					\$59.37
SUBTOTAL		0.91 HR		\$60.32	\$80.53			\$3.08	\$143.92
TOTAL OPERATING EXPENSES		7.85 HR		\$429.79	\$130.33	\$94.96	\$37.61	\$77.41	\$770.09
NET OPERATING PROFIT									\$73.91
INTEREST ON OPERATING CAPITAL	(	\$96.43	@	8.00%	)				\$7.71
INTEREST ON EQUIPMENT INVESTMENT									\$35.68
RETURN TO LAND AND RISK									\$30.52

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

BUDGET SUMMARY

GROSS RETURN		\$844.00	
VARIABLE OPERATING EXPENSES	\$562.36		
RETURN OVER VARIABLE EXPENSES	\$281.64		(GROSS MARGIN)
FIXED EXPENSES	\$77.41		
NET FARM INCOME	\$204.23		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$130.33		
NET OPERATING PROFIT	\$73.91		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$43.39		
RETURN TO LAND AND RISK	\$30.52		

TABLE 9. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, 2003.

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$4.39	28.00	CWT						\$122.92
DIRECT PAYMENT	\$0.625	50.00	CWT						\$31.25
COUNTER CYCLICAL PAYMEN	\$0.00	0.00	CWT						\$0.00
GRAZING	\$13.00	1	ACRE						\$13.00
TOTAL								\$167.17	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$1.04	12	LBS	\$12.48					\$12.48
ANHYDROUS (NH3)	\$0.1550	150	LBS	\$23.25					\$23.25
NITROGEN (N)	\$0.36	18	LBS	\$6.48					\$6.48
PHOSPHATE (P2O5)	\$0.33	46	LBS	\$15.18					\$15.18
INSECTICIDE	\$15.07	1	ACRE	\$15.07					\$15.07
HERBICIDE	\$12.26	1	ACRE	\$12.26					\$12.26
LIVESTOCK FAC & EQUIP						\$5.00			\$5.00
PUMP WATER		36	AC. IN.	\$0.00					\$0.00
CROP INSURANCE	\$1.96								\$1.96
SUBTOTAL				\$84.72		\$5.00		\$91.68	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14	HR		\$1.05	\$1.86	\$0.89	\$3.02	\$6.82
CHISEL	155 HP	0.20	HR		\$1.50	\$2.65	\$0.98	\$4.98	\$10.11
ANHYDROUS APPL	155 HP	0.20	HR	\$7.00	\$1.50	\$2.65	\$0.94	\$3.67	\$15.76
DISC & SPRAY	155 HP	0.19	HR		\$1.43	\$2.52	\$1.50	\$6.96	\$12.40
LISTER	155 HP	0.12	HR		\$0.90	\$1.59	\$0.71	\$3.64	\$6.84
PLANTER	155 HP	0.17	HR		\$1.28	\$2.25	\$1.83	\$8.70	\$14.05
ROLLING CULT (3X)	93 HP	0.39	HR		\$2.93	\$3.74	\$4.13	\$2.95	\$13.74
IRRIGATE (6X)		3.00	HR		\$22.50	\$63.37	\$1.44	\$18.74	\$106.05
SUBTOTAL		4.41 HR		\$7.00	\$33.08	\$80.63	\$12.43	\$52.64	\$185.78
HARVEST OPERATIONS									
COMBINE (CUSTOM)	14 FT SP			\$15.00					\$15.00
SUBTOTAL		0.00 HR		\$15.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15.00
OVERHEAD EXPENSES									
DOWNTIME		1.10	HR		\$8.27				\$8.27
EMPLOYEE BENEFITS					\$5.95				\$5.95
INSURANCE				\$0.66					\$0.66
LAND TAXES								\$3.08	\$3.08
SUPERVISION AND MANAGEMENT					\$13.91				\$13.91
OTHER EXPENSES				\$59.37					\$59.37
SUBTOTAL		1.10 HR		\$60.03	\$28.13			\$3.08	\$91.23
TOTAL OPERATING EXPENSES		5.51 HR		\$166.75	\$61.20	\$80.63	\$12.43	\$60.72	\$383.69
NET OPERATING PROFIT								(\$216.52)	
INTEREST ON OPERATING CAPITAL	(	\$69.10	@	8.00%					\$5.53
INTEREST ON EQUIPMENT INVESTMENT									\$20.91
RETURN TO LAND AND RISK								(\$242.96)	

BUDGET SUMMARY

GROSS RETURN	\$167.17		
VARIABLE OPERATING EXPENSES	\$259.81		
RETURN OVER VARIABLE EXPENSES	(\$92.64)	(GROSS MARGIN)	
FIXED EXPENSES	\$60.72		
NET FARM INCOME	(\$153.35)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$61.20		
NET OPERATING PROFIT	(\$214.56)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$26.44		
RETURN TO LAND AND RISK	(\$241.00)		

TABLE 10. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, 2002.

	ALFALFA ESTABLISHMENT -----SPRINKLER-----	ALFALFA HAY	WHEAT	WHITE CORN -----FLOOD-----	STRIPPER COTTON	GRAIN SORGHUM
		TONS	CWT	CWT	LBS	CWT
PRIMARY YIELD		4.50	24.00	70.00	1000.00	28.00
PRIMARY PRICE		140.00	5.75	7.50	0.52	4.39
GOVERNMENT PAYMENTS		0.00	30.35	0.00	204.00	31.25
SECOND INCOME		15.00	25.00	20.00	120.00	13.00
GROSS RETURN		\$645.00	\$193.35	\$545.00	\$844.00	\$167.17
CASH OPERATING EXPENSES						
SEED	\$90.00		\$19.50	\$22.44	\$14.00	\$12.48
FERTILIZER		\$125.05	\$19.38	\$70.78	\$25.92	\$44.91
CHEMICALS				\$57.52	\$38.84	\$27.33
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.14			\$60.72	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$19.71	\$21.97	\$7.51	\$16.64	\$42.15	\$17.26
FUEL-IRRIGATION	\$10.56	\$70.41	\$44.00	\$84.49	\$52.80	\$63.37
REPAIRS	\$10.57	\$42.84	\$5.40	\$13.60	\$37.61	\$12.43
CUSTOM CHARGES			\$33.00	\$44.25	\$229.40	\$22.00
LAND TAXES		\$3.08	\$3.08	\$3.08	\$3.08	\$3.08
OTHER EXPENSES	\$0.33	\$60.12	\$59.80	\$60.12	\$60.32	\$60.03
TOTAL CASH EXPENSES	\$131.17	\$323.60	\$191.95	\$372.91	\$565.43	\$264.84
RETURN OVER CASH EXPENSES	(\$131.17)	\$321.40	\$1.39	\$172.09	\$278.57	(\$97.67)
FIXED EXPENSES	\$40.78	\$113.49	\$31.28	\$61.06	\$74.33	\$57.64
TOTAL EXPENSES	\$171.95	\$437.09	\$223.23	\$433.97	\$639.77	\$322.48
NET FARM INCOME	(\$171.95)	\$207.91	(\$29.88)	\$111.03	\$204.23	(\$155.31)
LABOR AND MANAGEMENT COSTS	\$34.43	\$98.07	\$42.68	\$90.65	\$130.33	\$61.20
NET OPERATING PROFIT	(\$206.38)	\$109.84	(\$72.57)	\$20.38	\$73.91	(\$216.52)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$6.92	\$2.70	\$8.32	\$7.71	\$5.53
INTEREST ON EQUIPMENT INVESTMENT		\$25.98	\$8.73	\$20.38	\$35.68	\$20.91
TOTAL CAPITAL COSTS	\$0.00	\$32.89	\$11.43	\$28.71	\$43.39	\$26.44
RETURN TO LAND AND RISK	(\$206.38)	\$76.95	(\$84.00)	(\$8.32)	\$30.52	(\$242.96)

TABLE 11. Whole farm summary, Dell City area, Otero County, 2002.

GROSS RETURNS		
ALFALFA HAY	280 ACRES	
CROP		\$180,600
WHEAT	170 ACRES	
CROP		\$23,460
GRAZING		\$4,250
DIRECT PAYMENT		\$5,159
COUNTER CYCLICAL PAYMENT		\$0
WHITE CORN	50 ACRES	
CROP		\$26,250
GRAZING		\$1,000
COTTON	84.5 ACRES	
LINT		\$43,940
SEED		\$10,140
DIRECT PAYMENT		\$2,835
COUNTER CYCLICAL PAYMENT		\$11,602
GRAIN SORGHUM	25.5 ACRES	
CROP		\$3,134
DIRECT PAYMENT		\$797
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$332
GROSS RETURN		<u>\$313,498</u>
CASH OPERATING EXPENSES		
SEED		\$10,978
FERTILIZER		\$45,182
CHEMICALS		\$6,855
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$5,171
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$13,365
FUEL-IRRIGATION		\$38,088
REPAIRS		\$17,680
CUSTOM CHARGES		\$27,768
LAND TAXES		\$1,876
OTHER EXPENSES		\$36,651
TOTAL CASH EXPENSES		<u>\$203,764</u>
RETURN OVER CASH EXPENSES		\$109,734
FIXED EXPENSES		\$38,624
TOTAL EXPENSES		\$242,388
NET FARM INCOME		\$71,110
LABOR AND MANAGEMENT COSTS		\$53,750
NET OPERATING PROFIT		\$17,360
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,606
INTEREST ON EQUIPMENT INVESTMENT		\$13,324
TOTAL CAPITAL COSTS		<u>\$16,930</u>
RETURN TO LAND AND RISK		<u>\$430</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$12,370)	3.06%
\$750 /ACRE	(\$18,770)	2.39%
\$1,000 /ACRE	(\$25,170)	1.96%
\$1,250 /ACRE	(\$31,570)	1.66%
\$1,500 /ACRE	(\$37,970)	1.44%

* 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)