

TABLE 1. Basic cost information for Dell City area, Otero County, 2002.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.50
General & Irrigators	\$/hour	\$6.75
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.32
Phosphate (P205)	\$/pound	\$0.30
Anhydrous Ammonia (NH3)	\$/ton	\$300.00
Seed:		
Alfalfa	\$/pound	\$2.90
Wheat	\$/pound	\$0.16
White Corn	\$/bag	\$89.75
Cotton	\$/pound	\$0.70
Diesel fuel	\$/gallon	\$1.05
Gasoline	\$/gallon	\$1.00
Electricity (Rio Grande Elec)	cents/KwHr	4.85
LP Gas	\$/gallon	\$0.86
Baling Wire	\$/pound	\$0.37
Employee Liability Insurance	\$/1,000 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	\$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%

BUDGET AREA..... DELL CITY AREA, OTERO COUNTY, 2002.  
 FARM SIZE..... 640 ACRES  
 IRRIGATION TYPE..... SIDEROLL/FLOOD  
 NUMBER OF CROPS... 5

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	56.00 *	6	336
ALFALFA	280.00	40	11,200
WHEAT	170.00	25	4,250
ARP	0.00		
FLEX IN COTTON	30.00	30	900
WHITE CORN	50.00	48	2,400
COTTON	42.50	30	1,275
ARP	0.00		
FLEX IN COTTON	7.50	30	225
GRAIN SORGHUM	25.50	36	918
ARP	0.00		
FLEX IN COTTON	4.50	30	135
ROADS, DITCHES, HOMESTEAD	30.00		
TOTAL	640.00		21,639
ACRE FEET PER ACRE OF WATER RIGHTS			2.82

\* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for Dell City area, Otero County, 2002.

ITEM			
Electricity (Domestic & Shop)		\$210.00 per month	\$2,520
Telephone		\$205.00 per month	\$2,460
Accounting & Legal			\$1,555
Misc. Supplies & Hand Tools			\$4,815
Pickup and Auto			
miles	51,500	@ \$0.345 per mile	\$17,768
Insurance			
- general liability (non-employee)			\$1,675
- fire/theft			\$1,330
Property Taxes			
- non-planted land			\$176
- other than land & machinery			\$590
Building repairs and maintenance			\$1,270
Dues, fees, publications			\$380
Farmstead Equipment			\$170
Total			\$34,709
Total per planted acre			\$56.90

TABLE 2. Pumping costs and data for irrigation wells, Otero County, 2002.

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.....	4.85	CENTS/KwHr	
LP GAS.....	\$0.86	\$/GAL	
DIESEL.....	\$1.05	\$/GAL	

FUEL PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR.....	\$4.08
COST PER ACRE INCH.....	\$1.68
LP GAS WELL:	
COST PER HOUR.....	\$10.31
COST PER ACRE INCH.....	\$4.24
DIESEL WELL:	
COST PER HOUR.....	\$6.36
COST PER ACRE INCH.....	\$2.62

TABLE 3. Equipment summary for a 1,280 acre sprinkler-irrigated farm with above average management, Otero 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 93 HP	857	1	\$23,030	\$6,093	\$7,506	\$7.11	\$8.75	\$1,226	\$220	\$1.69
TRACTOR 155 HP	329	1	\$36,030	\$3,231	\$1,548	\$9.82	\$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	\$30,700	\$577	\$1,338	\$3.74	\$8.69	\$3,621	\$371	\$25.92
BALER	238	3	\$12,960		\$288		\$1.21	\$1,650	\$169	\$7.64
BALE WAGON	280	1	\$15,780		\$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	\$36,304	\$868	\$4.08	\$0.10	\$10,263	\$1,000	\$1.27
			\$265,170	\$46,205	\$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, 2002.  
Planting dates: August 1 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	\$2.90	30 LBS						\$87.00
PUMP WATER*		6 AC. IN.						\$87.00
SUBTOTAL								\$87.00
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.37	\$0.89	\$3.02	\$6.34
CHISEL	155 HP	0.20 HR		\$1.50	\$1.96	\$0.98	\$4.98	\$9.42
PLOW	155 HP	0.48 HR		\$3.60	\$4.71	\$3.45	\$12.88	\$24.65
DISC (2X)	155 HP	0.28 HR		\$2.10	\$2.75	\$1.79	\$6.05	\$12.68
DRAG (2X)	155 HP	0.30 HR		\$2.25	\$2.95	\$1.44	\$5.68	\$12.31
DRILL	93 HP	0.12 HR		\$0.90	\$0.85	\$1.66	\$3.55	\$6.97
IRRIGATE (3X)		0.75 HR		\$5.06	\$10.07	\$0.36	\$4.62	\$20.10
SUBTOTAL		2.27 HR		\$16.46	\$24.66	\$10.57	\$40.78	\$92.48
<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				\$13.54				\$13.54
SUBTOTAL		0.12	0.33	17.37				17.70
TOTAL OPERATING EXPENSES		2.39 HR	\$87.33	\$33.83	\$24.66	\$10.57	\$40.78	\$197.18

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, 2002.  
Harvesting dates: June 1 - October 10

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$120.00	6.50 TONS (STACKED)						\$780.00
GRAZING	\$15.00	1 ACRE						\$15.00
<b>TOTAL</b>							<b>\$795.00</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			FIXED COST	TOTAL	
NITROGEN (N)	\$0.32	75 LBS	\$24.00				\$24.00	
PHOSPHATE (P2O5)	\$0.30	200 LBS	\$60.00				\$60.00	
INSECTICIDE	\$15.65	2 X/ACRE	\$31.30				\$31.30	
ESTABLISHMENT: Principal Interest		5 YEARS				\$39.44	\$39.44	
BALING TWINE	\$0.37	56 LBS	\$0.21			\$7.89	\$7.89	
PUMP WATER*		40 AC. IN.					\$0.21	
<b>SUBTOTAL</b>			<b>\$115.51</b>			<b>\$47.33</b>	<b>\$162.83</b>	
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DRAG	93 HP	0.15 HR		\$1.13	\$1.07	\$1.33	\$0.34	\$3.86
IRRIGATE (11X)		2.75 HR		\$18.56	\$67.11	\$2.38	\$30.78	\$118.83
<b>SUBTOTAL</b>	<b>2.90 HR</b>			<b>\$19.69</b>	<b>\$68.18</b>	<b>\$3.70</b>	<b>\$31.12</b>	<b>\$122.69</b>
<b>HARVEST OPERATIONS</b>								
SWATHER (5X)	16 FT	0.55 HR		\$4.13	\$2.06	\$4.78	\$14.26	\$25.22
BALER (5X)	93 HP	0.85 HR		\$6.38	\$6.04	\$8.47	\$7.93	\$28.81
LOAD (5X)	93 HP	1.00 HR		\$7.50	\$7.11	\$25.89	\$10.55	\$51.04
<b>SUBTOTAL</b>	<b>2.40 HR</b>			<b>\$18.00</b>	<b>\$15.21</b>	<b>\$39.14</b>	<b>\$32.73</b>	<b>\$105.08</b>
<b>OVERHEAD EXPENSES</b>								
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				\$59.60				\$59.60
OTHER EXPENSES			\$56.90					\$56.90
<b>SUBTOTAL</b>	<b>0.60 HR</b>		<b>\$57.65</b>	<b>\$70.88</b>			<b>\$3.08</b>	<b>\$131.61</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>5.90 HR</b>		<b>\$173.16</b>	<b>\$108.57</b>	<b>\$83.38</b>	<b>\$42.84</b>	<b>\$114.26</b>	<b>\$522.21</b>
<b>NET OPERATING PROFIT</b>								<b>\$272.79</b>
INTEREST ON OPERATING CAPITAL	(	\$80.25	@	8.00%	)			\$6.42
INTEREST ON EQUIPMENT INVESTMENT								\$25.98
<b>RETURN TO LAND AND RISK</b>								<b>\$240.39</b>

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

BUDGET SUMMARY

GROSS RETURN		\$795.00	
VARIABLE OPERATING EXPENSES	\$299.38		
RETURN OVER VARIABLE EXPENSES	\$495.62	(GROSS MARGIN)	
FIXED EXPENSES	\$114.26		
NET FARM INCOME	\$381.36	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$108.57		
NET OPERATING PROFIT	\$272.79	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$32.40		
RETURN TO LAND AND RISK	\$240.39		

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, 2002.  
Planting dates: August 15 - September 15  
Harvesting dates: July 15 - July 15

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
WHEAT	\$5.65	35.00 CWT						\$197.75
ASCS DEFICIENCY	\$0.80	35.00 CWT						\$28.00
ASCS DIVERSION	\$0.00							\$0.00
GRAZING	\$25.00	1.00 ACRE						\$25.00
<b>TOTAL</b>							<b>\$250.75</b>	
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.16	150 LBS	\$24.00					\$24.00
ANHYDROUS (NH3)	\$0.1500	125 LBS	\$18.75					\$18.75
LIVESTOCK FAC & EQUIP							\$5.00	\$5.00
PUMP WATER*		25 AC. IN.						\$0.00
CROP INSURANCE	\$0.29							\$0.29
<b>SUBTOTAL</b>			<b>\$42.75</b>				<b>\$5.00</b>	<b>\$48.04</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.37	\$0.89	\$3.02	\$6.34
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.50	\$1.96	\$0.94	\$3.67	\$15.07
DISC	155 HP	0.14 HR		\$1.05	\$1.37	\$0.89	\$3.02	\$6.34
DRILL	93 HP	0.12 HR		\$0.90	\$0.85	\$1.66	\$3.55	\$6.97
IRRIGATE (5X)		2.50 HR		\$16.88	\$41.94	\$1.00	\$13.01	\$72.83
<b>SUBTOTAL</b>		<b>3.10 HR</b>	<b>\$7.00</b>	<b>\$21.38</b>	<b>\$47.51</b>	<b>\$5.40</b>	<b>\$26.28</b>	<b>\$107.56</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)			\$26.00					\$26.00
<b>SUBTOTAL</b>			<b>\$26.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$26.00</b>
<b>OVERHEAD EXPENSES</b>								
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				\$20.35				\$20.35
OTHER EXPENSES			\$56.90					\$56.90
<b>SUBTOTAL</b>		<b>0.15 HR</b>	<b>\$57.33</b>	<b>\$25.33</b>			<b>\$3.08</b>	<b>\$85.73</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>3.25 HR</b>	<b>\$133.08</b>	<b>\$46.70</b>	<b>\$47.51</b>	<b>\$5.40</b>	<b>\$34.35</b>	<b>\$267.33</b>
<b>NET OPERATING PROFIT</b>								<b>(\$16.58)</b>
INTEREST ON OPERATING CAPITAL	(	\$34.75	@	8.00%	)			\$2.78
INTEREST ON EQUIPMENT INVESTMENT								\$8.73
<b>RETURN TO LAND AND RISK</b>								<b>(\$28.09)</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$250.75	
VARIABLE OPERATING EXPENSES	\$185.98		
RETURN OVER VARIABLE EXPENSES		\$64.77	(GROSS MARGIN)
FIXED EXPENSES	\$34.35		
NET FARM INCOME		\$30.41	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$46.70		
NET OPERATING PROFIT		(\$16.29)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.51		
RETURN TO LAND AND RISK		(\$27.79)	

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, 2002.  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 1 - November 15

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
CORN	\$7.50	70.00	CWT					\$525.00
GRAZING	\$20.00	1.00	ACRE					\$20.00
<b>TOTAL</b>								<b>\$545.00</b>
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS				TOTAL
SEED	\$0.90	25	000	\$22.44				\$22.44
NITROGEN (N)	\$0.32	30	LBS	\$9.60				\$9.60
PHOSPHATE (P2O5)	\$0.30	70	LBS	\$21.00				\$21.00
TRACE ELEMENTS	\$0.15	65	LBS	\$9.75				\$9.75
ANHYDROUS (NH3)	\$0.1500	175	LBS	\$26.25				\$26.25
INSECTICIDE (CUSTOM)	\$15.65	3	ACRE	\$46.95				\$46.95
HERBICIDE	\$9.23	1	ACRE	\$9.23				\$9.23
LIVESTOCK FAC & EQUIP						\$5.00		\$5.00
PUMP WATER*		48	AC. IN.					\$0.00
<b>SUBTOTAL</b>				<b>\$145.21</b>		<b>\$5.00</b>		<b>\$150.21</b>
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.37	\$0.89	\$3.02	\$6.34
CHISEL	155 HP	0.20 HR		\$1.50	\$1.96	\$0.98	\$4.98	\$9.42
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.50	\$1.96	\$0.94	\$3.67	\$15.07
DISC & SPRAY	155 HP	0.19 HR		\$1.43	\$1.87	\$1.50	\$6.96	\$11.75
LISTER	155 HP	0.12 HR		\$0.90	\$1.18	\$0.71	\$3.64	\$6.43
PLANTER	93 HP	0.17 HR		\$1.28	\$1.21	\$2.51	\$5.87	\$10.87
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.93	\$2.77	\$4.13	\$2.95	\$12.77
IRRIGATE (8X)		4.00 HR		\$27.00	\$80.53	\$1.93	\$24.98	\$134.44
<b>SUBTOTAL</b>		<b>5.41 HR</b>	<b>\$7.00</b>	<b>\$37.58</b>	<b>\$92.86</b>	<b>\$13.60</b>	<b>\$56.06</b>	<b>\$207.09</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)				\$23.25				\$23.25
HAUL (CUSTOM)				\$14.00				\$14.00
<b>SUBTOTAL</b>				<b>\$37.25</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$37.25</b>
<b>OVERHEAD EXPENSES</b>								
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				\$56.90				\$56.90
<b>SUBTOTAL</b>		<b>0.27 HR</b>	<b>\$57.65</b>	<b>\$53.07</b>		<b>\$3.08</b>		<b>\$113.80</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>5.68 HR</b>	<b>\$247.11</b>	<b>\$90.65</b>	<b>\$92.86</b>	<b>\$13.60</b>	<b>\$64.14</b>	<b>\$508.36</b>
<b>NET OPERATING PROFIT</b>								<b>\$36.64</b>
INTEREST ON OPERATING CAPITAL	(	\$99.22	@	8.00%				\$7.94
INTEREST ON EQUIPMENT INVESTMENT								\$20.38
<b>RETURN TO LAND AND RISK</b>								<b>\$8.32</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$545.00	
VARIABLE OPERATING EXPENSES	\$353.57		
RETURN OVER VARIABLE EXPENSES	\$191.43		(GROSS MARGIN)
FIXED EXPENSES	\$64.14		
NET FARM INCOME	\$127.29		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$90.65		
NET OPERATING PROFIT	\$36.64		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.32		
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, 2002.  
 Planting dates: April 15 - May 15  
 Harvesting dates: November 1 - January 15

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
COTTON LINT	\$0.500	1,000	LBS					\$500.00	
COTTON SEED	\$0.06	1,600	LBS					\$100.00	
ASCS DEFICIENCY	\$0.0599	1,000	LBS					\$59.90	
FARM LOAN DEFICIENCY	\$0.04	1,000	LBS					\$40.00	
<b>TOTAL</b>								<b>\$699.90</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS				TOTAL	
SEED	\$0.70	25	LBS	\$17.50				\$17.50	
NITROGEN (N)	\$0.32	72	LBS	\$23.04				\$23.04	
PHOSPHATE (P2O5)	\$0.30	184	LBS	\$55.20				\$55.20	
HERBICIDE (CUSTOM)	\$19.46	1	X/ACRE	\$19.46				\$19.46	
INSECTICIDE (CUSTOM)	\$18.46	1	X/ACRE	\$18.46				\$18.46	
CROP INSURANCE			FCIC	\$0.59				\$0.59	
PUMP WATER*		30	AC. IN.						
<b>SUBTOTAL</b>				<b>\$134.26</b>				<b>\$134.26</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14	HR		\$1.05	\$1.37	\$0.89	\$3.02	\$6.34
PLOW	155 HP	0.48	HR		\$3.60	\$4.71	\$3.45	\$12.88	\$24.65
DISC (2X)	155 HP	0.28	HR		\$2.10	\$2.75	\$1.79	\$6.05	\$12.68
FLOAT (2X)	93 HP	0.32	HR		\$2.40	\$2.27	\$2.83	\$1.30	\$8.81
LISTER	155 HP	0.12	HR		\$0.90	\$1.18	\$0.71	\$3.64	\$6.43
PLANTER	155 HP	0.17	HR		\$1.28	\$1.67	\$1.83	\$8.70	\$13.47
ROLLING CULT. (4X)	93 HP	0.52	HR		\$3.90	\$3.70	\$5.50	\$3.93	\$17.03
HAND HOE (CUSTOM)				\$25.00					\$25.00
IRRIGATE (6X)		3.00	HR		\$20.25	\$50.33	\$1.20	\$15.61	\$87.40
<b>SUBTOTAL</b>		<b>5.03 HR</b>		<b>\$25.00</b>	<b>\$35.48</b>	<b>\$67.98</b>	<b>\$18.20</b>	<b>\$55.14</b>	<b>\$201.80</b>
<b>HARVEST OPERATIONS</b>									
COTTON STRIPPER	93 HP	0.62	HR		\$4.65	\$4.41	\$7.64	\$10.82	\$27.51
HAUL	93 HP	1.00	HR		\$7.50	\$7.11	\$9.07	\$5.76	\$29.44
GIN COTTON (CUSTOM)				\$164.20					\$164.20
<b>SUBTOTAL</b>		<b>1.62 HR</b>		<b>\$164.20</b>	<b>\$12.15</b>	<b>\$11.51</b>	<b>\$16.70</b>	<b>\$16.58</b>	<b>\$221.15</b>
<b>POST HARVEST OPERATIONS</b>									
SHREDDER	93 HP	0.29	HR		\$2.18	\$2.06	\$2.71	\$2.61	\$9.55
<b>OVERHEAD EXPENSES</b>									
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					\$55.08				\$55.08
OTHER EXPENSES				\$56.90					\$56.90
<b>SUBTOTAL</b>		<b>0.91 HR</b>		<b>\$57.85</b>	<b>\$70.44</b>		<b>\$3.08</b>		<b>\$131.37</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7.85 HR</b>		<b>\$381.31</b>	<b>\$120.24</b>	<b>\$81.56</b>	<b>\$37.61</b>	<b>\$77.41</b>	<b>\$698.13</b>
<b>NET OPERATING PROFIT</b>								<b>\$1.77</b>	
INTEREST ON OPERATING CAPITAL	(	\$91.03	@	8.00%	)				\$7.28
INTEREST ON EQUIPMENT INVESTMENT									\$35.68
<b>RETURN TO LAND AND RISK</b>								<b>(\$41.19)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$699.90	
VARIABLE OPERATING EXPENSES	\$500.48		
RETURN OVER VARIABLE EXPENSES	\$199.42		(GROSS MARGIN)
FIXED EXPENSES	\$77.41		
NET FARM INCOME	\$122.01		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$120.24		
NET OPERATING PROFIT	\$1.77		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$42.96		
RETURN TO LAND AND RISK		(\$41.19)	

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, 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	50.00 CWT						\$187.50
ASCS DEFICIENCY	\$0.58	50.00 CWT						\$29.00
ASCS DIVERSION	\$0.00	0.00 CWT						\$0.00
GRAZING	\$13.00	1 ACRE						\$13.00
<b>TOTAL</b>							<b>\$229.50</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.04	12 LBS	\$12.48					\$12.48
ANHYDROUS (NH3)	\$0.1500	150 LBS	\$22.50					\$22.50
NITROGEN (N)	\$0.32	18 LBS	\$5.76					\$5.76
PHOSPHATE (P2O5)	\$0.30	46 LBS	\$13.80					\$13.80
INSECTICIDE	\$14.71	1 ACRE	\$14.71					\$14.71
HERBICIDE	\$11.98	1 ACRE	\$11.98					\$11.98
LIVESTOCK FAC & EQUIP					\$5.00			\$5.00
PUMP WATER		36 AC. IN.	\$0.00					\$0.00
CROP INSURANCE	\$1.96							\$1.96
<b>SUBTOTAL</b>			<b>\$81.23</b>			<b>\$5.00</b>	<b>\$88.19</b>	
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.37	\$0.89	\$3.02	\$6.34
CHISEL	155 HP	0.20 HR		\$1.50	\$1.96	\$0.98	\$4.98	\$9.42
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.50	\$1.96	\$0.94	\$3.67	\$15.07
DISC & SPRAY	155 HP	0.19 HR		\$1.43	\$1.87	\$1.50	\$6.96	\$11.75
LISTER	155 HP	0.12 HR		\$0.90	\$1.18	\$0.71	\$3.64	\$6.43
PLANTER	155 HP	0.17 HR		\$1.28	\$1.67	\$1.83	\$8.70	\$13.47
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.93	\$2.77	\$4.13	\$2.95	\$12.77
IRRIGATE (6X)		3.00 HR		\$22.50	\$60.40	\$1.44	\$18.74	\$103.08
<b>SUBTOTAL</b>		<b>4.41 HR</b>	<b>\$7.00</b>	<b>\$33.08</b>	<b>\$73.18</b>	<b>\$12.43</b>	<b>\$52.64</b>	<b>\$178.33</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)	14 FT SP		\$15.00					\$15.00
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$15.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$15.00</b>
<b>OVERHEAD EXPENSES</b>								
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				\$18.27				\$18.27
OTHER EXPENSES			\$56.90					\$56.90
<b>SUBTOTAL</b>		<b>1.10 HR</b>	<b>\$57.56</b>	<b>\$32.49</b>			<b>\$3.08</b>	<b>\$93.13</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>5.51 HR</b>	<b>\$160.79</b>	<b>\$65.57</b>	<b>\$73.18</b>	<b>\$12.43</b>	<b>\$60.72</b>	<b>\$374.65</b>
<b>NET OPERATING PROFIT</b>								<b>(\$145.15)</b>
INTEREST ON OPERATING CAPITAL	(	\$65.50	@	8.00%	)			\$5.24
INTEREST ON EQUIPMENT INVESTMENT								\$20.91
<b>RETURN TO LAND AND RISK</b>								<b>(\$171.31)</b>

**BUDGET SUMMARY**

GROSS RETURN	\$229.50	
VARIABLE OPERATING EXPENSES	\$246.41	
RETURN OVER VARIABLE EXPENSES	(\$16.91)	(GROSS MARGIN)
FIXED EXPENSES	\$60.72	
NET FARM INCOME	(\$77.63)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$65.57	
NET OPERATING PROFIT	(\$143.19)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$26.15	
RETURN TO LAND AND RISK	(\$169.35)	

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		6.50	35.00	70.00	1000.00	50.00
PRIMARY PRICE		120.00	5.65	7.50	0.50	3.75
GOVERNMENT PAYMENTS		0.00	28.00	0.00	99.90	29.00
SECOND INCOME		15.00	25.00	20.00	100.00	13.00
GROSS RETURN		\$795.00	\$250.75	\$545.00	\$699.90	\$229.50
CASH OPERATING EXPENSES						
SEED	\$87.00		\$24.00	\$22.44	\$17.50	\$12.48
FERTILIZER		\$115.30	\$18.75	\$66.60	\$23.04	\$42.06
CHEMICALS				\$56.18	\$37.93	\$26.69
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.21			\$55.20	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$14.60	\$16.27	\$5.57	\$12.32	\$31.22	\$12.79
FUEL-IRRIGATION	\$10.07	\$67.11	\$41.94	\$80.53	\$50.33	\$60.40
REPAIRS	\$10.57	\$42.84	\$5.40	\$13.60	\$37.61	\$12.43
CUSTOM CHARGES			\$33.00	\$44.25	\$189.20	\$22.00
LAND TAXES		\$3.08	\$3.08	\$3.08	\$3.08	\$3.08
OTHER EXPENSES	\$0.33	\$57.65	\$57.33	\$57.65	\$57.85	\$57.56
TOTAL CASH EXPENSES	\$122.56	\$302.46	\$189.35	\$356.65	\$503.55	\$251.44
RETURN OVER CASH EXPENSES	(\$122.56)	\$492.54	\$61.40	\$188.35	\$196.35	(\$21.94)
FIXED EXPENSES	\$40.78	\$111.18	\$31.28	\$61.06	\$74.33	\$57.64
TOTAL EXPENSES	\$163.34	\$413.64	\$220.63	\$417.71	\$577.89	\$309.09
NET FARM INCOME	(\$163.34)	\$381.36	\$30.12	\$127.29	\$122.01	(\$79.59)
LABOR AND MANAGEMENT COSTS	\$33.83	\$108.57	\$46.70	\$90.65	\$120.24	\$65.57
NET OPERATING PROFIT	(\$197.18)	\$272.79	(\$16.58)	\$36.64	\$1.77	(\$145.15)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$6.42	\$2.78	\$7.94	\$7.28	\$5.24
INTEREST ON EQUIPMENT INVESTMENT		\$25.98	\$8.73	\$20.38	\$35.68	\$20.91
TOTAL CAPITAL COSTS	\$0.00	\$32.40	\$11.51	\$28.32	\$42.96	\$26.15
RETURN TO LAND AND RISK	(\$197.18)	\$240.39	(\$28.09)	\$8.32	(\$41.19)	(\$171.31)

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

GROSS RETURNS		
ALFALFA HAY	280 ACRES	
CROP		\$222,600
WHEAT	170 ACRES	
CROP		\$33,618
GRAZING		\$4,250
ASCS DEFICIENCY		\$4,760
ASCS DIVERSION		\$0
WHITE CORN	50 ACRES	
CROP		\$26,250
GRAZING		\$1,000
COTTON	84.5 ACRES	
LINT		\$42,250
SEED		\$8,450
ASCS DEFICIENCY		\$2,546
ASCS DIVERSION		\$3,380
GRAIN SORGHUM	25.5 ACRES	
CROP		\$4,781
ASCS DEFICIENCY		\$740
ASCS DIVERSION		\$0
GRAZING		\$332
GROSS RETURN		<u>\$354,956</u>
CASH OPERATING EXPENSES		
SEED		\$11,871
FERTILIZER		\$41,821
CHEMICALS		\$6,694
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$4,722
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$9,900
FUEL-IRRIGATION		\$36,304
REPAIRS		\$17,680
CUSTOM CHARGES		\$24,371
LAND TAXES		\$1,876
OTHER EXPENSES		\$35,147
TOTAL CASH EXPENSES		<u>\$190,536</u>
RETURN OVER CASH EXPENSES		\$164,419
FIXED EXPENSES		\$38,494
TOTAL EXPENSES		\$229,030
NET FARM INCOME		\$125,925
LABOR AND MANAGEMENT COSTS		\$56,598
NET OPERATING PROFIT		\$69,327
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,416
INTEREST ON EQUIPMENT INVESTMENT		\$13,324
TOTAL CAPITAL COSTS		<u>\$16,740</u>
RETURN TO LAND AND RISK		<u>\$52,587</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$39,787	11.85%
\$750 /ACRE	\$33,387	9.30%
\$1,000 /ACRE	\$26,987	7.66%
\$1,250 /ACRE	\$20,587	6.51%
\$1,500 /ACRE	\$14,187	5.66%

\* 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)