

TABLE 10. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County 2004.

	GRAIN SORGHUM	PICKER COTTON FLOOD	GREEN CHILE	RED CHILE
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	3	0.69	285	0.7
GOVERNMENT PAYMENTS	33	83.36	0	0
SECOND INCOME	0	82.68	0	0
GROSS RETURN	219	897.44	2850	2450
CASH OPERATING EXPENSES				
SEED	8.32	14.00	72.00	72.00
FERTILIZER	33.75	25.84	127.95	114.23
CHEMICALS	19.52	9.46	25.13	28.32
CROP INSURANCE	0.37	0.00	0.00	0.00
OTHER PURCHASED INPUTS				
CANAL WATER				
FUEL OIL & LUBRICANTS-EQUIPMENT	32.27	60.01	120.01	81.87
FUEL-IRRIGATION	46.67	43.56	116.68	105.79
REPAIRS	24.48	83.66	40.96	33.51
CUSTOM CHARGES	34.72	130.75	1063.33	790.00
LAND TAXES	2.96	2.96	2.96	2.96
OTHER EXPENSES	55.17	55.73	56.41	56.21
TOTAL CASH EXPENSES	258.23	425.96	1625.42	1284.89
RETURN OVER CASH EXPENSES	(39.23)	471.48	1224.58	1165.11
FIXED EXPENSES	52.09	85.90	87.06	77.40
TOTAL EXPENSES	310.32	511.86	1712.48	1362.28
NET FARM INCOME	(91.32)	385.58	1137.52	1087.72
LABOR AND MANAGEMENT COSTS	67.68	154.70	199.50	202.79
NET OPERATING PROFIT	(159.00)	230.88	938.02	884.93
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	5.38	5.94	21.54	19.06
INTEREST ON EQUIPMENT INVESTMENT	26.64	47.66	68.51	55.63
TOTAL CAPITAL COSTS	32.02	53.60	90.05	74.69
RETURN TO LAND AND RISK	(191.02)	177.28	847.97	810.24

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County, 2004

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		25296
ASCS DEFICIENCY		4488
ASCS DIVERSION		0
UPLAND COTTON	204 ACRES	
LINT		149205.6
SEED		16866.72
ASCS DEFICIENCY		9082.08
ASCS DIVERSION		4896
GREEN CHILE	20 ACRES	
GREEN		57000
RED		0
RED CHILE	20 ACRES	
CROP		49000
GROSS RETURN		<u>315834.4</u>
CASH OPERATING EXPENSES		
SEED		6867.52
FERTILIZER		14704.86
CHEMICALS		5652.608
CROP INSURANCE		2210
OTHER PURCHASED INPUTS		0
CANAL WATER		0
FUEL OIL & LUBRICANTS-EQUIPMENT		20668.04
FUEL-IRRIGATION		19682.75
REPAIRS		21884.95
CUSTOM CHARGES		68461.93
LAND TAXES		1124.922
OTHER EXPENSES		21124.15
TOTAL CASH EXPENSES		<u>182381.7</u>
RETURN OVER CASH EXPENSES		133452.7
FIXED EXPENSES		27897.5
TOTAL EXPENSES		<u>210279.2</u>
NET FARM INCOME		105555.2
LABOR AND MANAGEMENT COSTS		48808.22
NET OPERATING PROFIT		56746.95
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		2755.044
INTEREST ON EQUIPMENT INVESTMENT		15829.2
TOTAL CAPITAL COSTS		<u>18584.24</u>
RETURN TO LAND AND RISK		<u>38162.71</u>
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LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
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500 /ACRE	30162.71	0.140899
700 /ACRE	26962.71	0.117549
900 /ACRE	23762.71	0.100839
1100 /ACRE	20562.71	0.088288
1300 /ACRE	17362.71	0.078515
1500 /ACRE	14162.71	0.070691

* 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)		
Flex Computation	-112.288	310.8429