

TABLE 1. Acreage Summary, Otero County,
Projected 2004.

BUDGET AREA.....	DELL CITY AREA, OTERO COUNTY		
FARM SIZE.....	640 ACRES		
IRRIGATION TYPE.....	SIDEROLL/FLOOD		
NUMBER OF CROPS...	5		
	WATER USE		
ACREAGE SUMMARY:	LAND USE (ACRES)	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 2. Basic cost information for Dell City area, Otero County,
Projected 2004.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.50
General & Irrigators		\$/hour	\$6.75
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.29
Phosphate (P205)		\$/pound	\$0.20
Anhydrous Ammonia (NH3)		\$/ton	\$450.00
Seed:			
Alfalfa		\$/pound	\$2.80
Wheat		\$/pound	\$0.18
White Corn		\$/bag	\$85.00
Cotton		\$/pound	\$0.68
Diesel fuel		\$/gallon	\$1.50
Gasoline		\$/gallon	\$1.45
Electricity (Rio Grande Elec)		cents/KwHr	5.09
LP Gas		\$/gallon	\$1.23
Baling Wire		\$/pound	\$0.38
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	6.50%
Land Interest Rate		percent	6.00%
Equipment Interest Rate		percent	6.50%
Real Interest Rate		percent	4.00%
Land Taxes	\$300.00	/acre (full value)	\$3.01
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value)	\$30.07 \$23.85
Supervision Factors			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for Dell City area, Otero County,
Projected 2004.

Item			
Electricity (Domestic & Shop)		\$220.00 per month	\$2,640
Telephone		\$215.00 per month	\$2,580
Accounting & Legal			\$1,650
Misc. Supplies & Hand Tools			\$5,110
Pickup and Auto			
miles	51,500	@ \$0.365 per mile	\$18,798
Insurance			
- general liability (non-employee)			\$1,775
- fire/theft			\$1,410
Property Taxes			
- non-planted land			\$176
- other than land & machinery			\$630
Building repairs and maintenance			\$1,350
Dues, fees, publications			\$400
Farmstead Equipment			\$180
		Total	\$36,699
		Total per planted acre	\$60.16

TABLE 4. Pumping costs and data for irrigation wells, Otero County,
Projected 2004.

INPUT DATA			
DELIVERY PSI:			
SPRINKLER	40	DEPTH CHARACTERISTICS:	
		STATIC.....	75
		DRAW DOWN.....	50
		TOTAL HEAD.....	125
		CASING.....	350
GALLONS PER MINUTE (GPM)	1,100		
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	\$1.23	\$/GAL	
DIESEL	\$1.50	\$/GAL	
FUEL PUMPING COSTS			
ELECTRIC WELL:			
COST PER HOUR		\$4.28	
COST PER ACRE INCH		\$1.76	
LP GAS WELL:			
COST PER HOUR		\$14.73	
COST PER ACRE INCH		\$6.06	
DIESEL WELL:			
COST PER HOUR		\$9.07	
COST PER ACRE INCH		\$3.73	

TABLE 5. Equipment summary for a 1,280 acre sprinkler-irrigated farm with above average management, Otero County,
Projected 2004.

EQUIPMENT		ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
ITEM & SIZE	FUEL, OIL, LUBRICANT				REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR	93 HP	857	1	\$19,045	\$8,835	\$7,506	\$10.30	\$8.75	\$1,226	\$215	\$1.68
TRACTOR	155 HP	329	1	\$14,420	\$4,684	\$967	\$14.24	\$2.94	\$3,500	\$263	\$11.44
COTTON STRIPPER	2 ROW	52	1	\$2,950		\$187		\$3.57	\$767	\$58	\$15.73
SWATHER	16 FT	154	1	\$21,350	\$836	\$1,338	\$5.43	\$8.69	\$3,621	\$363	\$25.87
BALER		238	3	\$11,700		\$288		\$1.21	\$1,650	\$165	\$7.63
BALE WAGON		280	1	\$9,890		\$5,992		\$21.40	\$2,250	\$226	\$8.84
PLANTER	6 ROW	27	1	\$4,250		\$164		\$6.04	\$850	\$43	\$32.82
CHISEL	7 SHANK	26	1	\$1,200		\$6		\$0.22	\$160	\$12	\$6.54
ROLLING CULTIVATOR	6 ROW	73	1	\$3,000		\$134		\$1.83	\$400	\$30	\$5.86
DISC	14 FT	132	1	\$3,000		\$221		\$1.68	\$400	\$30	\$3.27
PLOW	4 BTM	67	1	\$4,000		\$167		\$2.48	\$533	\$40	\$8.50
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	\$36	\$27.88
LISTER	4 ROW	19	1	\$1,600		\$24		\$1.25	\$213	\$16	\$11.95
SPRAYER	30 FT	14	1	\$1,500		\$22		\$1.53	\$200	\$15	\$14.99
SHREDDER	2 ROW	25	1	\$1,250		\$14		\$0.58	\$167	\$13	\$7.31
COTTON TRAILER	8 BALE	85	2	\$2,400		\$26		\$0.31	\$320	\$24	\$4.07
SIDEROLL SPRINKLER		4,746	8	\$20,000	\$0	\$223	\$0.00	\$0.05	\$2,667	\$200	\$0.60
ELECTRIC WELL		8,903	5	\$97,500	\$38,088	\$868	\$4.28	\$0.10	\$10,263	\$977	\$1.26
				\$223,505	\$52,443	\$18,293			\$30,000	\$2,733	

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County Projected 2004.

Planting dates: August 1 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<u>PURCHASED INPUTS</u>									
SEED	\$2.80	30 LBS	\$84.00						\$84.00
PUMP WATER*		6 AC. IN.							
SUBTOTAL			\$84.00						\$84.00
<u>PREHARVEST OPERATIONS</u>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	155 HP	0.14 HR		\$1.05	\$1.99	\$0.65	\$2.06	\$5.75	
CHISEL	155 HP	0.20 HR		\$1.50	\$2.85	\$0.63	\$3.60	\$8.57	
PLOW	155 HP	0.48 HR		\$3.60	\$6.83	\$2.60	\$9.57	\$22.61	
DISC (2X)	155 HP	0.28 HR		\$2.10	\$3.99	\$1.29	\$4.12	\$11.50	
DRAG (2X)	155 HP	0.30 HR		\$2.25	\$4.27	\$0.91	\$3.61	\$11.04	
DRILL	93 HP	0.12 HR		\$0.90	\$1.24	\$1.66	\$3.55	\$7.35	
IRRIGATE (3X)		0.75 HR		\$5.06	\$10.56	\$0.36	\$4.61	\$20.59	
SUBTOTAL		2.27 HR		\$16.46	\$31.73	\$8.10	\$31.11	\$87.40	
<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				\$12.98				\$12.98	
SUBTOTAL		0.12	\$0.33	\$16.80				\$17.13	
<u>TOTAL OPERATING EXPENSES</u>		2.39 HR	\$84.33	\$33.27	\$31.73	\$8.10	\$31.11	\$188.53	

TABLE 7. 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, Projected 2004.

Harvesting dates: June 1 - October 10

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$130.00	5.00 TONS (STACKED)						\$650.00
GRAZING	\$15.00	1.00 ACRE						\$15.00
TOTAL								\$665.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.29	75 LBS	\$21.75					\$21.75
PHOSPHATE (P2O5)	\$0.20	200 LBS	\$40.00					\$40.00
INSECTICIDE	\$16.03	2 X/ACRE	\$32.05					\$32.05
ESTABLISHMENT: Principal		5 YEARS					\$37.71	\$37.71
: Interest							\$6.40	\$6.40
BALING TWINE	\$0.38	43 LBS	\$0.16					\$0.16
PUMP WATER*		40 AC. IN.						
SUBTOTAL			\$93.97				\$44.10	\$138.07
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DRAG	93 HP	0.15 HR		\$1.13	\$1.55	\$1.33	\$0.34	\$4.34
IRRIGATE (11X)		2.75 HR		\$18.56	\$70.41	\$2.38	\$30.72	\$122.07
SUBTOTAL		2.90 HR		\$19.69	\$71.95	\$3.70	\$31.06	\$126.40
HARVEST OPERATIONS								
SWATHER (5X)	16 FT	0.55 HR		\$4.13	\$2.99	\$4.78	\$14.23	\$26.12
BALER (5X)	93 HP	0.85 HR		\$6.38	\$8.76	\$8.47	\$7.91	\$31.51
LOAD (5X)	93 HP	1.00 HR		\$7.50	\$10.30	\$25.89	\$10.52	\$54.22
SUBTOTAL		2.40 HR		\$18.00	\$22.05	\$39.14	\$32.66	\$111.85
OVERHEAD EXPENSES								
DOWNTIME		0.60 HR		\$4.50				\$4.50
EMPLOYEE BENEFITS				\$6.78				\$6.78
INSURANCE			\$0.75					\$0.75
LAND TAXES							\$3.01	\$3.01
SUPERVISION AND MANAGEMENT				\$50.50				\$50.50
OTHER EXPENSES			\$60.16					\$60.16
SUBTOTAL		0.60 HR		\$60.92	\$61.78		\$3.01	\$125.71
TOTAL OPERATING EXPENSES		5.90 HR		\$154.88	\$99.47	\$94.00	\$42.84	\$502.03
NET OPERATING PROFIT								\$162.97
INTEREST ON OPERATING CAPITAL		(\$70.99 @	6.50%)				\$4.61
INTEREST ON EQUIPMENT INVESTMENT								\$21.11
RETURN TO LAND AND RISK								\$137.25

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

BUDGET SUMMARY

GROSS RETURN		\$665.00	
VARIABLE OPERATING EXPENSES	\$291.72		
RETURN OVER VARIABLE EXPENSES		\$373.28	(GROSS MARGIN)
FIXED EXPENSES	\$110.83		
NET FARM INCOME		\$262.45	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$99.47		
NET OPERATING PROFIT		\$162.97	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$25.72		
RETURN TO LAND AND RISK		\$137.25	

TABLE 8. Wheat, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2004.

Planting dates: August 15 - September 15

Harvesting dates: July 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$6.25	20.00 CWT		\$125.00
DIRECT PAYMENT	\$0.52	20.00 CWT	0.85	\$8.84
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$25.00	1.00 ACRE		\$25.00
TOTAL				\$158.84

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.18	150 LBS	\$27.00		\$27.00
ANHYDROUS (NH3)	\$0.23	125 LBS	\$28.13		\$28.13
LIVESTOCK FAC & EQUIP				\$5.00	\$5.00
PUMP WATER*		25 AC. IN.			\$0.00
CROP INSURANCE	\$0.29				\$0.29
SUBTOTAL			\$55.13	\$5.00	\$60.42

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.99	\$0.65	\$2.06	\$5.75
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.50	\$2.85	\$0.59	\$2.29	\$14.22
DISC	155 HP	0.14 HR		\$1.05	\$1.99	\$0.65	\$2.06	\$5.75
DRILL	93 HP	0.12 HR		\$0.90	\$1.24	\$1.66	\$3.55	\$7.35
IRRIGATE (5X)		2.50 HR		\$16.88	\$44.00	\$1.00	\$12.99	\$74.87
SUBTOTAL		3.10 HR	\$7.00	\$21.38	\$52.07	\$4.55	\$22.94	\$107.93

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$26.00					\$26.00
SUBTOTAL			\$26.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26.00

OVERHEAD EXPENSES								
DOWNTIME		0.15 HR		\$1.13				\$1.13
EMPLOYEE BENEFITS				\$3.85				\$3.85
INSURANCE			\$0.43					\$0.43
LAND TAXES							\$3.01	\$3.01
SUPERVISION AND MANAGEMENT				\$13.92				\$13.92
OTHER EXPENSES			\$60.16					\$60.16
SUBTOTAL		0.15 HR	\$60.59	\$18.89			\$3.01	\$82.49

TOTAL OPERATING EXPENSES		3.25 HR	\$148.71	\$40.27	\$52.07	\$4.55	\$30.95	\$276.84
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NET OPERATING PROFIT								(\$118.00)
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INTEREST ON OPERATING CAPITAL	(\$41.86	@	6.50%)			\$2.72
INTEREST ON EQUIPMENT INVESTMENT								\$5.60

RETURN TO LAND AND RISK								(\$126.32)
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*Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$158.84		
VARIABLE OPERATING EXPENSES	\$205.34			
RETURN OVER VARIABLE EXPENSES		(\$46.50)	(GROSS MARGIN)	
FIXED EXPENSES	\$30.95			
NET FARM INCOME		(\$77.44)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$40.27			
NET OPERATING PROFIT		(\$117.71)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$8.32			
RETURN TO LAND AND RISK		(\$126.03)		

TABLE 9. White corn, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County
Projected 2004.

Planting dates: April 15 - May 15

Harvesting dates: October 1 - November 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
CORN	\$7.50	70.00 CWT	\$525.00
GRAZING	\$20.00	1.00 ACRE	\$20.00
TOTAL			\$545.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.85	25 000	\$21.25		\$21.25
NITROGEN (N)	\$0.29	30 LBS	\$8.70		\$8.70
PHOSPHATE (P2O5)	\$0.20	70 LBS	\$14.00		\$14.00
TRACE ELEMENTS	\$0.15	65 LBS	\$9.75		\$9.75
ANHYDROUS (NH3)	\$0.23	175 LBS	\$39.38		\$39.38
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
SUBTOTAL			\$150.60	\$5.00	\$155.60

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.99	\$0.65	\$2.06	\$5.75
CHISEL	155 HP	0.20 HR		\$1.50	\$2.85	\$0.63	\$3.60	\$8.57
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.50	\$2.85	\$0.59	\$2.29	\$14.22
DISC & SPRAY	155 HP	0.19 HR		\$1.43	\$2.70	\$1.17	\$5.64	\$10.94
LISTER	155 HP	0.12 HR		\$0.90	\$1.71	\$0.50	\$2.81	\$5.92
PLANTER	93 HP	0.17 HR		\$1.28	\$1.75	\$2.51	\$5.86	\$11.41
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.93	\$4.02	\$4.13	\$2.94	\$14.01
IRRIGATE (8X)		4.00 HR		\$27.00	\$84.49	\$1.93	\$24.93	\$138.35
SUBTOTAL		5.41 HR	\$7.00	\$37.58	\$102.36	\$12.10	\$50.13	\$209.16

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$23.25					\$23.25
HAUL (CUSTOM)			\$14.00					\$14.00
SUBTOTAL			\$37.25	\$0.00	\$0.00	\$0.00	\$0.00	\$37.25

OVERHEAD EXPENSES								
DOWNTIME		0.27 HR		\$2.04				\$2.04
EMPLOYEE BENEFITS				\$6.76				\$6.76
INSURANCE			\$0.75					\$0.75
LAND TAXES							\$3.01	\$3.01
SUPERVISION AND MANAGEMENT				\$44.27				\$44.27
OTHER EXPENSES			\$60.16					\$60.16
SUBTOTAL		0.27 HR	\$60.91	\$53.07			\$3.01	\$116.99

TOTAL OPERATING EXPENSES		5.68 HR	\$255.76	\$90.65	\$102.36	\$12.10	\$58.14	\$519.01
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NET OPERATING PROFIT								\$25.99
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INTEREST ON OPERATING CAPITAL	(\$103.91	@	6.50%)			\$6.75
INTEREST ON EQUIPMENT INVESTMENT								\$13.92

RETURN TO LAND AND RISK								\$5.32
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* Pump water costs are shown under irrigation in the preharvest operations section

BUDGET SUMMARY

GROSS RETURN		\$545.00	
VARIABLE OPERATING EXPENSES	\$370.22		
RETURN OVER VARIABLE EXPENSES		\$174.78	(GROSS MARGIN)
FIXED EXPENSES	\$58.14		
NET FARM INCOME		\$116.64	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$90.65		
NET OPERATING PROFIT		\$25.99	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$20.67		
RETURN TO LAND AND RISK		\$5.32	

TABLE 10. 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
 Projected 2004.
 Planting dates: April 15 - May 15
 Harvesting dates: November 1 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.50	720.00 LBS		\$360.00
COTTON SEED	\$0.08	1,152.00 LBS		\$86.40
DIRECT PAYMENT	\$0.0667	720.00 LBS	0.85	\$40.82
COUNTER CYCLICAL PAYMENT	\$0.1373	720.00 LBS	0.85	\$84.03
TOTAL				\$571.25

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.68	25 LBS	\$17.00		\$17.00
NITROGEN (N)	\$0.29	72 LBS	\$20.88		\$20.88
PHOSPHATE (P2O5)	\$0.20	184 LBS	\$36.80		\$36.80
HERBICIDE (CUSTOM)	\$19.93	1 X/ACRE	\$19.93		\$19.93
INSECTICIDE (CUSTOM)	\$18.91	1 X/ACRE	\$18.91		\$18.91
CROP INSURANCE		FCIC	\$0.59		\$0.59
PUMP WATER*		30 AC. IN.			
SUBTOTAL			\$114.11		\$114.11

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.99	\$0.65	\$2.06	\$5.75
PLOW	155 HP	0.48 HR		\$3.60	\$6.83	\$2.60	\$9.57	\$22.61
DISC (2X)	155 HP	0.28 HR		\$2.10	\$3.99	\$1.29	\$4.12	\$11.50
FLOAT (2X)	93 HP	0.32 HR		\$2.40	\$3.30	\$2.83	\$1.30	\$9.83
LISTER	155 HP	0.12 HR		\$0.90	\$1.71	\$0.50	\$2.81	\$5.92
PLANTER	155 HP	0.17 HR		\$1.28	\$2.42	\$1.53	\$7.52	\$12.74
ROLLING CULT. (4X)	93 HP	0.52 HR		\$3.90	\$5.36	\$5.50	\$3.92	\$18.68
HAND HOE (CUSTOM)			\$25.00					\$25.00
IRRIGATE (6X)		3.00 HR		\$20.25	\$52.80	\$1.20	\$15.58	\$89.84
SUBTOTAL		5.03 HR	\$25.00	\$35.48	\$78.40	\$16.10	\$46.88	\$201.86

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	93 HP	0.62 HR		\$4.65	\$6.39	\$7.64	\$10.80	\$29.47
HAUL	93 HP	1.00 HR		\$7.50	\$10.30	\$9.07	\$5.75	\$32.62
GIN COTTON (CUSTOM)			\$147.17					\$147.17
SUBTOTAL		1.62 HR	\$147.17	\$12.15	\$16.69	\$16.70	\$16.55	\$209.26

POST HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	93 HP	0.29 HR		\$2.18	\$2.99	\$2.71	\$2.61	\$10.48

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.91 HR		\$6.79				\$6.79
EMPLOYEE BENEFITS			\$8.57				\$8.57
INSURANCE		\$0.95					\$0.95
LAND TAXES						\$3.01	\$3.01
SUPERVISION AND MANAGEMENT			\$46.07				\$46.07
OTHER EXPENSES		\$60.16					\$60.16
SUBTOTAL	0.91 HR	\$61.11	\$61.43			\$3.01	\$125.55

TOTAL OPERATING EXPENSES	7.85 HR	\$347.39	\$111.23	\$98.08	\$35.51	\$69.05	\$661.26
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NET OPERATING PROFIT							(\$90.01)
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INTEREST ON OPERATING CAPITAL	(\$83.46	@	6.50%)		\$5.43
INTEREST ON EQUIPMENT INVESTMENT							\$25.29

RETURN TO LAND AND RISK							(\$120.72)
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* Pump water costs are shown under irrigation in the preharvest operations section
 BUDGET SUMMARY

GROSS RETURN		\$571.25		
VARIABLE OPERATING EXPENSES	\$480.98			
RETURN OVER VARIABLE EXPENSES		\$90.27	(GROSS MARGIN)	
FIXED EXPENSES	\$69.05			
NET FARM INCOME		\$21.22	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$111.23			
NET OPERATING PROFIT		(\$90.01)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$30.71			
RETURN TO LAND AND RISK		(\$120.72)		

TABLE 11. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County Projected 2004.

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$4.03	50.00 CWT		\$201.50
DIRECT PAYMENT	\$0.35	50.00 CWT	0.85	\$14.88
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$13.00	1.00 ACRE		\$13.00
TOTAL				\$229.38

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.04	12 LBS	\$12.48		\$12.48
ANHYDROUS (NH3)	\$0.23	150 LBS	\$33.75		\$33.75
NITROGEN (N)	\$0.29	18 LBS	\$5.22		\$5.22
PHOSPHATE (P2O5)	\$0.20	46 LBS	\$9.20		\$9.20
INSECTICIDE	\$15.07	1 ACRE	\$15.07		\$15.07
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
SUBTOTAL			\$87.98	\$5.00	\$94.94

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.05	\$1.99	\$0.65	\$2.06	\$5.75
CHISEL	155 HP	0.20 HR		\$1.50	\$2.85	\$0.63	\$3.60	\$8.57
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.50	\$2.85	\$0.59	\$2.29	\$14.22
DISC & SPRAY	155 HP	0.19 HR		\$1.43	\$2.70	\$1.17	\$5.64	\$10.94
LISTER	155 HP	0.12 HR		\$0.90	\$1.71	\$0.50	\$2.81	\$5.92
PLANTER	155 HP	0.17 HR		\$1.28	\$2.42	\$1.53	\$7.52	\$12.74
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.93	\$4.02	\$4.13	\$2.94	\$14.01
IRRIGATE (6X)		3.00 HR		\$22.50	\$63.37	\$1.44	\$18.70	\$106.01
SUBTOTAL		4.41 HR	\$7.00	\$33.08	\$81.90	\$10.63	\$45.55	\$178.17

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE (CUSTOM)	14 FT SP		\$15.00					\$15.00
SUBTOTAL		0.00 HR	\$15.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15.00

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	1.10 HR		\$8.27				\$8.27
EMPLOYEE BENEFITS			\$5.95				\$5.95
INSURANCE		\$0.66					\$0.66
LAND TAXES						\$3.01	\$3.01
SUPERVISION AND MANAGEMENT			\$18.26				\$18.26
OTHER EXPENSES		\$60.16					\$60.16
SUBTOTAL	1.10 HR	\$60.82	\$32.48			\$3.01	\$96.31

TOTAL OPERATING EXPENSES	5.51 HR	\$170.80	\$65.56	\$81.90	\$10.63	\$53.56	\$384.42
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NET OPERATING PROFIT (\$155.04)

INTEREST ON OPERATING CAPITAL (\$70.60 @ 6.50%) \$4.59

INTEREST ON EQUIPMENT INVESTMENT \$13.82

RETURN TO LAND AND RISK (\$173.45)

BUDGET SUMMARY

GROSS RETURN	\$229.38		
VARIABLE OPERATING EXPENSES	\$263.34		
RETURN OVER VARIABLE EXPENSES		(\$33.96)	(GROSS MARGIN)
FIXED EXPENSES	\$53.56		
NET FARM INCOME		(\$87.52)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$65.56		
NET OPERATING PROFIT		(\$153.08)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.41		
RETURN TO LAND AND RISK		(\$171.49)	

TABLE 12. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2004.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	WHITE CORN	STRIPPER COTTON	GRAIN SORGHUM
		TONS	CWT	CWT	LBS	CWT
PRIMARY YIELD		5.00	20.00	70.00	720.00	50.00
PRIMARY PRICE		\$130.00	\$6.25	\$7.50	\$0.50	\$4.03
GOVERNMENT PAYMENTS		\$0.00	\$8.84	\$0.00	\$124.85	\$14.88
SECOND INCOME		\$15.00	\$25.00	\$20.00	\$86.40	\$13.00
GROSS RETURN		\$665.00	\$158.84	\$545.00	\$571.25	\$229.38
CASH OPERATING EXPENSES						
SEED	\$84.00		\$27.00	\$21.25	\$17.00	\$12.48
FERTILIZER		\$93.80	\$28.13	\$71.83	\$20.88	\$48.17
CHEMICALS				\$57.52	\$38.84	\$27.33
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.16			\$36.80	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$21.17	\$23.59	\$8.07	\$17.87	\$45.28	\$18.54
FUEL-IRRIGATION	\$10.56	\$70.41	\$44.00	\$84.49	\$52.80	\$63.37
REPAIRS	\$8.10	\$42.84	\$4.55	\$12.10	\$35.51	\$10.63
CUSTOM CHARGES			\$33.00	\$44.25	\$172.17	\$22.00
LAND TAXES		\$3.01	\$3.01	\$3.01	\$3.01	\$3.01
OTHER EXPENSES	\$0.33	\$60.92	\$60.59	\$60.91	\$61.11	\$60.82
TOTAL CASH EXPENSES	\$124.16	\$294.73	\$208.64	\$373.23	\$483.99	\$268.31
RETURN OVER CASH EXPENSES	(\$124.16)	\$370.27	(\$49.80)	\$171.77	\$87.26	(\$38.93)
FIXED EXPENSES	\$31.11	\$107.83	\$27.94	\$55.13	\$66.04	\$50.55
TOTAL EXPENSES	\$155.27	\$402.55	\$236.57	\$428.36	\$550.03	\$318.86
NET FARM INCOME	(\$155.27)	\$262.45	(\$77.73)	\$116.64	\$21.22	(\$89.49)
LABOR AND MANAGEMENT COSTS	\$33.27	\$99.47	\$40.27	\$90.65	\$111.23	\$65.56
NET OPERATING PROFIT	(\$188.53)	\$162.97	(\$118.00)	\$25.99	(\$90.01)	(\$155.04)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$4.61	\$2.72	\$6.75	\$5.43	\$4.59
INTEREST ON EQUIPMENT INVESTMENT		\$21.11	\$5.60	\$13.92	\$25.29	\$13.82
TOTAL CAPITAL COSTS	\$0.00	\$25.72	\$8.32	\$20.67	\$30.71	\$18.41
RETURN TO LAND AND RISK	(\$188.53)	\$137.25	(\$126.32)	\$5.32	(\$120.72)	(\$173.45)

TABLE 13. Whole farm summary, Dell City area, Otero County,
Projected 2004.

GROSS RETURNS		
ALFALFA HAY	280.00 ACRES	
CROP		\$186,200
WHEAT	170.00 ACRES	
CROP		\$21,250
GRAZING		\$4,250
DIRECT PAYMENT		\$1,503
COUNTER CYCLICAL PAYMENT		\$0
WHITE CORN	50.00 ACRES	
CROP		\$26,250
GRAZING		\$1,000
COTTON	84.50 ACRES	
LINT		\$30,420
SEED		\$7,301
DIRECT PAYMENT		\$1,735
COUNTER CYCLICAL PAYMENT		\$7,100
GRAIN SORGHUM	25.50 ACRES	
CROP		\$5,138
DIRECT PAYMENT		\$379
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$332
GROSS RETURN		<u>\$292,858</u>
CASH OPERATING EXPENSES		
SEED		\$12,111
FERTILIZER		\$37,630
CHEMICALS		\$6,855
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$3,155
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$14,355
FUEL-IRRIGATION		\$38,088
REPAIRS		\$17,100
CUSTOM CHARGES		\$22,932
LAND TAXES		\$1,834
OTHER EXPENSES		\$37,136
TOTAL CASH EXPENSES		<u>\$191,345</u>
RETURN OVER CASH EXPENSES		\$101,513
FIXED EXPENSES		\$35,751
TOTAL EXPENSES		\$227,096
NET FARM INCOME		\$65,762
LABOR AND MANAGEMENT COSTS		\$52,163
NET OPERATING PROFIT		\$13,598
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,668
INTEREST ON EQUIPMENT INVESTMENT		\$10,046
TOTAL CAPITAL COSTS		<u>\$12,714</u>
RETURN TO LAND AND RISK		<u>\$884</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$11,916)	2.50%
\$750 /ACRE	(\$18,316)	1.93%
\$1,000 /ACRE	(\$24,716)	1.57%
\$1,250 /ACRE	(\$31,116)	1.33%
\$1,500 /ACRE	(\$37,516)	1.15%

* 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)