

TABLE 1. Basic cost information for the Virden area, Hidalgo County, 2002.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.45
<b>Purchased Inputs:</b>		
<b>Fertilizer:</b>		
Nitrogen (N)	\$/pound	\$0.32
Phosphate (P205)	\$/pound	\$0.30
<b>Seed:</b>		
Alfalfa	\$/pound	\$2.90
Upland Cotton (picker)	\$/pound	\$0.70
Corn for Silage	\$/bag	\$89.75
Grain Sorghum	\$/pound	\$1.11
Canal Water	\$/acre	\$20.00
Wire:	\$/lb.	\$0.37
<b>Energy:</b>		
Diesel fuel	\$/gallon	\$1.05
Gasoline	\$/gallon	\$1.00
Electricity	cents/KwHr	6.50
LP Gas	\$/gallon	\$0.91
Employee Liability Insurance	\$/1000 wages	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
<b>Financial Rates:</b>		
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	\$348.00 /acre (full value)	\$2.99
Personal Property Tax Rate - NR	\$/1,000 (Assessed Value)	\$25.76
- R		\$24.41
<b>Supervision Factors</b>		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment	\$/labor hour	\$0.50
Management Rate	percent	7.00%

BUDGET AREA..... VIRDEN AREA, HIDALGO COUNTY, 2002.  
 FARM SIZE..... 200 ACRES  
 IRRIGATION TYPE..... FLOOD  
 NUMBER OF CROPS... 4

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMENT *	15	20	300
ALFALFA	45	54	2,430
CORN SILAGE	25	50	1,250
COTTON	68	36	2,448
ARP	0		
FLEX IN CORN SILAGE	12	36	432
GRAIN SORGHUM	34	40	1,360
ARP	0		
FLEX IN CORN SILAGE	6	36	216
ROADS, DITCHES	10		
<b>TOTAL</b>	<b>200</b>		<b>8,436</b>
<b>ACRE FEET PER ACRE OF WATER RIGHTS</b>			<b>3.52</b>

\* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for Virden area, Hidalgo County, 2002.

ITEM		
Electricity (Domestic & Shop)	\$160.00 per month	\$1,920
Telephone	\$80.00 per month	\$960
Accounting & Legal		\$1,050
Misc. Supplies & Hand Tools		\$1,510
Pickup and Auto		
miles	15,000 @ \$0.345 per mile	\$5,175
<b>Insurance</b>		
- general liability (non-employee)		\$1,270
- fire/theft		\$980
<b>Property Taxes</b>		
- non-planted land		\$0
- other than land & machinery		\$450
Building repairs and maintenance		\$860
Dues, fees, publications		\$310
Farmstead Equipment		\$160
	<b>Total</b>	<b>\$14,645</b>
	<b>Total per planted acre</b>	<b>\$77.08</b>

TABLE 2. Pumping costs and data for irrigation wells, Virden area, Hidalgo County, 2002.

INPUT DATA

		DEPTH CHARACTERISTICS:	
		STATIC.....	50
		DRAW DOWN.....	25
		TOTAL HEAD.....	75
		CASING.....	100
GALLONS PER MINUTE (GPM).....	1500		
WORK HORSEPOWER.....	28		
EFFICIENCY FACTOR:			
ELECTRICITY.....	0.540		
LP GAS.....	0.154		
DIESEL.....	0.160		
FUEL COST PER UNIT:			
ELECTRICITY.....	\$6.50	CENTS/KwHr	
LP GAS.....	\$0.91	\$/GAL	
DIESEL.....	\$1.05	\$/GAL	

FUEL PUMPING COSTS:

ELECTRIC WELL:	
COST PER HOUR.....	\$2.58
COST PER ACRE INCH.....	\$0.78
LP GAS WELL:	
COST PER HOUR.....	\$4.68
COST PER ACRE INCH.....	\$1.41
DIESEL WELL:	
COST PER HOUR.....	\$3.38
COST PER ACRE INCH.....	\$1.02

TABLE 3. Equipment summary for a 200 acre flood-irrigated farm with above average management, Virden area, Hidalgo County, 2002.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS					FIXED COSTS		
			TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR	DEPRE- CIATION	TAXES	TOTAL PER HOUR
TRACTOR 65 HP	198	1	\$2,400	\$962	\$205	\$4.86	\$1.03	\$138	\$24	\$0.81
TRACTOR 126 HP	284	1	\$39,110	\$2,688	\$1,385	\$9.48	\$4.88	\$4,652	\$300	\$17.47
PICKUP HALF TON	170	1	\$9,000	\$1,071	\$0	\$6.30	\$0.00	\$1,800	\$77	\$2.80
COTTON PICKER 2 ROW *	84	1	\$12,630	\$535	\$1,432	\$6.35	\$16.99	\$2,980	\$192	\$37.62
SWATHER 14 FT SP *	36	1	\$5,100	\$142	\$37	\$3.93	\$1.02	\$725	\$62	\$21.87
BALER, PTO 2 WIRE	47	1	\$1,500		\$40		\$0.85	\$385	\$33	\$8.85
PLANTER 4-ROW	37	1	\$3,400		\$203		\$5.44	\$680	\$29	\$18.98
CHISEL 7-PT	22	1	\$1,200		\$21		\$0.94	\$160	\$10	\$7.67
DISC 12 FT	55	1	\$2,250		\$79		\$1.44	\$300	\$19	\$5.80
CULTIVATOR 4 ROW	96	1	\$1,500		\$82		\$0.86	\$200	\$13	\$2.23
FLOAT 10 FT	39	1	\$450		\$3		\$0.08	\$47	\$3	\$1.28
ROTOBUCK	14	1	\$1,000		\$1		\$0.08	\$133	\$9	\$9.85
MULCHER 13 FT	27	1	\$3,750		\$76		\$2.78	\$500	\$32	\$19.52
LISTER 4-ROW	42	1	\$1,600		\$46		\$1.09	\$213	\$14	\$5.36
PLOW 3-14 IN	56	1	\$3,350		\$116		\$2.08	\$447	\$29	\$8.55
SHREDDER 2-ROW	20	1	\$1,250		\$9		\$0.45	\$167	\$11	\$9.00
COTTON TRAILER 8 BALE	170	3	\$3,600		\$73		\$0.43	\$480	\$31	\$3.01
FERTILIZER/SEEDER	12	1	\$2,300		\$15		\$1.20	\$307	\$20	\$26.87
SPRAYER 12 FT	24	1	\$1,375		\$46		\$1.95	\$183	\$12	\$8.20
ELECTRIC WELL	818	1	\$12,000	\$2,112	\$74	\$2.58	\$0.09	\$1,200	\$103	\$1.59
			\$108,765	\$7,510	\$3,942			\$15,697	\$1,022	

\* SHOWN AT ONE-HALF COST TO REFLECT JOINT OWNERSHIP BY TWO INDIVIDUALS

TABLE 4. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2002.  
Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
<b>PURCHASED INPUTS</b>								
SEED	\$2.90	25 LBS					\$72.50	\$72.50
NITROGEN (N)	\$0.32	20 LBS					\$6.40	\$6.40
PHOSPHATE (P2O5)	\$0.30	50 LBS					\$15.00	\$15.00
PUMP WATER*		5 AC. IN.						
CANAL WATER		15 AC. IN.						\$0.00
SUBTOTAL							\$93.90	\$93.90
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$1.61	\$1.08	\$3.95	\$7.93
PLOW	145 HP	0.67 HR		\$5.06	\$6.35	\$4.66	\$17.43	\$33.51
DISC	145 HP	0.17 HR		\$1.28	\$1.61	\$1.08	\$3.95	\$7.93
FLOAT	145 HP	0.24 HR		\$1.81	\$2.28	\$1.19	\$4.50	\$9.78
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.24	\$0.11	\$1.38	\$2.12
LISTER	65 HP	0.18 HR		\$1.36	\$0.88	\$0.38	\$1.11	\$3.73
MULCHER	145 HP	0.15 HR		\$1.13	\$1.42	\$1.15	\$5.55	\$9.25
SEEDER	65 HP	0.05 HR		\$0.38	\$0.24	\$0.11	\$1.38	\$2.12
MULCHER	145 HP	0.15 HR		\$1.13	\$1.42	\$1.15	\$5.55	\$9.25
LISTER	65 HP	0.18 HR		\$1.36	\$0.88	\$0.38	\$1.11	\$3.73
IRRIGATE (4X)		2.00 HR		\$12.90	\$3.90	\$0.14	\$2.40	\$19.34
SUBTOTAL		4.01 HR		\$28.08	\$20.83	\$11.43	\$48.33	\$108.66
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.50 HR		\$3.79				\$3.79
EMPLOYEE BENEFITS				\$5.05				\$5.05
INSURANCE			\$0.56					\$0.56
SUPERVISION AND MANAGEMENT				\$16.89				\$16.89
SUBTOTAL		0.50 HR	\$0.56	\$25.74				\$26.30
TOTAL OPERATING EXPENSES		4.51 HR	\$94.46	\$53.82	\$20.83	\$11.43	\$48.33	\$228.86

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

TABLE 5. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2002.  
Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD					TOTAL		
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$110.00	6.50	TONS (IN FIELD)				\$715.00		
GRAZING	\$15.00	1.00	ACRE				\$15.00		
<b>TOTAL</b>							<b>\$730.00</b>		
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
WIRE ESTABLISHMENT: Principal	\$0.37	56 LBS	\$20.69				\$76.29	\$76.29	
: Interest		3 YEARS					\$9.88	\$9.88	
CANAL WATER		36 AC. IN.					\$20.00	\$20.00	
PUMP WATER*		18 AC. IN.							
<b>SUBTOTAL</b>				<b>\$20.69</b>				<b>\$106.16</b>	<b>\$126.86</b>
<b>PREHARVEST OPERATIONS</b>									
POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
IRRIGATE (9X)	4.50 HR		\$29.03	\$14.02	\$0.49	\$8.65	\$52.19		
<b>SUBTOTAL</b>		<b>4.50 HR</b>	<b>29.03</b>	<b>14.02</b>	<b>0.49</b>	<b>8.65</b>	<b>52.19</b>		
<b>HARVEST OPERATIONS</b>									
SWATHER (5X)	14 FT	0.80 HR	\$6.04	\$3.14	\$0.81	\$17.49	\$27.49		
BALER, PTO (5X)	145 HP	1.05 HR	\$7.93	\$9.96	\$6.02	\$27.63	\$51.53		
<b>SUBTOTAL</b>		<b>1.85 HR</b>	<b>\$13.97</b>	<b>\$13.10</b>	<b>\$6.83</b>	<b>\$45.12</b>	<b>\$79.02</b>		
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.46 HR	\$3.49				\$3.49		
EMPLOYEE BENEFITS			\$7.74				\$7.74		
INSURANCE			\$0.86				\$0.86		
LAND TAXES							\$2.99		
SUPERVISION AND MANAGEMENT			\$56.53				\$56.53		
OTHER EXPENSES			\$77.08				\$77.08		
<b>SUBTOTAL</b>		<b>0.46 HR</b>	<b>\$77.94</b>	<b>\$67.76</b>			<b>\$2.99</b>	<b>\$148.68</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>6.81 HR</b>	<b>\$98.63</b>	<b>\$110.75</b>	<b>\$27.13</b>	<b>\$7.32</b>	<b>\$162.93</b>	<b>\$406.75</b>	
<b>NET OPERATING PROFIT</b>							<b>\$323.25</b>		
INTEREST ON OPERATING CAPITAL	(	15.64	@	8.00%			\$1.25		
INTEREST ON EQUIPMENT INVESTMENT							\$27.96		
<b>RETURN TO LAND AND RISK</b>							<b>\$294.04</b>		

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

**BUDGET SUMMARY**

GROSS RETURN		\$730.00	
VARIABLE OPERATING EXPENSES	\$133.08		
RETURN OVER VARIABLE EXPENSES		\$596.92	(GROSS MARGIN)
FIXED EXPENSES	\$162.93		
NET FARM INCOME		\$433.99	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$110.75		
NET OPERATING PROFIT		\$323.25	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$29.21		
RETURN TO LAND AND RISK		\$294.04	

TABLE 6. Corn silage, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2002.

Planting dates: April 15 - May 31  
Harvest dates: August 15 - October 15

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
CORN SILAGE	\$18.00	25.00	TONS (STANDING)					\$450.00
<b>TOTAL</b>								<b>\$450.00</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$1.12	30 000	\$33.66					\$33.66
NITROGEN (N)	\$0.32	32 LBS	\$10.24					\$10.24
PHOSPHATE (P205)	\$0.30	40 LBS	\$12.00					\$12.00
CANAL WATER		36 AC. IN.					\$20.00	\$20.00
PUMP WATER*		14 AC. IN.						
<b>SUBTOTAL</b>				<b>\$55.90</b>			<b>\$20.00</b>	<b>\$75.90</b>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.24	\$0.11	\$1.38	\$2.12
DISC	145 HP	0.17 HR		\$1.28	\$1.61	\$1.08	\$3.95	\$7.93
CHISEL	145 HP	0.20 HR		\$1.51	\$1.90	\$1.16	\$5.03	\$9.60
DISC	145 HP	0.17 HR		\$1.28	\$1.61	\$1.08	\$3.95	\$7.93
FLOAT	65 HP	0.24 HR		\$1.81	\$1.17	\$0.27	\$0.50	\$3.75
LISTER	65 HP	0.18 HR		\$1.36	\$0.88	\$0.38	\$1.11	\$3.73
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.36	\$0.05	\$0.84	\$7.09
MULCHER	145 HP	0.15 HR		\$1.13	\$1.42	\$1.15	\$5.55	\$9.25
PLANTER	145 HP	0.26 HR		\$1.96	\$2.47	\$2.68	\$9.48	\$16.59
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.17	\$2.04	\$0.79	\$1.28	\$7.28
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.68	\$0.85	\$0.45	\$2.46	\$4.44
IRRIGATE (7X)		3.50 HR		\$22.58	\$9.54	\$0.33	\$5.89	\$38.34
<b>SUBTOTAL</b>		<b>6.18 HR</b>		<b>\$41.98</b>	<b>\$25.10</b>	<b>\$9.53</b>	<b>\$41.42</b>	<b>\$118.04</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.46 HR		\$3.47				\$3.47
EMPLOYEE BENEFITS				\$7.56				\$7.56
INSURANCE			\$0.84					\$0.84
LAND TAXES							\$2.99	\$2.99
SUPERVISION AND MANAGEMENT				\$36.67				\$36.67
OTHER EXPENSES			\$77.08					\$77.08
<b>SUBTOTAL</b>		<b>0.46 HR</b>		<b>\$77.92</b>	<b>\$47.70</b>		<b>\$2.99</b>	<b>\$128.61</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>6.64 HR</b>		<b>\$133.81</b>	<b>\$89.68</b>	<b>\$25.10</b>	<b>\$9.53</b>	<b>\$322.54</b>
<b>NET OPERATING PROFIT</b>								<b>\$127.46</b>
INTEREST ON OPERATING CAPITAL	(	36.61	@	8.00%	)			\$2.93
INTEREST ON EQUIPMENT INVESTMENT								\$24.21
<b>RETURN TO LAND AND RISK</b>								<b>\$100.33</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$450.00	
VARIABLE OPERATING EXPENSES	\$168.44		
RETURN OVER VARIABLE EXPENSES		\$281.56	(GROSS MARGIN)
FIXED EXPENSES	\$64.41		
NET FARM INCOME		\$217.15	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$89.68		
NET OPERATING PROFIT		\$127.46	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$27.14		
RETURN TO LAND AND RISK		\$100.33	

TABLE 7. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with average management, Virden area, Hidalgo County, 2002.  
 Planting dates: April 10 - April 30  
 Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD					TOTAL		
<b>GROSS RETURNS</b>									
LINT	\$0.550	600	LBS				\$330.00		
SEED	\$0.06	960	LBS				\$60.00		
ASCS DEFICIENCY	\$0.0599	600	LBS				\$35.94		
FARM LOAN DEFICIENCY	\$0.04	600	LBS				\$24.00		
<b>TOTAL</b>							<b>\$449.94</b>		
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST	TOTAL			
SEED	\$0.70	17	LBS	\$11.90		\$11.90			
NITROGEN (N)	\$0.32	80	LBS	\$25.60		\$25.60			
PHOSPHATE (P205)	\$0.30	60	LBS	\$18.00		\$18.00			
HERBICIDE	\$13.75	1	ACRE	\$13.75		\$13.75			
CANAL WATER		24	AC. IN.	\$0.00	\$20.00	\$20.00			
PUMP WATER*		12	AC. IN.						
CROP INSURANCE	\$0.74			\$0.74		\$0.74			
<b>SUBTOTAL</b>				<b>\$69.99</b>	<b>\$20.00</b>	<b>\$89.99</b>			
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
FERTILIZE	65 HP	0.05	HR	\$0.38	\$0.24	\$0.11	\$1.38	\$2.12	
DISC	145 HP	0.17	HR	\$1.28	\$1.61	\$1.08	\$3.95	\$7.93	
PLOW	145 HP	0.67	HR	\$5.06	\$6.35	\$4.66	\$17.43	\$33.51	
DISC & SPRAY	145 HP	0.15	HR	\$1.13	\$1.42	\$1.24	\$4.72	\$8.52	
FLOAT	65 HP	0.24	HR	\$1.81	\$1.17	\$0.27	\$0.50	\$3.75	
LISTER	145 HP	0.18	HR	\$1.36	\$1.71	\$1.08	\$4.11	\$8.25	
PRE-IRRIGATE		0.75	HR	\$4.84	\$1.04	\$0.04	\$0.64	\$6.55	
MULCHER	145 HP	0.14	HR	\$1.06	\$1.33	\$1.07	\$5.18	\$8.63	
PLANTER	145 HP	0.26	HR	\$1.96	\$2.47	\$2.68	\$9.48	\$16.59	
CULTIVATOR (4X)	65 HP	0.84	HR	\$6.34	\$4.08	\$1.59	\$2.55	\$14.57	
HOEING (CUSTOM)				\$24.00				\$24.00	
ROTOBUCK (3X)	145 HP	0.03	HR	\$0.23	\$0.28	\$0.15	\$0.82	\$1.48	
IRRIGATE (8X)		4.00	HR	\$25.80	\$8.31	\$0.29	\$5.13	\$39.53	
<b>SUBTOTAL</b>		<b>7.48</b>	<b>HR</b>	<b>\$24.00</b>	<b>\$51.25</b>	<b>\$30.02</b>	<b>\$14.26</b>	<b>\$55.90</b>	<b>\$175.42</b>
<b>HARVEST OPERATIONS</b>									
COTTON PICKER (2X)	2 ROW	1.24	HR	\$9.36	\$7.87	\$21.06	\$46.65	\$84.94	
COTTON TRAILER (2X)	HALF TON	2.50	HR	\$18.88	\$15.75	\$1.08	\$14.52	\$50.22	
GIN COTTON (CUSTOM)				\$68.52				\$68.52	
<b>SUBTOTAL</b>		<b>3.74</b>	<b>HR</b>	<b>\$68.52</b>	<b>\$28.24</b>	<b>\$23.62</b>	<b>\$22.14</b>	<b>\$61.16</b>	<b>\$203.69</b>
<b>POSTHARVEST OPERATIONS</b>									
SHREDDER	65 HP	0.29	HR	\$2.19	\$1.41	\$0.43	\$2.85	\$6.87	
<b>SUBTOTAL</b>		<b>0.29</b>	<b>HR</b>	<b>\$2.19</b>	<b>\$1.41</b>	<b>\$0.43</b>	<b>\$2.85</b>	<b>\$6.87</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		1.56	HR	\$11.76				\$11.76	
EMPLOYEE BENEFITS				\$14.70				\$14.70	
INSURANCE				\$1.63				\$1.63	
LAND TAXES							\$2.99	\$2.99	
SUPERVISION AND MANAGEMENT				\$38.61				\$38.61	
OTHER EXPENSES				\$77.08				\$77.08	
<b>SUBTOTAL</b>		<b>1.56</b>	<b>HR</b>	<b>\$78.71</b>	<b>\$65.07</b>		<b>\$2.99</b>	<b>\$146.77</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>13.07</b>	<b>HR</b>	<b>\$241.22</b>	<b>\$146.75</b>	<b>\$55.05</b>	<b>\$36.83</b>	<b>\$142.89</b>	<b>\$622.74</b>
<b>NET OPERATING PROFIT</b>							<b>(\$172.80)</b>		
INTEREST ON OPERATING CAPITAL	(	56.04	@	8.00%	)		\$4.48		
INTEREST ON EQUIPMENT INVESTMENT							\$72.44		
<b>RETURN TO LAND AND RISK</b>							<b>(\$249.72)</b>		

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

**BUDGET SUMMARY**

GROSS RETURN		\$449.94	
VARIABLE OPERATING EXPENSES	\$333.10		
RETURN OVER VARIABLE EXPENSES		\$116.84	(GROSS MARGIN)
FIXED EXPENSES	\$142.89		
NET FARM INCOME		(\$26.05)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$146.75		
NET OPERATING PROFIT		(\$172.80)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$76.93		
RETURN TO LAND AND RISK		(\$249.72)	

TABLE 8. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2002.  
 Planting dates: May 1 - June 15  
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
GRAIN SORGHUM	\$3.75	60	CWT					\$225.00
ASCS DEFICIENCY	\$0.58	60	CWT					\$34.80
ASCS DIVERSION	\$0.00	0	CWT					\$0.00
GRAZING	\$10.00	1	ACRE					\$10.00
<b>TOTAL</b>								<b>\$269.80</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$1.11	8	LBS	\$8.88				\$8.88
NITROGEN (N)	\$0.32	32	LBS	\$10.24				\$10.24
PHOSPHATE (P205)	\$0.30	40	LBS	\$12.00				\$12.00
HERBICIDE	\$13.75	1	ACRE	\$13.75				\$13.75
INSECTICIDE	\$11.04	1	ACRE	\$11.04				\$11.04
CANAL WATER		28	AC. IN.				\$20.00	\$20.00
PUMP WATER*		12	AC. IN.					
CROP INSURANCE	\$1.47			\$1.47				\$1.47
<b>SUBTOTAL</b>				<b>\$57.38</b>			<b>\$20.00</b>	<b>\$77.38</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZER	65 HP	0.15 HR		\$1.13	\$0.73	\$0.33	\$4.15	\$6.35
DISC	145 HP	0.20 HR		\$1.51	\$1.90	\$1.26	\$4.65	\$9.32
CHISEL	145 HP	0.40 HR		\$3.02	\$3.79	\$2.33	\$10.05	\$19.20
DISC	145 HP	0.20 HR		\$1.51	\$1.90	\$1.26	\$4.65	\$9.32
FLOAT	145 HP	0.25 HR		\$1.89	\$2.37	\$1.24	\$4.69	\$10.19
SPRAYER	65 HP	0.20 HR		\$1.51	\$0.97	\$0.60	\$1.80	\$4.88
LISTER	65 HP	0.50 HR		\$3.78	\$2.43	\$1.06	\$3.09	\$10.35
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.56	\$0.05	\$0.96	\$7.41
MULCHER	145 HP	0.20 HR		\$1.51	\$1.90	\$1.53	\$7.40	\$12.33
PLANTER	145 HP	0.25 HR		\$1.89	\$2.37	\$2.58	\$9.11	\$15.95
SPRAYER	65 HP	0.20 HR		\$1.51	\$0.97	\$0.60	\$1.80	\$4.88
CULTIVATOR (2X)	65 HP	0.60 HR		\$4.53	\$2.92	\$1.13	\$1.82	\$10.41
ROTOBUCK (3X)	145 HP	0.25 HR		\$1.89	\$2.37	\$1.24	\$6.83	\$12.33
IRRIGATE (5X)		2.50 HR		\$16.13	\$7.79	\$0.27	\$4.81	\$29.00
<b>SUBTOTAL</b>		<b>6.65 HR</b>		<b>\$46.63</b>	<b>\$33.97</b>	<b>\$15.51</b>	<b>\$65.82</b>	<b>\$161.93</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)				\$25.20				\$25.20
HAUL (CUSTOM)				\$11.40				\$11.40
<b>SUBTOTAL</b>		<b>0.00 HR</b>		<b>36.60</b>				<b>36.60</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.61 HR		\$4.62				\$4.62
EMPLOYEE BENEFITS				\$8.39				\$8.39
INSURANCE				\$0.93				\$0.93
LAND TAXES							\$2.99	\$2.99
SUPERVISION AND MANAGEMENT				\$20.91				\$20.91
OTHER EXPENSES				\$77.08				\$77.08
<b>SUBTOTAL</b>		<b>0.61 HR</b>		<b>\$78.01</b>	<b>\$33.93</b>		<b>\$2.99</b>	<b>\$114.93</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7.26 HR</b>		<b>\$171.99</b>	<b>\$80.56</b>	<b>\$33.97</b>	<b>\$15.51</b>	<b>\$390.83</b>
<b>NET OPERATING PROFIT</b>								<b>(\$121.03)</b>
INTEREST ON OPERATING CAPITAL	(	44.11	@	8.00%				\$3.53
INTEREST ON EQUIPMENT INVESTMENT								\$38.32
<b>RETURN TO LAND AND RISK</b>								<b>(\$162.88)</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$269.80	
VARIABLE OPERATING EXPENSES	\$221.46		
RETURN OVER VARIABLE EXPENSES		\$48.34	(GROSS MARGIN)
FIXED EXPENSES	\$88.81		
NET FARM INCOME		(\$40.47)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$80.56		
NET OPERATING PROFIT		(\$121.03)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$41.85		
RETURN TO LAND AND RISK		(\$162.88)	

TABLE 9. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2002.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN SILAGE	PICKER COTTON	GRAIN SORGHUM
	-----FLOOD-----				
		TONS	TONS	LBS	CWT
PRIMARY YIELD		6.50	25.00	600.00	60.00
PRIMARY PRICE		110.00	18.00	0.55	3.75
GOVERNMENT PAYMENTS		0.00	0.00	59.94	34.80
SECOND INCOME		15.00	0.00	60.00	10.00
GROSS RETURN		\$730.00	\$450.00	\$449.94	\$269.80
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				\$92.52	\$36.60
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	\$336.08	\$224.45
RETURN OVER CASH EXPENSES	(\$126.72)	\$593.93	\$278.57	\$113.86	\$45.35
FIXED EXPENSES	\$48.33	\$159.94	\$61.42	\$139.91	\$85.82
TOTAL EXPENSES	\$175.05	\$296.01	\$232.85	\$475.99	\$310.27
NET FARM INCOME	(\$175.05)	\$433.99	\$217.15	(\$26.05)	(\$40.47)
LABOR AND MANAGEMENT COSTS	\$53.82	\$110.75	\$89.68	\$146.75	\$80.56
NET OPERATING PROFIT	(\$228.86)	\$323.25	\$127.46	(\$172.80)	(\$121.03)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.25	\$2.93	\$4.48	\$3.53
INTEREST ON EQUIPMENT INVESTMENT		\$27.96	\$24.21	\$72.44	\$38.32
TOTAL CAPITAL COSTS	\$0.00	\$29.21	\$27.14	\$76.93	\$41.85
RETURN TO LAND AND RISK	(\$228.86)	\$294.04	\$100.33	(\$249.72)	(\$162.88)

TABLE 10. Whole farm summary, Virden area, Hidalgo County, 2002.

GROSS RETURNS		
ALFALFA HAY	45 ACRES	
CROP		\$32,175
GRAZING		\$675
CORN SILAGE	43 ACRES	
CROP		\$19,350
UPLAND COTTON	68 ACRES	
LINT		\$22,440
SEED		\$4,080
ASCS DEFICIENCY		\$1,797
ASCS DIVERSION		\$1,632
GRAIN SORGHUM	34 ACRES	
CROP		\$7,650
ASCS DEFICIENCY		\$1,183
ASCS DIVERSION		\$0
GRAZING		\$340
GROSS RETURN		<u>\$90,982</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		\$7,536
LAND TAXES		\$568
OTHER EXPENSES		\$14,871
TOTAL CASH EXPENSES		<u>\$45,880</u>
RETURN OVER CASH EXPENSES		\$45,102
FIXED EXPENSES		\$19,562
TOTAL EXPENSES		\$65,442
NET FARM INCOME		\$25,540
LABOR AND MANAGEMENT COSTS		\$22,365
NET OPERATING PROFIT		\$3,175
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$607
INTEREST ON EQUIPMENT INVESTMENT		\$8,528
TOTAL CAPITAL COSTS		<u>\$9,135</u>
RETURN TO LAND AND RISK		<u>(\$5,960)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$11,560)	1.28%
\$900 /ACRE	(\$13,160)	1.10%
\$1,100 /ACRE	(\$14,760)	0.97%
\$1,300 /ACRE	(\$16,360)	0.86%
\$1,500 /ACRE	(\$17,960)	0.78%
\$1,700 /ACRE	(\$19,560)	0.71%
\$1,900 /ACRE	(\$21,160)	0.65%

\* 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)