

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

Item			
<b>Labor Wage Rate:</b>			
Equipment operators	\$/hour		<b>\$7.55</b>
General & Irrigators	\$/hour		<b>\$6.75</b>
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Nitrogen (N)	\$/pound		<b>\$0.36</b>
Phosphate (P205)	\$/pound		<b>\$0.33</b>
Anhydrous Ammonia (NH3)	\$/ton		<b>\$310.00</b>
<b>Seed:</b>			
Alfalfa	\$/pound		<b>\$3.00</b>
Wheat	\$/pound		<b>\$0.13</b>
White Corn	\$/bag		<b>\$89.75</b>
Cotton	\$/pound		<b>\$0.56</b>
Diesel fuel	\$/gallon		<b>\$1.30</b>
Gasoline	\$/gallon		<b>\$1.35</b>
Electricity (Rio Grande Elec)	cents/KwHr		<b>5.09</b>
LP Gas	\$/gallon		<b>\$1.21</b>
Baling Wire	\$/pound		<b>\$0.37</b>
Employee Liability Insurance	\$/(\$1,000 wages)		<b>\$20.00</b>
Employee Benefits	percent/w ages		<b>18.00%</b>
Labor Downtime	percent		<b>25.00%</b>
<b>Financial Rates:</b>			
Operating Capital Interest Rate	percent		<b>8.00%</b>
Land Interest Rate	percent		<b>7.00%</b>
Equipment Interest Rate	percent		<b>8.00%</b>
Real Interest Rate	percent		<b>4.00%</b>
Land Taxes	\$300.00 /acre (full value)		<b>\$3.08</b>
Personal Property Tax Rate - NR	\$/(\$1,000 (Assessed Value)		<b>\$30.76</b>
	- R		<b>\$24.62</b>
<b>Supervision Factors</b>			
Field Crop-Irrigation	\$/labor hour		<b>\$1.00</b>
Field Crop-Equipment & General	\$/labor hour		<b>\$0.50</b>
Management Rate	percent		<b>7.00%</b>

BUDGET AREA..... DELL CITY AREA, OTERO COUNTY, 2003.  
 FARM SIZE ..... 640 ACRES  
 IRRIGATION TYPE..... PIVOT/FLOOD  
 NUMBER OF CROPS... 5

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	55.00 *	6	330
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, CORNERS, DITCHES, HOMESTEAD	30.00		
<b>TOTAL</b>	<b>640.00</b>		<b>21,633</b>
<b>ACRE FEET PER ACRE OF WATER RIGHTS</b>			<b>2.82</b>

\* DOUBLE-CROPPED

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

ITEM			
Electricity (Domestic & Shop)		\$225.00 per month	\$2,700
Telephone		\$215.00 per month	\$2,580
Accounting & Legal			\$1,660
Misc. Supplies & Hand Tools			\$4,100
Pickup and Auto			
miles	51,500 @	\$0.365 per mile	\$18,798
<b>Insurance</b>			
- general liability (non-employee)			\$1,780
- fire/theft			\$1,410
<b>Property Taxes</b>			
- non-planted land			\$176
- other than land & machinery			\$630
Building repairs and maintenance			\$1,345
Dues, fees, publications			\$400
Farmstead Equipment			\$175
		<b>Total</b>	<b>\$35,754</b>
		<b>Total per planted acre</b>	<b>\$58.61</b>

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

INPUT DATA

DELIVERY PSI:		DEPTH CHARACTERISTICS:	
SPRINKLER...	40	STATIC.....	75
		DRAW DOV.....	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 640 acre sprinkler-irrigated farm with above average management, Otero County, 2003.

EQUIPMENT	VARIABLE COSTS							FIXED COSTS		
	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	FUEL, LUBE REPAIR PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR	
TRACTOR 93 HP	857	1	\$19,240	\$8,224	\$7,505	\$9.59	\$8.75	\$1,226	\$220	\$1.69
TRACTOR 155 HP	328	1	\$31,290	\$4,182	\$1,541	\$12.76	\$4.70	\$5,600	\$431	\$18.40
COTTON STRIPPER 2-ROW	52	1	\$2,520		\$187		\$3.57	\$767	\$59	\$15.76
SWATHER 16 FT	154	1	\$24,740	\$750	\$1,338	\$4.87	\$8.69	\$3,621	\$371	\$25.92
BALER	238	3	\$12,300		\$288		\$1.21	\$1,650	\$169	\$7.64
BALE WAGON	280	1	\$15,480		\$6,503		\$23.23	\$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	\$6.60
ROLLING CULTIVATOR 6-ROW	73	1	\$3,000		\$134		\$1.83	\$400	\$31	\$5.87
DISC 14 FT	131	1	\$3,000		\$220		\$1.68	\$400	\$31	\$3.29
PLOW 4-BTM	67	1	\$4,000		\$166		\$2.48	\$533	\$41	\$8.58
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		\$138		\$5.11	\$720	\$37	\$28.03
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
CENTER PIVOT SPRINKLER	4744	2	\$30,000	\$121	\$759	\$0.03	\$0.16	\$4,000	\$308	\$0.91
ELECTRIC WELL	8900	5	\$97,500	\$38,077	\$868	\$4.28	\$0.10	\$10,263	\$1,000	\$1.27
			\$259,720	\$51,354	\$19,910			\$33,433	\$3,060	

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, 2003.  
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.						
SUBTOTAL								\$90.00
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.06	\$1.79	\$0.89	\$3.04	\$6.77
CHISEL	155 HP	0.20 HR		\$1.51	\$2.55	\$0.98	\$5.00	\$10.05
PLOW	155 HP	0.48 HR		\$3.62	\$6.13	\$3.45	\$12.95	\$26.15
DISC (2X)	155 HP	0.28 HR		\$2.11	\$3.57	\$1.79	\$6.07	\$13.55
DRAG (2X)	155 HP	0.30 HR		\$2.27	\$3.83	\$1.44	\$5.71	\$13.23
DRILL	93 HP	0.12 HR		\$0.91	\$1.15	\$1.66	\$3.57	\$7.29
IRRIGATE (3X)		0.30 HR		\$2.03	\$10.62	\$0.64	\$5.37	\$18.65
SUBTOTAL		1.82 HR		\$13.50	\$29.64	\$10.85	\$41.70	\$95.69
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.12 HR		\$0.87				\$0.87
EMPLOYEE BENEFITS				\$2.43				\$2.43
INSURANCE			\$0.27					\$0.27
SUPERVISION AND MANAGEMENT				\$13.53				\$13.53
SUBTOTAL		0.12	0.27	16.83				17.10
TOTAL OPERATING EXPENSES		1.94 HR	\$90.27	\$30.33	\$29.64	\$10.85	\$41.70	\$202.79

TABLE 5. Alfalfa hay, pivot 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	
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$140.00	6.50	TONS (STACKED)					\$910.00	
GRAZING	\$15.00	1	ACRE					\$15.00	
<b>TOTAL</b>								<b>\$925.00</b>	
<b>PURCHASED INPUTS</b>									
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	
ESTABLISHMENT: Principal		5	YEARS				\$40.56	\$40.56	
: Interest							\$8.13	\$8.13	
BALING TWINE	\$0.37	56	LBS		\$0.21			\$0.21	
PUMP WATER*		40	AC. IN.						
<b>SUBTOTAL</b>				<b>\$125.26</b>		<b>\$48.69</b>		<b>\$173.94</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	\$1.44	\$1.33	\$0.35	\$4.24
IRRIGATE (11X)		1.10	HR		\$7.43	\$70.82	\$4.24	\$35.77	\$118.26
<b>SUBTOTAL</b>		<b>1.25 HR</b>			<b>\$8.56</b>	<b>\$72.26</b>	<b>\$5.56</b>	<b>\$36.11</b>	<b>\$122.50</b>
<b>HARVEST OPERATIONS</b>									
SWATHER (5X)	16 FT	0.55	HR		\$4.15	\$2.68	\$4.78	\$14.26	\$25.86
BALER (5X)	93 HP	0.85	HR		\$6.42	\$8.15	\$8.47	\$7.93	\$30.97
LOAD (5X)	93 HP	1.00	HR		\$7.55	\$9.59	\$24.76	\$10.55	\$52.45
<b>SUBTOTAL</b>		<b>2.40 HR</b>			<b>\$18.12</b>	<b>\$20.42</b>	<b>\$38.01</b>	<b>\$32.73</b>	<b>\$109.29</b>
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.60	HR		\$4.53				\$4.53
EMPLOYEE BENEFITS					\$4.80				\$4.80
INSURANCE				\$0.53					\$0.53
LAND TAXES								\$3.08	\$3.08
SUPERVISION AND MANAGEMENT					\$67.05				\$67.05
OTHER EXPENSES				\$58.61					\$58.61
<b>SUBTOTAL</b>		<b>0.60 HR</b>			<b>\$59.15</b>	<b>\$76.38</b>		<b>\$3.08</b>	<b>\$138.60</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.25 HR</b>			<b>\$184.40</b>	<b>\$103.06</b>	<b>\$92.69</b>	<b>\$43.57</b>	<b>\$120.61</b>
<b>NET OPERATING PROFIT</b>								<b>\$380.67</b>	
INTEREST ON OPERATING CAPITAL	(	\$86.95	@	8.00%	)			\$6.96	
INTEREST ON EQUIPMENT INVESTMENT								\$29.45	
<b>RETURN TO LAND AND RISK</b>								<b>\$344.26</b>	

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

BUDGET SUMMARY

GROSS RETURN		\$925.00	
VARIABLE OPERATING EXPENSES	\$320.66		
RETURN OVER VARIABLE EXPENSES		\$604.34	(GROSS MARGIN)
FIXED EXPENSES	\$120.61		
NET FARM INCOME		\$483.73	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$103.06		
NET OPERATING PROFIT		\$380.67	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$36.40		
RETURN TO LAND AND RISK		\$344.26	

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

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
WHEAT	\$7.50	35.00 CWT						\$262.50
DIRECT PAYMENT	\$0.867	35.00 CWT						\$30.35
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$25.00	1.00 ACRE						\$25.00
<b>TOTAL</b>							<b>\$317.85</b>	
<b>PURCHASED INPUTS</b>								
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				\$0.29	
<b>SUBTOTAL</b>			<b>\$39.17</b>			<b>\$5.00</b>	<b>\$44.17</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		\$1.06	\$1.79	\$0.89	\$3.04	\$6.77
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.51	\$2.55	\$0.94	\$3.68	\$15.68
DISC	155 HP	0.14 HR		\$1.06	\$1.79	\$0.89	\$3.04	\$6.77
DRILL	93 HP	0.12 HR		\$0.91	\$1.15	\$1.66	\$3.57	\$7.29
IRRIGATE (5X)		2.50 HR		\$16.88	\$44.00	\$1.00	\$13.02	\$74.90
<b>SUBTOTAL</b>		<b>3.10 HR</b>	<b>\$7.00</b>	<b>\$21.41</b>	<b>\$51.28</b>	<b>\$5.40</b>	<b>\$26.34</b>	<b>\$111.42</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				\$25.05				\$25.05
OTHER EXPENSES			\$58.61					\$58.61
<b>SUBTOTAL</b>		<b>0.15 HR</b>	<b>\$59.04</b>	<b>\$30.03</b>			<b>\$3.08</b>	<b>\$92.15</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>3.25 HR</b>	<b>\$131.21</b>	<b>\$51.44</b>	<b>\$51.28</b>	<b>\$5.40</b>	<b>\$34.41</b>	<b>\$273.74</b>
<b>NET OPERATING PROFIT</b>							<b>\$44.11</b>	
INTEREST ON OPERATING CAPITAL		( \$33.75 @ 8.00% )						\$2.70
INTEREST ON EQUIPMENT INVESTMENT								\$8.76
<b>RETURN TO LAND AND RISK</b>							<b>\$32.65</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$317.85	
VARIABLE OPERATING EXPENSES	\$187.89		
RETURN OVER VARIABLE EXPENSES		\$129.96	(GROSS MARGIN)
FIXED EXPENSES	\$34.41		
NET FARM INCOME		\$95.55	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$51.44		
NET OPERATING PROFIT		\$44.11	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.46		
RETURN TO LAND AND RISK		\$32.65	

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
<b>GROSS RETURNS</b>								
CORN	\$4.29	70.00 CWT						\$300.30
GRAZING	\$20.00	1.00 ACRE						\$20.00
<b>TOTAL</b>							<b>\$320.30</b>	
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			\$5.00	
PUMP WATER*		48 AC. IN.					\$0.00	
<b>SUBTOTAL</b>			<b>\$150.74</b>		<b>\$5.00</b>		<b>\$155.74</b>	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.06	\$1.79	\$0.89	\$3.04	\$6.77
CHISEL	155 HP	0.20 HR		\$1.51	\$2.55	\$0.98	\$5.00	\$10.05
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.51	\$2.55	\$0.94	\$3.68	\$15.68
DISC & SPRAY	155 HP	0.19 HR		\$1.43	\$2.42	\$1.50	\$6.97	\$12.34
LISTER	155 HP	0.12 HR		\$0.91	\$1.53	\$0.71	\$3.64	\$6.80
PLANTER	93 HP	0.17 HR		\$1.28	\$1.63	\$2.51	\$5.87	\$11.30
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.94	\$3.74	\$4.13	\$2.95	\$13.76
IRRIGATE (8X)		4.00 HR		\$27.00	\$84.49	\$1.93	\$24.99	\$138.40
<b>SUBTOTAL</b>		<b>5.41 HR</b>	<b>\$7.00</b>	<b>\$37.65</b>	<b>\$100.71</b>	<b>\$13.60</b>	<b>\$56.15</b>	<b>\$215.10</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>\$0.00</b>	<b>\$37.25</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.27 HR		\$2.06				\$2.06
EMPLOYEE BENEFITS				\$6.78				\$6.78
INSURANCE			\$0.75					\$0.75
LAND TAXES						\$3.08		\$3.08
SUPERVISION AND MANAGEMENT				\$28.54				\$28.54
OTHER EXPENSES			\$58.61					\$58.61
<b>SUBTOTAL</b>		<b>0.27 HR</b>	<b>\$59.37</b>	<b>\$37.37</b>			<b>\$3.08</b>	<b>\$99.81</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>5.68 HR</b>	<b>\$254.35</b>	<b>\$75.02</b>	<b>\$100.71</b>	<b>\$13.60</b>	<b>\$64.22</b>	<b>\$507.90</b>
<b>NET OPERATING PROFIT</b>							<b>(\$187.60)</b>	
INTEREST ON OPERATING CAPITAL	(	\$103.95	@	8.00%			\$8.32	
INTEREST ON EQUIPMENT INVESTMENT							\$19.69	
<b>RETURN TO LAND AND RISK</b>							<b>(\$215.61)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$320.30	
VARIABLE OPERATING EXPENSES	\$368.66		
RETURN OVER VARIABLE EXPENSES		(\$48.36)	(GROSS MARGIN)
FIXED EXPENSES	\$64.22		
NET FARM INCOME		(\$112.58)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$75.02		
NET OPERATING PROFIT		(\$187.60)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.01		
RETURN TO LAND AND RISK		(\$215.61)	

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							TOTAL	
<b>GROSS RETURNS</b>										
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	
<b>TOTAL</b>									<b>\$844.00</b>	
<b>PURCHASED INPUTS</b>										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS							TOTAL
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	\$0.59		FCIC	\$0.59						\$0.59
PUMP WATER*		30	AC. IN.							
<b>SUBTOTAL</b>				<b>\$140.07</b>						<b>\$140.07</b>
<b>PREHARVEST OPERATIONS</b>										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
DISC	155 HP	0.14	HR	\$1.06	\$1.79	\$0.89	\$3.04	\$6.77		
PLOW	155 HP	0.48	HR	\$3.62	\$6.13	\$3.45	\$12.95	\$26.15		
DISC (2X)	155 HP	0.28	HR	\$2.11	\$3.57	\$1.79	\$6.07	\$13.55		
FLOAT (2X)	93 HP	0.32	HR	\$2.42	\$3.07	\$2.83	\$1.30	\$9.62		
LISTER	155 HP	0.12	HR	\$0.91	\$1.53	\$0.71	\$3.64	\$6.80		
PLANTER	155 HP	0.17	HR	\$1.28	\$2.17	\$1.83	\$8.71	\$13.99		
ROLLING CULT. (4X)	93 HP	0.52	HR	\$3.93	\$4.99	\$5.50	\$3.93	\$18.35		
HAND HOE (CUSTOM)				\$25.00						\$25.00
IRRIGATE (6X)		3.00	HR	\$20.25	\$52.80	\$1.20	\$15.62	\$89.88		
<b>SUBTOTAL</b>		<b>5.03</b>	<b>HR</b>	<b>\$25.00</b>	<b>\$35.58</b>	<b>\$76.05</b>	<b>\$18.20</b>	<b>\$55.27</b>	<b>\$210.10</b>	
<b>HARVEST OPERATIONS</b>										
COTTON STRIPPER	93 HP	0.62	HR	\$4.68	\$5.95	\$7.64	\$10.82	\$29.08		
HAUL	93 HP	1.00	HR	\$7.55	\$9.59	\$9.07	\$5.76	\$31.97		
GIN COTTON (CUSTOM)				\$204.40						\$204.40
<b>SUBTOTAL</b>		<b>1.62</b>	<b>HR</b>	<b>\$204.40</b>	<b>\$12.23</b>	<b>\$15.54</b>	<b>\$16.70</b>	<b>\$16.58</b>	<b>\$265.46</b>	
<b>POST HARVEST OPERATIONS</b>										
SHREDDER	93 HP	0.29	HR	\$2.19	\$2.78	\$2.71	\$2.61	\$10.29		
<b>OVERHEAD EXPENSES</b>										
DOWNTIME		0.91	HR	\$6.83						\$6.83
EMPLOYEE BENEFITS				\$8.61						\$8.61
INSURANCE				\$0.96						\$0.96
LAND TAXES										\$3.08
SUPERVISION AND MANAGEMENT				\$65.17						\$65.17
OTHER EXPENSES				\$58.61						\$58.61
<b>SUBTOTAL</b>		<b>0.91</b>	<b>HR</b>	<b>\$59.57</b>	<b>\$80.60</b>			<b>\$3.08</b>	<b>\$143.25</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>7.85</b>	<b>HR</b>	<b>\$429.04</b>	<b>\$130.60</b>	<b>\$94.37</b>	<b>\$37.61</b>	<b>\$77.54</b>	<b>\$769.16</b>	
<b>NET OPERATING PROFIT</b>									<b>\$74.84</b>	
INTEREST ON OPERATING CAPITAL	(	\$96.28	@	8.00%						\$7.70
INTEREST ON EQUIPMENT INVESTMENT									\$35.01	
<b>RETURN TO LAND AND RISK</b>									<b>\$32.12</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$844.00	
VARIABLE OPERATING EXPENSES	\$561.02		
RETURN OVER VARIABLE EXPENSES	\$282.98		(GROSS MARGIN)
FIXED EXPENSES	\$77.54		
NET FARM INCOME	\$205.44		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$130.60		
NET OPERATING PROFIT	\$74.84		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$42.71		
RETURN TO LAND AND RISK	\$32.12		

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
<b>GROSS RETURNS</b>								
GRAIN SORGHUM	\$3.95	50.00	CWT					\$197.50
DIRECT PAYMENT	\$0.625	50.00	CWT					\$31.25
COUNTER CYCLICAL PAYMEN	\$0.00	0.00	CWT					\$0.00
GRAZING	\$10.00	1	ACRE					\$10.00
<b>TOTAL</b>								<b>\$238.75</b>
<b>PURCHASED INPUTS</b>								
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	\$14.17	1	ACRE	\$14.17				\$14.17
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
<b>SUBTOTAL</b>				<b>\$83.82</b>	<b>\$5.00</b>			<b>\$90.78</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		\$1.06	\$1.79	\$0.89	\$3.04	\$6.77
CHISEL	155 HP	0.20 HR		\$1.51	\$2.55	\$0.98	\$5.00	\$10.05
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.51	\$2.55	\$0.94	\$3.68	\$15.68
DISC & SPRAY	155 HP	0.19 HR		\$1.43	\$2.42	\$1.50	\$6.97	\$12.34
LISTER	155 HP	0.12 HR		\$0.91	\$1.53	\$0.71	\$3.64	\$6.80
PLANTER	155 HP	0.17 HR		\$1.28	\$2.17	\$1.83	\$8.71	\$13.99
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.94	\$3.74	\$4.13	\$2.95	\$13.76
IRRIGATE (6X)		3.00 HR		\$22.65	\$63.37	\$1.44	\$18.74	\$106.20
<b>SUBTOTAL</b>		<b>4.41 HR</b>	<b>\$7.00</b>	<b>\$33.30</b>	<b>\$80.12</b>	<b>\$12.43</b>	<b>\$52.74</b>	<b>\$185.59</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		\$8.32				\$8.32
EMPLOYEE BENEFITS				\$5.99				\$5.99
INSURANCE			\$0.67					\$0.67
LAND TAXES						\$3.08		\$3.08
SUPERVISION AND MANAGEMENT				\$18.92				\$18.92
OTHER EXPENSES			\$58.61					\$58.61
<b>SUBTOTAL</b>		<b>1.10 HR</b>	<b>\$59.28</b>	<b>\$33.23</b>			<b>\$3.08</b>	<b>\$95.59</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>5.51 HR</b>	<b>\$165.10</b>	<b>\$66.53</b>	<b>\$80.12</b>	<b>\$12.43</b>	<b>\$60.82</b>	<b>\$386.97</b>
<b>NET OPERATING PROFIT</b>								<b>(\$148.22)</b>
INTEREST ON OPERATING CAPITAL	(	\$68.53	@	8.00%	)			\$5.48
INTEREST ON EQUIPMENT INVESTMENT								\$20.23
<b>RETURN TO LAND AND RISK</b>								<b>(\$173.93)</b>

**BUDGET SUMMARY**

GROSS RETURN	\$238.75		
VARIABLE OPERATING EXPENSES	\$257.66		
RETURN OVER VARIABLE EXPENSES	(\$18.91)	(GROSS MARGIN)	
FIXED EXPENSES	\$60.82		
NET FARM INCOME	(\$79.73)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$66.53		
NET OPERATING PROFIT	(\$146.26)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$25.71		
RETURN TO LAND AND RISK	(\$171.97)		

TABLE 10. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, 2003.

	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		140.00	7.50	24.29	0.52	3.95
GOVERNMENT PAYMENTS		0.00	30.35	0.00	204.00	31.25
SECOND INCOME		15.00	25.00	20.00	120.00	10.00
GROSS RETURN		\$925.00	\$317.85	\$320.30	\$844.00	\$238.75
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	\$26.43
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.21			\$60.72	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$19.02	\$21.86	\$7.28	\$16.22	\$41.57	\$16.76
FUEL-IRRIGATION	\$10.62	\$70.82	\$44.00	\$84.49	\$52.80	\$63.37
REPAIRS	\$10.85	\$43.57	\$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	\$0.27	\$59.15	\$59.04	\$59.37	\$59.57	\$59.28
TOTAL CASH EXPENSES	\$130.76	\$323.74	\$190.96	\$371.74	\$564.10	\$262.70
RETURN OVER CASH EXPENSES	(\$130.76)	\$601.26	\$126.88	(\$51.44)	\$279.90	(\$23.95)
FIXED EXPENSES	\$41.70	\$117.53	\$31.34	\$61.15	\$74.47	\$57.74
TOTAL EXPENSES	\$172.46	\$441.27	\$222.30	\$432.88	\$638.56	\$320.44
NET FARM INCOME	(\$172.46)	\$483.73	\$95.55	(\$112.58)	\$205.44	(\$81.69)
LABOR AND MANAGEMENT COSTS	\$30.33	\$103.06	\$51.44	\$75.02	\$130.60	\$66.53
NET OPERATING PROFIT	(\$202.79)	\$380.67	\$44.11	(\$187.60)	\$74.84	(\$148.22)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$6.96	\$2.70	\$8.32	\$7.70	\$5.48
INTEREST ON EQUIPMENT INVESTMENT		\$29.45	\$8.76	\$19.69	\$35.01	\$20.23
TOTAL CAPITAL COSTS	\$0.00	\$36.40	\$11.46	\$28.01	\$42.71	\$25.71
RETURN TO LAND AND RISK	(\$202.79)	\$344.26	\$32.65	(\$215.61)	\$32.12	(\$173.93)
Flex Computation			\$72.74		\$141.60	(\$95.96)

TABLE 11. Whole farm summary, Dell City area, Otero County, 2003.

GROSS RETURNS		
ALFALFA HAY	280 ACRES	
CROP		\$259,000
WHEAT	170 ACRES	
CROP		\$44,625
GRAZING		\$4,250
DIRECT PAYMENT		\$5,159
COUNTER CYCLICAL PAYMENT		\$0
WHITE CORN	50 ACRES	
CROP		\$15,015
GRAZING		\$1,000
COTTON	84.5 ACRES	
LINT		\$43,940
SEED		\$10,140
DIRECT PAYMENT		\$2,835
COUNTER CYCLICAL PAYMENT		\$11,602
GRAIN SORGHUM	26 ACRES	
CROP		\$5,036
DIRECT PAYMENT		\$797
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$255
GROSS RETURN		<u>\$403,653</u>
CASH OPERATING EXPENSES		
SEED		\$10,888
FERTILIZER		\$45,182
CHEMICALS		\$6,832
CROP INSURANCE		\$266
OTHER PURCHASED INPUTS		\$5,189
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$13,156
FUEL-IRRIGATION		\$38,198
REPAIRS		\$17,889
CUSTOM CHARGES		\$27,768
LAND TAXES		\$1,876
OTHER EXPENSES		\$36,126
TOTAL CASH EXPENSES		<u>\$203,370</u>
RETURN OVER CASH EXPENSES		\$200,283
FIXED EXPENSES		\$39,996
TOTAL EXPENSES		\$243,366
NET FARM INCOME		\$160,287
LABOR AND MANAGEMENT COSTS		\$55,752
NET OPERATING PROFIT		\$104,535
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,613
INTEREST ON EQUIPMENT INVESTMENT		\$14,193
TOTAL CAPITAL COSTS		<u>\$17,806</u>
RETURN TO LAND AND RISK		<u>\$86,729</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$73,929	18.03%
\$750 /ACRE	\$67,529	14.13%
\$1,000 /ACRE	\$61,129	11.62%
\$1,250 /ACRE	\$54,729	9.86%
\$1,500 /ACRE	\$48,329	8.57%

\* 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)