

TABLE 1. Basic cost information for the Virden area, Hidalgo County, 2003.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.55
General & Irrigators	\$/hour		\$6.45
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.36
Phosphate (P205)	\$/pound		\$0.33
Seed:			
Alfalfa	\$/pound		\$3.00
Upland Cotton (picker)	\$/pound		\$0.56
Corn for Silage	\$/bag		\$89.75
Grain Sorghum	\$/pound		\$1.20
Canal Water	\$/acre		\$20.00
Wire:	\$/lb.		\$0.39
Energy:			
Diesel fuel	\$/gallon		\$1.30
Gasoline	\$/gallon		\$1.35
Electricity	cents/KwHr		6.82
LP Gas	\$/gallon		\$1.21
Employee Liability Insurance	\$/ \$1000 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	\$348.00 /acre (full value)		\$2.99
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)		\$25.76
- R			\$24.41
Supervision Factors			
Field Crop-Irrigation	\$/labor hour		\$1.00
Field Crop-Equipment	\$/labor hour		\$0.50
Management Rate	percent		7.00%

VIRDEN AREA, HIDALGO COUNTY, 2003.
 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		
TOTAL	200		8,436
ACRE FEET PER ACRE OF WATER RIGHTS			3.52

* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for Virden area, Hidalgo County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$165.00 per month	\$1,980
Telephone		\$85.00 per month	\$1,020
Accounting & Legal			\$1,080
Misc. Supplies & Hand Tools			\$1,555
Pickup and Auto			
miles	15,000 @	\$0.365 per mile	\$5,475
Insurance			
- general liability (non-employee)			\$1,310
- fire/theft			\$1,010
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$465
Building repairs and maintenance			\$885
Dues, fees, publications			\$320
Farmstead Equipment			\$165
Total			\$15,265
Total per planted acre			\$80.34

TABLE 2. Pumping costs and data for irrigation wells, Virden area, Hidalgo County, 2003.

INPUT DATA

		DEPTH CHARACTERISTICS:	
		STATIC... ..	50
		DRAW DOV	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.	\$6.82	CENTS/K	wHr
LP GAS..... ..	\$1.21	\$/GAL	
DIESEL..... ..	\$1.30	\$/GAL	

FUEL PUMPING COSTS:

ELECTRIC WELL:		
COST PER HOUR.....	\$	\$2.71
COST PER ACRE INCH	\$	\$0.82
LP GAS WELL:		
COST PER HOUR.....	\$	\$6.21
COST PER ACRE INCH	\$	\$1.87
DIESEL WELL:		
COST PER HOUR.....	\$	\$4.17
COST PER ACRE INCH	\$	\$1.26

TABLE 3. Equipment summary for a 200 acre flood-irrigated farm with above average management, Virden area, Hidalgo County, 2003.

EQUIPMENT	ANNUAL		VARIABLE COSTS					FIXED COSTS		
	HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 65 HP	198	1	\$2,400	\$1,298	\$205	\$6.56	\$1.03	\$138	\$24	\$0.81
TRACTOR 126 HP	284	1	\$31,475	\$3,329	\$1,385	\$11.74	\$4.88	\$4,652	\$300	\$17.47
PICKUP HALF TON	170	1	\$13,000	\$1,446	\$0	\$8.51	\$0.00	\$2,600	\$112	\$4.05
COTTON PICKER 2 ROW *	84	1	\$11,720	\$663	\$1,432	\$7.86	\$16.99	\$2,980	\$192	\$37.62
SWATHER 14 FT SP *	36	1	\$4,300	\$175	\$37	\$4.87	\$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	\$2,215	\$74	\$2.71	\$0.09	\$1,200	\$103	\$1.59
			\$103,420	\$9,126	\$3,942			\$16,497	\$1,056	

* 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, 2003.
Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
PURCHASED INPUTS							FIXED COST	
SEED	\$3.00	25 LBS					\$75.00	\$75.00
NITROGEN (N)	\$0.36	20 LBS					\$7.20	\$7.20
PHOSPHATE (P2O5)	\$0.33	50 LBS					\$16.50	\$16.50
PUMP WATER*		5 AC. IN.						
CANAL WATER		15 AC. IN.						\$0.00
SUBTOTAL							\$98.70	\$98.70
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
PLOW	145 HP	0.67 HR		\$5.06	\$7.87	\$4.66	\$17.43	\$35.02
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
FLOAT	145 HP	0.24 HR		\$1.81	\$2.82	\$1.19	\$4.50	\$10.32
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.33	\$0.11	\$1.38	\$2.20
LISTER	65 HP	0.18 HR		\$1.36	\$1.18	\$0.38	\$1.11	\$4.03
MULCHER	145 HP	0.15 HR		\$1.13	\$1.76	\$1.15	\$5.55	\$9.59
SEEDER	65 HP	0.05 HR		\$0.38	\$0.33	\$0.11	\$1.38	\$2.20
MULCHER	145 HP	0.15 HR		\$1.13	\$1.76	\$1.15	\$5.55	\$9.59
LISTER	65 HP	0.18 HR		\$1.36	\$1.18	\$0.38	\$1.11	\$4.03
IRRIGATE (4X)		2.00 HR		\$12.90	\$4.09	\$0.14	\$2.40	\$19.52
SUBTOTAL		4.01 HR		\$28.08	\$25.30	\$11.43	\$48.33	\$113.13
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.50 HR		\$3.79				\$3.79
EMPLOYEE BENEFITS				\$5.05				\$5.05
INSURANCE			\$0.56					\$0.56
SUPERVISION AND MANAGEMENT				\$17.54				\$17.54
SUBTOTAL		0.50 HR	\$0.56	\$26.39				\$26.95
TOTAL OPERATING EXPENSES		4.51 HR	\$99.26	\$54.47	\$25.30	\$11.43	\$48.33	\$238.79

* 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, 2003.
Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD					TOTAL	
GROSS RETURNS								
ALFALFA HAY	\$130.00	6.50	TONS (IN FIELD)				\$845.00	
GRAZING	\$15.00	1.00	ACRE				\$15.00	
TOTAL							\$860.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	\$0.39	56 LBS	\$21.72					\$21.72
: Interest		3 YEARS					\$79.60	\$79.60
CANAL WATER PUMP WATER*		36 AC. IN.					\$10.42	\$10.42
		18 AC. IN.					\$20.00	\$20.00
SUBTOTAL			\$21.72				\$110.01	\$131.74
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (9X)		4.50 HR		\$29.03	\$14.71	\$0.49	\$8.65	\$52.87
SUBTOTAL		4.50 HR		29.03	14.71	0.49	8.65	52.87
HARVEST OPERATIONS								
SWATHER (5X)	14 FT	0.80 HR		\$6.04	\$3.89	\$0.81	\$17.49	\$28.24
BALER, PTO (5X)	145 HP	1.05 HR		\$7.93	\$12.33	\$6.02	\$27.63	\$53.90
SUBTOTAL		1.85 HR		\$13.97	\$16.22	\$6.83	\$45.12	\$82.14
OVERHEAD EXPENSES								
DOWNTIME		0.46 HR		\$3.49				\$3.49
EMPLOYEE BENEFITS				\$7.74				\$7.74
INSURANCE			\$0.86					\$0.86
LAND TAXES							\$2.99	\$2.99
SUPERVISION AND MANAGEMENT				\$65.63				\$65.63
OTHER EXPENSES			\$80.34					\$80.34
SUBTOTAL		0.46 HR		\$81.20	\$76.86		\$2.99	\$161.05
TOTAL OPERATING EXPENSES		6.81 HR		\$102.93	\$119.85	\$30.93	\$7.32	\$166.78
NET OPERATING PROFIT								\$432.20
INTEREST ON OPERATING CAPITAL	(16.58	@	8.00%				\$1.33
INTEREST ON EQUIPMENT INVESTMENT								\$27.96
RETURN TO LAND AND RISK								\$402.91

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

BUDGET SUMMARY

GROSS RETURN		\$860.00	
VARIABLE OPERATING EXPENSES	\$141.18		
RETURN OVER VARIABLE EXPENSES		\$718.82	(GROSS MARGIN)
FIXED EXPENSES	\$166.78		
NET FARM INCOME		\$552.05	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$119.85		
NET OPERATING PROFIT		\$432.20	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$29.28		
RETURN TO LAND AND RISK		\$402.91	

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, 2003.

Planting dates: April 15 - May 31

Harvest dates: August 15 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN SILAGE	\$19.00	25.00 TONS (STANDING)						\$475.00
TOTAL							\$475.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$1.12	30 000	\$33.66					\$33.66
NITROGEN (N)	\$0.36	32 LBS	\$11.52					\$11.52
PHOSPHATE (P205)	\$0.33	40 LBS	\$13.20					\$13.20
CANAL WATER		36 AC. IN.					\$20.00	\$20.00
PUMP WATER*		14 AC. IN.						
SUBTOTAL			\$58.38				\$20.00	\$78.38
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.33	\$0.11	\$1.38	\$2.20
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
CHISEL	145 HP	0.20 HR		\$1.51	\$2.35	\$1.16	\$5.03	\$10.05
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
FLOAT	65 HP	0.24 HR		\$1.81	\$1.58	\$0.27	\$0.50	\$4.16
LISTER	65 HP	0.18 HR		\$1.36	\$1.18	\$0.38	\$1.11	\$4.03
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.43	\$0.05	\$0.84	\$7.16
MULCHER	145 HP	0.15 HR		\$1.13	\$1.76	\$1.15	\$5.55	\$9.59
PLANTER	145 HP	0.26 HR		\$1.96	\$3.05	\$2.68	\$9.48	\$17.18
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.17	\$2.76	\$0.79	\$1.28	\$8.00
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.68	\$1.06	\$0.45	\$2.46	\$4.64
IRRIGATE (7X)		3.50 HR		\$22.58	\$10.01	\$0.33	\$5.89	\$38.81
SUBTOTAL		6.18 HR		\$41.98	\$29.49	\$9.53	\$41.42	\$122.43
OVERHEAD EXPENSES								
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				\$38.42				\$38.42
OTHER EXPENSES			\$80.34					\$80.34
SUBTOTAL		0.46 HR	\$81.18	\$49.45			\$2.99	\$133.62
TOTAL OPERATING EXPENSES		6.64 HR	\$139.56	\$91.43	\$29.49	\$9.53	\$64.41	\$334.43
NET OPERATING PROFIT								\$140.57
INTEREST ON OPERATING CAPITAL	(38.94 @	8.00%)				\$3.12
INTEREST ON EQUIPMENT INVESTMENT								\$24.21
RETURN TO LAND AND RISK								\$113.25

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

BUDGET SUMMARY

GROSS RETURN		\$475.00	
VARIABLE OPERATING EXPENSES	\$178.58		
RETURN OVER VARIABLE EXPENSES	\$296.42	(GROSS MARGIN)	
FIXED EXPENSES	\$64.41		
NET FARM INCOME	\$232.01	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$91.43		
NET OPERATING PROFIT	\$140.57	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$27.32		
RETURN TO LAND AND RISK	\$113.25		

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, 2003.
 Planting dates: April 10 - April 30
 Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD					TOTAL	
GROSS RETURNS								
LINT	\$0.570	600	LBS				\$342.00	
SEED	\$0.08	960	LBS				\$72.00	
DIRECT PAYMENT	\$0.0667	600	LBS				\$40.02	
COUNTER CYCLICAL PAYMENT	\$0.0873	600	LBS				\$52.38	
TOTAL							\$506.40	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST		TOTAL	
SEED	\$0.56	17	LBS	\$9.52			\$9.52	
NITROGEN (N)	\$0.36	80	LBS	\$28.80			\$28.80	
PHOSPHATE (P205)	\$0.33	60	LBS	\$19.80			\$19.80	
HERBICIDE	\$14.08	1	ACRE	\$14.08			\$14.08	
CANAL WATER		24	AC. IN.	\$0.00	\$20.00		\$20.00	
PUMP WATER*		12	AC. IN.					
CROP INSURANCE	\$0.74			\$0.74			\$0.74	
SUBTOTAL				\$72.94	\$20.00		\$92.94	
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.33	\$0.11	\$1.38	\$2.20
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
PLOW	145 HP	0.67 HR		\$5.06	\$7.87	\$4.66	\$17.43	\$35.02
DISC & SPRAY	145 HP	0.15 HR		\$1.13	\$1.76	\$1.24	\$4.72	\$8.85
FLOAT	65 HP	0.24 HR		\$1.81	\$1.58	\$0.27	\$0.50	\$4.16
LISTER	145 HP	0.18 HR		\$1.36	\$2.11	\$1.08	\$4.11	\$8.66
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.09	\$0.04	\$0.64	\$6.60
MULCHER	145 HP	0.14 HR		\$1.06	\$1.64	\$1.07	\$5.18	\$8.95
PLANTER	145 HP	0.26 HR		\$1.96	\$3.05	\$2.68	\$9.48	\$17.18
CULTIVATOR (4X)	65 HP	0.84 HR		\$6.34	\$5.51	\$1.59	\$2.55	\$16.00
HOEING (CUSTOM)			\$24.00					\$24.00
ROTOBUCK (3X)	145 HP	0.03 HR		\$0.23	\$0.35	\$0.15	\$0.82	\$1.55
IRRIGATE (8X)		4.00 HR		\$25.80	\$8.71	\$0.29	\$5.13	\$39.93
SUBTOTAL		7.48 HR	\$24.00	\$51.25	\$36.01	\$14.26	\$55.90	\$181.41
HARVEST OPERATIONS								
COTTON PICKER (2X)	2 ROW	1.24 HR		\$9.36	\$9.75	\$21.06	\$46.65	\$86.82
COTTON TRAILER (2X)	HALF TON	2.50 HR		\$18.88	\$21.26	\$1.08	\$17.63	\$58.85
GIN COTTON (CUSTOM)			\$68.52					\$68.52
SUBTOTAL		3.74 HR	\$68.52	\$28.24	\$31.01	\$22.14	\$64.28	\$214.19
POSTHARVEST OPERATIONS								
SHREDDER	65 HP	0.29 HR		\$2.19	\$1.90	\$0.43	\$2.85	\$7.37
SUBTOTAL		0.29 HR		\$2.19	\$1.90	\$0.43	\$2.85	\$7.37
OVERHEAD EXPENSES								
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				\$42.56				\$42.56
OTHER EXPENSES			\$80.34					\$80.34
SUBTOTAL		1.56 HR	\$81.98	\$69.02			\$2.99	\$153.99
TOTAL OPERATING EXPENSES		13.07 HR	\$247.43	\$150.70	\$68.92	\$36.83	\$146.01	\$649.89
NET OPERATING PROFIT							(\$143.49)	
INTEREST ON OPERATING CAPITAL	(59.76	@	8.00%)		\$4.78	
INTEREST ON EQUIPMENT INVESTMENT							\$77.15	
RETURN TO LAND AND RISK							(\$225.42)	

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

BUDGET SUMMARY

GROSS RETURN		\$506.40	
VARIABLE OPERATING EXPENSES	\$353.18		
RETURN OVER VARIABLE EXPENSES	\$153.22	(GROSS MARGIN)	
FIXED EXPENSES	\$146.01		
NET FARM INCOME	\$7.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$150.70		
NET OPERATING PROFIT	(\$143.49)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$81.93		
RETURN TO LAND AND RISK	(\$225.42)		

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, 2003.
 Planting dates: May 1 - June 15
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
GRAIN SORGHUM	\$3.95	60 CWT	\$237.00
DIRECT PAYMENT	\$0.625	60 CWT	\$37.50
COUNTER CYCLICAL PAYMENT	\$0.00	0 CWT	\$0.00
GRAZING	\$10.00	1 ACRE	\$10.00
TOTAL			\$284.50

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.20	8 LBS	\$9.60		\$9.60
NITROGEN (N)	\$0.36	32 LBS	\$11.52		\$11.52
PHOSPHATE (P205)	\$0.33	40 LBS	\$13.20		\$13.20
HERBICIDE	\$14.08	1 ACRE	\$14.08		\$14.08
INSECTICIDE	\$11.30	1 ACRE	\$11.30		\$11.30
CANAL WATER		28 AC. IN.		\$20.00	\$20.00
PUMP WATER*		12 AC. IN.			
CROP INSURANCE	\$1.47		\$1.47		\$1.47
SUBTOTAL			\$61.17	\$20.00	\$81.17

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZER	65 HP	0.15 HR		\$1.13	\$0.98	\$0.33	\$4.15	\$6.60
DISC	145 HP	0.20 HR		\$1.51	\$2.35	\$1.26	\$4.65	\$9.78
CHISEL	145 HP	0.40 HR		\$3.02	\$4.70	\$2.33	\$10.05	\$20.10
DISC	145 HP	0.20 HR		\$1.51	\$2.35	\$1.26	\$4.65	\$9.78
FLOAT	145 HP	0.25 HR		\$1.89	\$2.94	\$1.24	\$4.69	\$10.75
SPRAYER	65 HP	0.20 HR		\$1.51	\$1.31	\$0.60	\$1.80	\$5.22
LISTER	65 HP	0.50 HR		\$3.78	\$3.28	\$1.06	\$3.09	\$11.20
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.63	\$0.05	\$0.96	\$7.49
MULCHER	145 HP	0.20 HR		\$1.51	\$2.35	\$1.53	\$7.40	\$12.79
PLANTER	145 HP	0.25 HR		\$1.89	\$2.94	\$2.58	\$9.11	\$16.52
SPRAYER	65 HP	0.20 HR		\$1.51	\$1.31	\$0.60	\$1.80	\$5.22
CULTIVATOR (2X)	65 HP	0.60 HR		\$4.53	\$3.94	\$1.13	\$1.82	\$11.43
ROTOBUCK (3X)	145 HP	0.25 HR		\$1.89	\$2.94	\$1.24	\$6.83	\$12.89
IRRIGATE (5X)		2.50 HR		\$16.13	\$8.17	\$0.27	\$4.81	\$29.37
SUBTOTAL		6.65 HR		\$46.63	\$41.18	\$15.51	\$65.82	\$169.14

HARVEST OPERATIONS

COMBINE (CUSTOM)			\$25.20					\$25.20
HAUL (CUSTOM)			\$11.40					\$11.40
SUBTOTAL		0.00 HR	36.60					36.60

OVERHEAD EXPENSES

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				\$21.94				\$21.94
OTHER EXPENSES			\$80.34					\$80.34
SUBTOTAL		0.61 HR	\$81.28	\$34.96		\$2.99		\$119.22

TOTAL OPERATING EXPENSES 7.26 HR \$179.05 \$81.59 \$41.18 \$15.51 \$88.81 \$406.13

NET OPERATING PROFIT (\$121.63)

INTEREST ON OPERATING CAPITAL (47.81 @ 8.00%) \$3.82
 INTEREST ON EQUIPMENT INVESTMENT \$38.32

RETURN TO LAND AND RISK (\$163.78)

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

GROSS RETURN		\$284.50	
VARIABLE OPERATING EXPENSES	\$235.73		
RETURN OVER VARIABLE EXPENSES	\$48.77	(GROSS MARGIN)	
FIXED EXPENSES	\$88.81		
NET FARM INCOME		(\$40.04)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$81.59		
NET OPERATING PROFIT		(\$121.63)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$42.15		
RETURN TO LAND AND RISK		(\$163.78)	

TABLE 9. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2003.

	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		130.00	19.00	0.57	3.95
GOVERNMENT PAYMENTS		0.00	0.00	92.40	37.50
SECOND INCOME		15.00	0.00	72.00	10.00
GROSS RETURN		\$860.00	\$475.00	\$506.40	\$284.50
CASH OPERATING EXPENSES					
SEED	\$75.00		\$33.66	\$9.52	\$9.60
FERTILIZER	\$23.70		\$24.72	\$48.60	\$24.72
CHEMICALS				\$14.08	\$25.38
CROP INSURANCE				\$0.74	\$1.47
OTHER PURCHASED INPUTS		\$21.72			
CANAL WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$21.22	\$16.22	\$18.05	\$59.12	\$31.38
FUEL-IRRIGATION	\$4.09	\$14.71	\$11.44	\$9.80	\$9.80
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	\$81.20	\$81.18	\$81.98	\$81.28
TOTAL CASH EXPENSES	\$135.99	\$144.16	\$181.57	\$356.17	\$238.72
RETURN OVER CASH EXPENSES	(\$135.99)	\$715.84	\$293.43	\$150.23	\$45.78
FIXED EXPENSES	\$48.33	\$163.79	\$61.42	\$143.02	\$85.82
TOTAL EXPENSES	\$184.32	\$307.95	\$242.99	\$499.19	\$324.54
NET FARM INCOME	(\$184.32)	\$552.05	\$232.01	\$7.21	(\$40.04)
LABOR AND MANAGEMENT COSTS	\$54.47	\$119.85	\$91.43	\$150.70	\$81.59
NET OPERATING PROFIT	(\$238.79)	\$432.20	\$140.57	(\$143.49)	(\$121.63)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.33	\$3.12	\$4.78	\$3.82
INTEREST ON EQUIPMENT INVESTMENT		\$27.96	\$24.21	\$77.15	\$38.32
TOTAL CAPITAL COSTS	\$0.00	\$29.28	\$27.32	\$81.93	\$42.15
RETURN TO LAND AND RISK	(\$238.79)	\$402.91	\$113.25	(\$225.42)	(\$163.78)

TABLE 10. Whole farm summary, Virden area, Hidalgo County, 2003.

GROSS RETURNS		
ALFALFA HAY	45 ACRES	
CROP		\$38,025
GRAZING		\$675
CORN SILAGE	43 ACRES	
CROP		\$20,425
UPLAND COTTON	68 ACRES	
LINT		\$23,256
SEED		\$4,896
DIRECT PAYMENT		\$2,001
COUNTER CYCLICAL PAYMENT		\$3,562
GRAIN SORGHUM	34 ACRES	
CROP		\$8,058
DIRECT PAYMENT		\$1,275
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$340
GROSS RETURN		<u>\$102,173</u>
CASH OPERATING EXPENSES		
SEED		\$3,546
FERTILIZER		\$5,564
CHEMICALS		\$1,820
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$978
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$6,911
FUEL-IRRIGATION		\$2,215
REPAIRS		\$3,942
CUSTOM CHARGES		\$7,536
LAND TAXES		\$568
OTHER EXPENSES		\$15,491
TOTAL CASH EXPENSES		<u>\$48,671</u>
RETURN OVER CASH EXPENSES		\$53,502
FIXED EXPENSES		\$19,798
TOTAL EXPENSES		\$68,469
NET FARM INCOME		\$33,704
LABOR AND MANAGEMENT COSTS		\$23,163
NET OPERATING PROFIT		\$10,540
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$649
INTEREST ON EQUIPMENT INVESTMENT		\$8,848
TOTAL CAPITAL COSTS		<u>\$9,497</u>
RETURN TO LAND AND RISK		<u>\$1,044</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$4,556)	4.33%
\$900 /ACRE	(\$6,156)	3.72%
\$1,100 /ACRE	(\$7,756)	3.26%
\$1,300 /ACRE	(\$9,356)	2.90%
\$1,500 /ACRE	(\$10,956)	2.61%
\$1,700 /ACRE	(\$12,556)	2.38%
\$1,900 /ACRE	(\$14,156)	2.18%

* 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)