

TABLE 1. Basic cost information for the Artesia-Lake Arthur area, 2002.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.30
General & Irrigators	\$/hour	\$6.70
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.32
Phosphate (P205)	\$/pound	\$0.30
Seed:		
Alfalfa	\$/pound	\$2.90
Cotton picker	\$/pound	\$0.70
stripper	\$/pound	\$0.65
Oats	\$/pound	\$0.23
Barley	\$/pound	\$0.24
Wire:	\$/lb.	\$0.37
Natural gas	\$/MCF	\$3.28
(service charge)	\$/month	\$10.00
Diesel fuel	\$/gallon	\$1.05
Gasoline	\$/gallon	\$1.00
Electricity	cents/KwHr	5.56
LP Gas	\$/gallon	\$0.86
Employee Liability Insurance	\$/wages	20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	8.00%
Land Interest Rate	percent	7.50%
Equipment Interest Rate	percent	8.00%
Real Interest Rate	percent	4.00%
Land Taxes	\$217.50 /acre (full value)	\$1.75
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)	\$24.18
- R		\$20.02
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment & General	\$/labor hour	\$0.50
Vegetable Crop-Irrigation	\$/labor hour	\$2.90
Vegetable Crop-Equip. & General	\$/labor hour	\$1.00
Management Rate		
Field Crops	percent/GR	7.00%
Vegetable Crops	percent/TOE	10.00%

BUDGET AREA..... ARTESIA-LAKE ARTHUR AREA, 2002.
 FARM SIZE..... 500 ACRES
 IRRIGATION TYPE..... SPRINKLER
 NUMBER OF CROPS... 6

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	57.00	42	2,394
ALFALFA	285.00	48	13,680
BARLEY	8.50	28	238
ARP	0.00		
FLEX IN PICKER COTTON	1.50	28	42
OAT HAY	8.00	28	224
PICKER COTTON	59.50	28	1,666
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
STRIPPER COTTON	59.50	28	1,666
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
TOTAL	500.00		20,498
ACRE FEE PER ACRE OF WATER RIGHTS			3.42

TABLE 1a. Overhead cost information for the Artesia-Lake Arthur area, 2002.

ITEM		
Electricity (Domestic & Shop)	\$210.00 per month	\$2,520
Telephone	\$110.00 per month	\$1,320
Accounting & Legal		\$1,440
Misc. Supplies & Hand Tools		\$2,210
Pickup and Auto		
miles 20,000 @	\$0.345 per mile	\$6,908
Insurance		
- general liability (non-employee)		\$160
- fire/theft		\$1,320
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$590
Building repairs and maintenance		\$1,305
Dues, fees, publications		\$385
Farmstead Equipment		\$165
Total		\$18,323
Total Per Planted Acre		\$41.36

TABLE 2. Pumping costs and data for irrigation wells, Artesia-Lake Arthur area, 2002.

INPUT DATA		
DELIVERY PSI:		DEPTH CHARACTERISTICS:
SPRINKLER HEAD.....	40	STATIC..... 60
		DRAW DOWN..... 20
		TOTAL HEAD..... 80
		CASING..... 250
GALLONS PER MINUTE (GPM).....	500	
WORK HORSEPOWER.....	10	
EFFICIENCY FACTOR:		
ELECTRICITY.....	0.470	
NATURAL GAS.....	0.120	
LP GAS.....	0.120	
DIESEL.....	0.160	
FUEL COST PER UNIT:		
ELECTRICITY.....	5.56	CENTS/KwHr
NATURAL GAS.....	\$3.28	\$/MCF
LP GAS.....	\$0.86	\$/GAL
DIESEL.....	\$1.05	\$/GAL
TOTAL FUEL COSTS:		
ELECTRIC WELL:		
COST PER HOUR.....	\$0.92	
COST PER ACRE INCH.....	\$0.83	
NATURAL GAS WELL:		
COST PER HOUR.....	\$0.80	
COST PER ACRE INCH.....	\$0.72	
LP GAS WELL:		
COST PER HOUR.....	\$2.03	
COST PER ACRE INCH.....	\$1.84	
DIESEL WELL:		
COST PER HOUR.....	\$1.22	
COST PER ACRE INCH.....	\$1.10	

TABLE 3. Equipment summary for a 500 acre sprinkler-irrigated farm with above average management, Artesia-Lake Arthur area, 2002.

EQUIPMENT		VARIABLE COSTS							FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL, LUBE PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR	
TRACTOR 40 HP	74	1	\$1,800	\$222	\$15	\$2.99	\$0.21	\$50	\$10	\$0.81	
TRACTOR 65 HP	245	1	\$2,400	\$1,194	\$275	\$4.86	\$1.12	\$138	\$22	\$0.65	
TRACTOR 70 HP	169	1	\$8,400	\$658	\$294	\$3.88	\$1.73	\$705	\$85	\$4.66	
TRACTOR 96 HP	356	1	\$23,030	\$2,658	\$1,651	\$7.46	\$4.63	\$1,430	\$173	\$4.50	
TRACTOR 145 HP	310	1	\$39,110	\$2,939	\$1,774	\$9.48	\$5.72	\$4,652	\$281	\$15.92	
COTTON PICKER 4-ROW	61	1	\$78,640	\$385	\$2,610	\$6.35	\$43.01	\$9,350	\$754	\$166.51	
COTTON STRIPPER MTD	37	1	\$2,520		\$110		\$2.99	\$767	\$46	\$22.04	
SWATHER 16 FT	177	1	\$30,700	\$695	\$1,665	\$3.93	\$9.41	\$3,621	\$292	\$22.12	
BALE WAGON S.P.	321	1	\$15,480	\$2,487	\$7,159	\$7.75	\$22.32	\$2,250	\$181	\$7.58	
BALER PTO	401	2	\$8,640		\$1,169		\$2.92	\$1,100	\$89	\$2.96	
PLANTER 4-ROW	37	1	\$3,400		\$200		\$5.44	\$680	\$27	\$19.23	
CULTIVATOR 4-ROW	119	1	\$1,500		\$100		\$0.84	\$200	\$12	\$1.78	
DISC 12 FT	107	1	\$2,250		\$137		\$1.28	\$300	\$18	\$2.98	
DRILL 12 FT	27	1	\$2,200		\$86		\$3.12	\$440	\$18	\$16.70	
PLANE 14 FT	32	1	\$2,750		\$18		\$0.55	\$367	\$22	\$11.97	
FLOAT 14 FT	50	1	\$600		\$7		\$0.14	\$60	\$4	\$1.27	
PLOW (MOLDBOARD) 4-16 IN	103	1	\$4,000		\$235		\$2.28	\$533	\$32	\$5.48	
SHREDDER 4-ROW	20	1	\$2,500		\$23		\$1.15	\$333	\$20	\$17.84	
COTTON TRAILER	127	5	\$6,000		\$27		\$0.22	\$800	\$48	\$6.70	
RAKE 8 FT	74	1	\$3,400		\$232		\$3.13	\$340	\$27	\$4.96	
SLED	21	1	\$375		\$6		\$0.29	\$50	\$3	\$2.50	
NATURAL GAS BOOSTER PUMP	18553	3	\$7,500	\$9,009	\$3,469	\$0.49	\$0.19	\$1,000	\$60	\$0.06	
SIDE-ROLL SPRINKLER	18553	13	\$32,500		\$872		\$0.05	\$4,333	\$262	\$0.25	
NATURAL GAS WELL	18553	11	\$121,000	\$14,849	\$3,711	\$0.80	\$0.20	\$11,000	\$975	\$0.72	
			\$400,695	\$35,095	\$25,845			\$44,499	\$3,463		

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, 2002.
Planting dates: March 15 - April 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$120.00	4.50 TONS (STACKED)						\$540.00
TOTAL								\$540.00
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$2.90	20 LBS	\$58.00					\$58.00
FERTILIZER (16-20-0)	\$0.170	200 LBS	\$34.00					\$34.00
HERBICIDE	\$31.03	1 ACRE	\$31.03					\$31.03
PUMP WATER*		42 AC. IN.						
SUBTOTAL			\$123.03					\$123.03
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.24	\$1.61	\$1.19	\$3.21	\$7.26
PLOW	145 HP	0.48 HR		\$3.50	\$4.55	\$3.84	\$10.27	\$22.17
FLOAT	70 HP	0.16 HR		\$1.17	\$0.62	\$0.30	\$0.95	\$3.04
PLANE (3X)	145 HP	0.57 HR		\$4.16	\$5.41	\$3.58	\$15.90	\$29.04
DISC (2X)	145 HP	0.34 HR		\$2.48	\$3.22	\$2.38	\$6.42	\$14.51
FLOAT (2X)	70 HP	0.32 HR		\$2.34	\$1.24	\$0.60	\$1.90	\$6.08
DRILL (2X)	70 HP	0.42 HR		\$3.07	\$1.63	\$2.04	\$8.97	\$15.71
IRRIGATE (6X)		1.50 HR		\$10.05	\$48.88	\$16.50	\$38.83	\$114.26
SUBTOTAL		3.96 HR		\$28.01	\$67.17	\$30.43	\$86.46	\$212.06
HARVEST OPERATIONS								
SWATHER (3X)	16 FT	0.33 HR		\$2.41	\$1.30	\$3.11	\$7.30	\$14.11
RAKE	40 HP	0.05 HR		\$0.37	\$0.15	\$0.17	\$0.29	\$0.97
BALER (3X)	145 HP	0.75 HR		\$5.48	\$7.11	\$6.48	\$14.16	\$33.23
BALEWAGON (3X)	SP	0.60 HR		\$4.38	\$4.65	\$13.39	\$4.55	\$26.97
SUBTOTAL		1.73 HR		\$12.63	\$13.21	\$23.14	\$26.30	\$75.28
OVERHEAD EXPENSES								
DOWNTIME		1.05 HR		\$7.65				\$7.65
EMPLOYEE BENEFITS				\$7.31				\$7.31
INSURANCE			\$0.81					\$0.81
SUPERVISION AND MANAGEMENT				\$41.40				\$41.40
SUBTOTAL		1.05 HR	\$0.81	\$56.36				\$57.17
TOTAL OPERATING EXPENSES		6.74 HR	\$123.84	\$96.99	\$80.38	\$53.57	\$112.75	\$467.54
NET OPERATING PROFIT								\$72.46
INTEREST ON EQUIPMENT INVESTMENT								\$47.02
RETURN TO LAND AND RISK								\$25.45

BUDGET SUMMARY

GROSS RETURN		\$540.00	
VARIABLE OPERATING EXPENSES	\$257.79		
RETURN OVER VARIABLE EXPENSES		\$282.21	(GROSS MARGIN)
FIXED EXPENSES	\$112.75		
NET FARM INCOME		\$169.46	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$96.99		
NET OPERATING PROFIT		\$72.46	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$47.02		
RETURN TO LAND AND RISK		\$25.45	

TABLE 5. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, 2002.
Harvesting Dates: May 5 - November 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$120.00	6.50 TONS (STACKED)						\$780.00
GRAZING	\$40.00							\$40.00
TOTAL								\$820.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
INSECTICIDE (CUSTOM)	\$33.79	2 X/ACRE	\$67.58					\$67.58
HERBICIDE (CUSTOM)	\$39.96	1 X/ACRE	\$39.96					\$39.96
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25					\$5.25
FERTILIZER (5-26-30)	\$0.19	200 LBS	\$38.00					\$38.00
WIRE	\$0.37	56 LBS	\$20.69					\$20.69
DRYING AGENT (AGRI-DRY)	\$7.87	1 /TON	\$51.15					\$51.15
ESTABLISHMENT: Principal		5 YEARS					\$5.09	\$5.09
: Interest							\$39.33	\$39.33
PUMP WATER*		48 AC. IN.						
SUBTOTAL			\$222.63				\$44.42	\$267.05
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50 HR		\$10.05	\$55.87	\$18.86	\$44.38	\$129.15
SUBTOTAL		1.50 HR		10.05	55.87	18.86	44.38	129.15
HARVEST OPERATIONS								
SWATHER (5X)	16 FT SP	0.55 HR		\$4.02	\$2.16	\$5.18	\$12.17	\$23.52
RAKE (5X)	40 HP	0.25 HR		\$1.83	\$0.75	\$0.83	\$1.44	\$4.85
BALER (5X)	96 HP	1.25 HR		\$9.13	\$9.33	\$9.44	\$9.33	\$37.22
BALE WAGON (5X)	SP	1.00 HR		\$7.30	\$7.75	\$22.32	\$7.58	\$44.95
SUBTOTAL		3.05 HR		\$22.27	\$19.99	\$37.76	\$30.52	\$110.54
OVERHEAD EXPENSES								
DOWNTIME		0.70 HR		\$5.11				\$5.11
EMPLOYEE BENEFITS				\$5.82				\$5.82
INSURANCE				\$0.65				\$0.65
LAND TAXES							\$1.75	\$1.75
SUPERVISION AND MANAGEMENT				\$60.43				\$60.43
OTHER EXPENSES				\$41.36				\$41.36
SUBTOTAL		0.70 HR		\$42.01	\$71.35		\$1.75	\$115.11
TOTAL OPERATING EXPENSES		5.25 HR		\$264.64	\$103.67	\$75.86	\$56.62	\$121.07
NET OPERATING PROFIT								\$198.15
INTEREST ON OPERATING CAPITAL	(	134.81	@	8.00%	)			\$10.78
INTEREST ON EQUIPMENT INVESTMENT								\$26.27
RETURN TO LAND AND RISK								\$161.10

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

BUDGET SUMMARY

GROSS RETURN		\$820.00	
VARIABLE OPERATING EXPENSES	\$397.11		
RETURN OVER VARIABLE EXPENSES		\$422.89	(GROSS MARGIN)
FIXED EXPENSES	\$121.07		
NET FARM INCOME		\$301.82	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$103.67		
NET OPERATING PROFIT		\$198.15	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$37.05		
RETURN TO LAND AND RISK		\$161.10	

TABLE 6. Barley, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, 2002.

Planting dates: August 20 - September 30

Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
BARLEY	\$3.30	35.00	CWT						\$115.50
ASCS DEFICIENCY	\$0.206	35.00	CWT						\$7.21
ASCS DIVERSION	\$0.00								\$0.00
GRAZING	\$40.00								\$40.00
TOTAL									\$162.71
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.24	110	LBS	\$26.40					\$26.40
NITROGEN (N)	\$0.32	150	LBS	\$48.00					\$48.00
INSECTICIDE (CUSTOM)	\$19.54	1	X/ACRE	\$19.54					\$19.54
PUMP WATER*		28	AC. IN.						
CROP INSURANCE	\$5.88			\$5.88					\$5.88
SUBTOTAL				\$99.82					\$99.82
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48	HR		\$3.50	\$4.55	\$3.84	\$10.27	\$22.17
DISC (2X)	145 HP	0.34	HR		\$2.48	\$3.22	\$2.38	\$6.42	\$14.51
FERTILIZE	DEALER APPLIED								
DRILL	70 HP	0.21	HR		\$1.53	\$0.81	\$1.02	\$4.49	\$7.85
IRRIGATE (4X)		1.00	HR		\$6.70	\$32.59	\$11.00	\$25.89	\$76.17
SUBTOTAL		2.03 HR			\$14.22	\$41.18	\$18.24	\$47.07	\$120.71
HARVEST OPERATIONS									
COMBINE (CUSTOM)					\$17.91				\$17.91
HAUL (CUSTOM)					\$7.00				\$7.00
SUBTOTAL					\$24.91				\$24.91
OVERHEAD EXPENSES									
DOWNTIME		0.26	HR		\$1.88				\$1.88
EMPLOYEE BENEFITS					\$2.56				\$2.56
INSURANCE					\$0.28				\$0.28
LAND TAXES								\$1.75	\$1.75
SUPERVISION AND MANAGEMENT					\$12.90				\$12.90
OTHER EXPENSES					\$41.36				\$41.36
SUBTOTAL		0.26 HR			\$41.65	\$17.34		\$1.75	\$60.74
TOTAL OPERATING EXPENSES		2.29 HR			\$166.37	\$31.56	\$41.18	\$18.24	\$48.82
NET OPERATING PROFIT									(\$143.47)
INTEREST ON OPERATING CAPITAL	(	66.84	@	8.00%	)				\$5.35
INTEREST ON EQUIPMENT INVESTMENT									\$13.59
RETURN TO LAND AND RISK									(\$162.41)

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

BUDGET SUMMARY

GROSS RETURN		\$162.71	
VARIABLE OPERATING EXPENSES	\$225.80		
RETURN OVER VARIABLE EXPENSES		(\$63.09)	(GROSS MARGIN)
FIXED EXPENSES	\$48.82		
NET FARM INCOME		(\$111.91)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$31.56		
NET OPERATING PROFIT		(\$143.47)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.94		
RETURN TO LAND AND RISK		(\$162.41)	

TABLE 7. Oat hay, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, 2002.

Planting dates: February 1 - February 28

Harvesting Dates: June 1 - June 30

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
OAT HAY	\$80.00	3.50	TONS (STACKED)						\$280.00	
TOTAL									\$280.00	
<hr/>										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS							TOTAL
SEED	\$0.23	100 LBS		\$23.00					\$23.00	
FERTILIZER (16-20-0)	\$0.14	150 LBS		\$21.00					\$21.00	
PUMP WATER*		28 AC. IN.								
SUBTOTAL				\$44.00					\$44.00	
<hr/>										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
PLOW	145 HP	0.48 HR		\$3.50	\$4.55	\$3.84	\$10.27		\$22.17	
DISC (2X)	145 HP	0.34 HR		\$2.48	\$3.22	\$2.38	\$6.42		\$14.51	
DRILL	70 HP	0.21 HR		\$1.53	\$0.81	\$1.02	\$4.49		\$7.85	
IRRIGATE (4X)		1.00 HR		\$6.70	\$32.59	\$11.00	\$25.89		\$76.17	
SUBTOTAL		2.03 HR		\$14.22	\$41.18	\$18.24	\$47.07		\$120.71	
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HARVEST OPERATIONS										
SWATHER	14 FT	0.16 HR		\$1.17	\$0.63	\$1.51	\$3.54		\$6.84	
BALER	145 HP	0.25 HR		\$1.83	\$2.37	\$2.16	\$4.72		\$11.08	
BALE WAGON	S. P.	0.20 HR		\$1.46	\$1.55	\$4.46	\$1.52		\$8.99	
SUBTOTAL		0.61 HR		\$4.45	\$4.55	\$8.13	\$9.78		\$26.91	
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OVERHEAD EXPENSES										
DOWNTIME		0.41 HR		\$2.99					\$2.99	
EMPLOYEE BENEFITS				\$3.36					\$3.36	
INSURANCE				\$0.37					\$0.37	
LAND TAXES							\$1.75		\$1.75	
SUPERVISION AND MANAGEMENT				\$21.42					\$21.42	
OTHER EXPENSES				\$41.36					\$41.36	
SUBTOTAL		0.41 HR		\$41.73	\$27.77		\$1.75		\$71.26	
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TOTAL OPERATING EXPENSES		3.05 HR		\$85.73	\$46.45	\$45.73	\$26.37	\$58.60	\$262.88	
<hr/>										
NET OPERATING PROFIT									\$17.12	
INTEREST ON OPERATING CAPITAL	(37.91	@	8.00%)				\$3.03	
INTEREST ON EQUIPMENT INVESTMENT									\$19.86	
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RETURN TO LAND AND RISK									(\$5.77)	

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

BUDGET SUMMARY

GROSS RETURN		\$280.00	
VARIABLE OPERATING EXPENSES	\$157.83		
RETURN OVER VARIABLE EXPENSES		\$122.17	(GROSS MARGIN)
FIXED EXPENSES	\$58.60		
NET FARM INCOME		\$63.57	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$46.45		
NET OPERATING PROFIT		\$17.12	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$22.89		
RETURN TO LAND AND RISK		(\$5.77)	

TABLE 8. Upland cotton (picker), sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, 2002.
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
COTTON LINT	\$0.550	700 LBS						\$385.00
COTTON SEED	\$0.05	1,120 LBS						\$54.60
ASCS DEFICIENCY	\$0.0599	700 LBS						\$41.93
FARM LOAN DEFICIENCY	\$0.04	700 LBS						\$28.00
TOTAL							\$509.53	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.70	15 LBS	\$10.50					\$10.50
FOLIAR FERTILIZER	\$4.80	1 X/ACRE	\$4.80					\$4.80
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25					\$5.25
HERBICIDE (CUSTOM)	\$46.65	1 X/ACRE	\$46.65					\$46.65
INSECTICIDE (CUSTOM)	\$36.10	3 X/ACRE	\$36.10					\$36.10
CROP INSURANCE			\$1.64					\$1.64
PUMP WATER*		28 AC. IN.						
SUBTOTAL			\$104.94					\$104.94
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.24	\$1.61	\$1.19	\$3.21	\$7.26
PLOW	145 HP	0.48 HR		\$3.50	\$4.55	\$3.84	\$10.27	\$22.17
DISC (2X)	145 HP	0.34 HR		\$2.48	\$3.22	\$2.38	\$6.42	\$14.51
FLOAT	145 HP	0.16 HR		\$1.17	\$1.52	\$0.94	\$2.75	\$6.37
PRE-IRRIGATE		0.25 HR		\$1.68	\$8.15	\$2.75	\$6.47	\$19.04
CULTIVATOR	65 HP	0.21 HR		\$1.53	\$1.02	\$0.41	\$0.51	\$3.48
PLANTER	70 HP	0.26 HR		\$1.90	\$1.01	\$1.87	\$6.21	\$10.98
SLED	70 HP	0.15 HR		\$1.10	\$0.58	\$0.30	\$1.07	\$3.06
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.60	\$3.06	\$1.24	\$1.53	\$10.43
HAND HOE (CUSTOM OM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$5.03	\$24.44	\$8.25	\$19.42	\$57.13
SUBTOTAL		3.40 HR	\$20.00	\$24.22	\$49.17	\$23.17	\$57.88	\$174.43
HARVEST OPERATIONS								
COTTON PICKER (2X)	2-ROW	0.74 HR		\$5.40	\$4.70	\$31.83	\$123.21	\$165.14
HAUL (2X)	65 HP	1.00 HR		\$7.30	\$4.86	\$1.34	\$7.35	\$20.85
GIN COTTON (CUSTOM)			\$76.23					\$76.23
SUBTOTAL		1.74 HR	\$76.23	\$12.70	\$9.56	\$33.17	\$130.56	\$262.22
POSTHARVEST OPERATIONS								
SHREDDER	70 HP	0.14 HR		\$1.02	\$0.54	\$0.40	\$3.15	\$5.12
SUBTOTAL		0.14 HR		\$1.02	\$0.54	\$0.40	\$3.15	\$5.12
OVERHEAD EXPENSES								
DOWNTIME		1.03 HR		\$7.54				\$7.54
EMPLOYEE BENEFITS				\$6.83				\$6.83
INSURANCE			\$0.76					\$0.76
LAND TAXES						\$1.75		\$1.75
SUPERVISION AND MANAGEMENT				\$38.73				\$38.73
OTHER EXPENSES			\$41.36					\$41.36
SUBTOTAL		1.03 HR	\$42.12	\$53.10			\$1.75	\$96.97
TOTAL OPERATING EXPENSES		6.31 HR	\$243.29	\$91.04	\$59.27	\$56.74	\$193.35	\$643.69
NET OPERATING PROFIT							(\$134.16)	
INTEREST ON OPERATING CAPITAL	(	74.35	@	8.00%			\$5.95	
INTEREST ON EQUIPMENT INVESTMENT							\$115.34	
RETURN TO LAND AND RISK							(\$255.45)	

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

BUDGET SUMMARY

GROSS RETURN		\$509.53	
VARIABLE OPERATING EXPENSES	\$359.30		
RETURN OVER VARIABLE EXPENSES	\$150.23		(GROSS MARGIN)
FIXED EXPENSES	\$193.35		
NET FARM INCOME		(\$43.12)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
aes	\$91.04		
NET OPERATING PROFIT		(\$134.16)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$121.28		
RETURN TO LAND AND RISK		(\$255.45)	

TABLE 9. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, 2002.

Planting dates: April 15 - May 15

Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
COTTON LINT	\$0.500	700 LBS						\$350.00
COTTON SEED	\$0.05	1,120 LBS						\$54.60
ASCS DEFICIENCY	\$0.0599	700 LBS						\$41.93
FARM LOAN DEFICIENCY	\$0.04	700 LBS						\$28.00
TOTAL							\$474.53	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.65	20 LBS	\$13.00					\$13.00
FOLIAR FERTILIZER	\$4.80	1 X/ACRE	\$4.80					\$4.80
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25					\$5.25
HERBICIDE (CUSTOM)	\$46.80	1 X/ACRE	\$46.80					\$46.80
INSECTICIDE (CUSTOM)	\$36.03	3 X/ACRE	\$36.03					\$36.03
CROP INSURANCE		FCIC	\$1.19					\$1.19
PUMP WATER*		28 AC. IN.						
SUBTOTAL							\$107.07	
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMNT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.24	\$1.61	\$1.19	\$3.21	\$7.26
PLOW	145 HP	0.48 HR		\$3.50	\$4.55	\$3.84	\$10.27	\$22.17
DISC (2X)	145 HP	0.34 HR		\$2.48	\$3.22	\$2.38	\$6.42	\$14.51
FLOAT	145 HP	0.16 HR		\$1.17	\$1.52	\$0.94	\$2.75	\$6.37
PRE-IRRIGATE		0.25 HR		\$1.68	\$8.15	\$2.75	\$6.47	\$19.04
CULTIVATOR	65 HP	0.21 HR		\$1.53	\$1.02	\$0.41	\$0.51	\$3.48
PLANTER	70 HP	0.26 HR		\$1.90	\$1.01	\$1.87	\$6.21	\$10.98
SLED	70 HP	0.15 HR		\$1.10	\$0.58	\$0.30	\$1.07	\$3.06
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.60	\$3.06	\$1.24	\$1.53	\$10.43
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$5.03	\$24.44	\$8.25	\$19.42	\$57.13
SUBTOTAL		3.40 HR	\$20.00	\$24.22	\$49.17	\$23.17	\$57.88	\$174.43
HARVEST OPERATIONS								
COTTON STRIPPER	70 HP	0.62 HR		\$4.53	\$2.41	\$2.93	\$16.55	\$26.42
HAUL	65 HP	0.75 HR		\$5.48	\$3.65	\$1.00	\$5.51	\$15.64
GIN COTTON (CUSTOM)			\$100.31					\$100.31
SUBTOTAL		1.37 HR	\$100.31	\$10.00	\$6.05	\$3.93	\$22.07	\$142.36
POSTHARVEST OPERATIONS								
SHREDDER	70 HP	0.14 HR		\$0.56	\$0.54	\$0.40	\$3.15	\$4.66
SUBTOTAL		0.14 HR		\$0.56	\$0.54	\$0.40	\$3.15	\$4.66
OVERHEAD EXPENSES								
DOWNTIME		0.98 HR		\$7.14				\$7.14
EMPLOYEE BENEFITS				\$6.26				\$6.26
INSURANCE			\$0.70					\$0.70
LAND TAXES						\$1.75		\$1.75
SUPERVISION AND MANAGEMENT				\$35.85				\$35.85
OTHER EXPENSES			\$41.36					\$41.36
SUBTOTAL		0.98 HR	\$42.06	\$49.24			\$1.75	\$93.05
TOTAL OPERATING EXPENSES		5.89 HR	\$269.43	\$84.02	\$55.76	\$27.51	\$84.85	\$521.57
NET OPERATING PROFIT								(\$47.04)
INTEREST ON OPERATING CAPITAL	(	72.69	@	8.00%	)			\$5.81
INTEREST ON EQUIPMENT INVESTMENT								\$34.53
RETURN TO LAND AND RISK								(\$87.39)

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

BUDGET SUMMARY

GROSS RETURN		\$474.53	
VARIABLE OPERATING EXPENSES	\$352.70		
RETURN OVER VARIABLE EXPENSES		\$121.83	(GROSS MARGIN)
FIXED EXPENSES	\$84.85		
NET FARM INCOME		\$36.98	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$84.02		
NET OPERATING PROFIT		(\$47.04)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$40.34		
RETURN TO LAND AND RISK		(\$87.39)	

TABLE 11. Whole farm summary, Artesia-Lake Arthur area, 2002.

GROSS RETURNS		
ALFALFA HAY	342 ACRES	\$264,480
CROP		\$11,400
GRAZING		
BARLEY	8.5 ACRES	\$982
CROP		\$61
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$340
GRAZING		
OAT HAY	8 ACRES	\$2,240
CROP		
PICKER COTTON	82 ACRES	\$31,570
COTTON LINT		\$4,477
COTTON SEED		\$2,495
ASCS DEFICIENCY		\$2,296
ASCS DIVERSION		
STRIPPER COTTON	60 ACRES	\$20,825
COTTON LINT		\$3,249
COTTON SEED		\$2,495
ASCS DEFICIENCY		\$1,666
ASCS DIVERSION		
		\$348,576
GROSS RETURN		
CASH OPERATING EXPENSES		
		\$5,349
SEED		\$14,023
FERTILIZER		\$46,535
CHEMICALS		\$150
CROP INSURANCE		\$20,475
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$11,237
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$23,857
FUEL-IRRIGATION		\$25,845
REPAIRS		\$15,261
CUSTOM CHARGES		\$777
LAND TAXES		\$18,662
OTHER EXPENSES		
		\$182,172
TOTAL CASH EXPENSES		
		\$166,403
RETURN OVER CASH EXPENSES		
		\$60,491
FIXED EXPENSES		
		\$242,663
TOTAL EXPENSES		
		\$105,912
NET FARM INCOME		
		\$48,178
LABOR AND MANAGEMENT COSTS		
		\$57,734
NET OPERATING PROFIT		
CAPITAL COSTS		
		\$3,977
INTEREST ON OPERATING CAPITAL		\$21,952
INTEREST ON EQUIPMENT INVESTMENT		
		\$25,929
TOTAL CAPITAL COSTS		
		\$31,805
RETURN TO LAND AND RISK		

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$11,805	6.41%
\$2,500 /ACRE	(\$18,195)	3.50%
\$4,000 /ACRE	(\$48,195)	2.40%
\$5,500 /ACRE	(\$78,195)	1.83%