

TABLE 1. Acreage Summary, Lea County,
Projected 2005.

BUDGET AREA.....	SOUTHERN HIGH PLAINS, LEA COUNTY		
FARM SIZE.....	480 ACRES		
IRRIGATION TYPE.....	SPRINKLER		
NUMBER OF CROPS...	3		
	WATER USE		
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	21.00 *	6	126
ALFALFA	125.00	42	5,250
WHEAT	106.25	20	2,125
ARP	0.00		
FLEX IN COTTON	18.75	20	375
COTTON	106.25	20	2,125
ARP	0.00		
FLEX IN COTTON	18.75	20	375
IDLE, FALLOW, ROADS	105.00		
TOTAL	480.00		10,376
ACRE FEET PER ACRE OF WATER RIGHTS			1.80

* DOUBLE-CROPPED

TABLE 2. Basic cost information for Lea County,
Projected 2005.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.60
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.40
Phosphate (P205)	\$/pound	\$0.31
Seed:		
Alfalfa	\$/pound	\$2.88
Wheat	\$/pound	\$0.24
Cotton	\$/pound	\$0.72
Electricity (Lea Co Elec Coop)	cents/KwHr	6.78
Natural gas (Gas Co NM)	\$/MCF	\$3.28
Service Charge	\$/month	\$10.00
Diesel fuel	\$/gallon	\$2.10
Gasoline	\$/gallon	\$2.05
LP Gas	\$/gallon	\$1.70
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	7.00%
Land Interest Rate	percent	7.00%
Equipment Interest Rate	percent	7.00%
Real Interest Rate	percent	3.00%
Land Taxes	\$90.00 /acre (full value)	\$0.85
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$25.10
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 Lea County,
Projected 2005.

Item		
Electricity (Domestic & Shop)	\$215.00 per month	\$2,580
Telephone	\$115.00 per month	\$1,380
Accounting & Legal		\$1,525
Misc. Supplies & Hand Tools		\$1,430
Pickup and Auto		
miles	20,007 @	\$0.365 per mile
Insurance		
- general liability (non-employee)		\$1,710
- fire/theft		\$1,525
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$1,290
Dues, fees, publications		\$405
Farmstead Equipment		\$185
Total		\$25,343
Total per planted acre		\$67.58

TABLE 4. Pumping costs and data for irrigation wells, Lea County, Projected 2005.

INPUT DATA			
DELIVERY PSI: SPRINKLER	40	DEPTH CHARACTERISTICS: STATIC.....	70
		DRAW DOWN.....	30
		TOTAL HEAD.....	100
		CASING.....	150
GALLONS PER MINUTE (GPM)	750		
WORK HORSEPOWER	36		
EFFICIENCY FACTOR:			
ELECTRICITY	0.540		
NATURAL GAS	0.154		
LP GAS	0.154		
DIESEL	0.160		
FUEL COST PER UNIT:			
ELECTRICITY	6.78	CENTS/KwHr	
NATURAL GAS	\$3.28	\$/MCF	
LP GAS	\$1.70	\$/GAL	
DIESEL	\$2.10	\$/GAL	

FUEL PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR	\$3.44
COST PER ACRE INCH	\$2.08
NATURAL GAS WELL:	
COST PER HOUR	\$2.20
COST PER ACRE INCH	\$1.32
LP GAS WELL:	
COST PER HOUR	\$11.17
COST PER ACRE INCH	\$6.74
DIESEL WELL:	
COST PER HOUR	\$8.62
COST PER ACRE INCH	\$5.20

TABLE 5. Equipment summary for a 480 acre sprinkler-irrigated farm with above average management, Lea County Projected 2005.

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	126 HP	344	1	\$19,725	\$5,962	\$1,054	\$17.32	\$3.06	\$2,043	\$242	\$6.64
TRACTOR	155 HP	483	1	\$39,492	\$9,093	\$2,601	\$18.83	\$5.39	\$5,985	\$426	\$13.28
COTTON STRIPPER (MTD)		89	1	\$2,950		\$82		\$0.92	\$767	\$55	\$9.21
SWATHER	16 FT	69	1	\$21,350	\$541	\$100	\$7.86	\$1.45	\$3,621	\$343	\$57.66
BALER PTO	2 WIRE	156	1	\$1,600		\$24		\$0.15	\$385	\$37	\$2.70
DISC	14 FT	76	1	\$3,000		\$282		\$3.72	\$400	\$28	\$5.65
DRILL	13 FT	23	1	\$2,150		\$24		\$1.03	\$430	\$20	\$19.66
PLOW (MOLDBOARD)	4-14 IN	79	1	\$4,000		\$392		\$4.96	\$533	\$38	\$7.22
CHISEL	9 PT	16	1	\$1,350		\$27		\$1.67	\$180	\$13	\$12.10
PLANTER	6 ROW	24	1	\$4,250		\$50		\$2.04	\$850	\$40	\$36.43
FLOAT	12 FT	4	1	\$500		\$0		\$0.02	\$53	\$4	\$14.32
CULTIVATOR	6 ROW	56	1	\$3,000		\$209		\$3.72	\$400	\$28	\$7.64
FRONT END LOADER		156	1	\$2,550		\$494		\$3.16	\$255	\$24	\$1.79
SHREDDER	4 ROW	20	1	\$2,500		\$8		\$0.40	\$333	\$24	\$17.74
ANHYDROUS APPLICATOR		18	1	\$1,500		\$13		\$0.72	\$200	\$14	\$11.86
FERT SPREADER	DEALER FURNISHED	20									
MODULE BUILDER		89	1	\$8,000		\$663		\$7.44	\$1,067	\$76	\$12.82
CENTER PIVOT SPRINKLER		6,261	1	\$15,000		\$0		\$0.00	\$2,000	\$142	\$0.34
NATURAL GAS WELL		6,261	5	\$74,375	\$13,745	\$1,252	\$2.20	\$0.20	\$5,950	\$705	\$1.16
				\$207,292	\$29,340	\$7,275			\$25,451	\$2,260	

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2005.

Planting dates: August 15 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	\$2.88	30 LBS		\$86.40				\$86.40
NITROGEN (N)	\$0.40	55 LBS		\$22.00				\$22.00
PHOSPHATE (P205)	\$0.31	140 LBS		\$43.40				\$43.40
PUMP WATER		6 AC. IN.						
SUBTOTAL				\$151.80				\$151.80
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	155 HP	0.48 HR		\$3.58	\$9.04	\$4.97	\$9.84	\$27.42
DISC (2X)	155 HP	0.28 HR		\$2.09	\$5.27	\$2.55	\$5.30	\$15.21
FLOAT	155 HP	0.19 HR		\$1.42	\$3.58	\$1.03	\$5.24	\$11.26
FERT SPREADER	126 HP	0.05 HR		\$0.37	\$0.87	\$0.15	\$0.33	\$1.72
DRILL	126 HP	0.18 HR		\$1.34	\$3.12	\$0.74	\$4.73	\$9.93
IRRIGATE (3X)		0.30 HR		\$1.98	\$7.95	\$0.72	\$5.43	\$16.09
SUBTOTAL		1.48 HR		\$10.77	\$29.82	\$10.16	\$30.88	\$81.63
OVERHEAD EXPENSES								
DOWNTIME		0.30 HR		\$2.20				\$2.20
EMPLOYEE BENEFITS				\$1.94				\$1.94
INSURANCE			\$0.22					\$0.22
SUPERVISION AND MANAGEMENT				\$17.23				\$17.23
SUBTOTAL		0.30 HR	\$0.22	\$21.37				\$21.58
TOTAL OPERATING EXPENSES		1.78 HR	\$152.02	\$32.14	\$29.82	\$10.16	\$30.88	\$255.01

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2005.
Harvest dates: May 20 - October 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$130.00	6.00 TONS (STACKED)	\$780.00
TOTAL			\$780.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
PHOSPHATE (P2O5)	\$0.31	90 LBS	\$27.90		\$27.90
INSECTICIDE (CUSTOM)	\$14.08	1 ACRE	\$14.08		\$14.08
HERBICIDE	\$12.80	1 ACRE	\$12.80		\$12.80
WIRE	\$0.37	51 LBS	\$19.10		\$19.10
ESTABLISHMENT: Principal		6 YEARS		\$42.50	\$42.50
: Interest				\$9.67	\$9.67
PUMP WATER*		42 AC. IN.			
SUBTOTAL			\$73.88	\$52.17	\$126.05

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	126 HP	0.05 HR		\$0.37	\$0.87	\$0.15	\$0.33	\$1.72
IRRIGATE		1.40 HR		\$9.24	\$55.64	\$5.07	\$38.04	\$107.99
SUBTOTAL		1.45 HR		\$9.61	\$56.50	\$5.22	\$38.37	\$109.71

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (5X)	16 FT SP	0.55 HR		\$4.10	\$4.32	\$0.80	\$31.71	\$40.93
BALER & ACCUM (5X)	155 HP	1.25 HR		\$9.31	\$23.54	\$6.93	\$19.97	\$59.74
FRONT END LOADER (5X)	126 HP	1.25 HR		\$9.31	\$21.65	\$7.78	\$10.53	\$49.28
SUBTOTAL		3.05 HR		\$22.72	\$49.52	\$15.50	\$62.21	\$149.95

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.78 HR		\$5.77				\$5.77
EMPLOYEE BENEFITS			\$5.82				\$5.82
INSURANCE		\$0.65					\$0.65
LAND TAXES						\$0.85	\$0.85
SUPERVISION AND MANAGEMENT			\$57.55				\$57.55
OTHER EXPENSES		\$67.58					\$67.58
SUBTOTAL	0.78 HR	\$68.23	\$69.14			\$0.85	\$138.22

TOTAL OPERATING EXPENSES	5.28 HR	\$142.11	\$101.48	\$106.02	\$20.73	\$153.60	\$523.94
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NET OPERATING PROFIT \$256.06

INTEREST ON OPERATING CAPITAL (\$57.79 @ 7.00%) \$4.05
INTEREST ON EQUIPMENT INVESTMENT \$20.23

RETURN TO LAND AND RISK \$231.78

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

BUDGET SUMMARY

GROSS RETURN		\$780.00	
VARIABLE OPERATING EXPENSES	\$268.86		
RETURN OVER VARIABLE EXPENSES	\$511.14	(GROSS MARGIN)	
FIXED EXPENSES	\$153.60		
NET FARM INCOME	\$357.54	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$101.48		
NET OPERATING PROFIT	\$256.06	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$24.28		
RETURN TO LAND AND RISK	\$231.78		

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2005.
 Planting dates: August 15 - October 30
 Harvest dates: June 20 - July 5

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
WHEAT	\$3.75	48.00 BUSHELS						\$180.00
DIRECT PAYMENT	\$0.00	48.00 BUSHELS	0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$50.00	1.00 ACRE						\$50.00
TOTAL								\$230.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	0.24	90 LBS	\$21.60					\$21.60
PHOSPHATE (P205)	0.31	70 LBS	\$21.70					\$21.70
ANHYDROUS AMMONIA (NH3)	0.15	200 LBS	\$30.00					\$30.00
PUMP WATER*		20 ACRE IN.						
CROP INSURANCE	0.47		\$0.47					\$0.47
SUBTOTAL			\$73.77					\$73.77
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	155 HP	0.15 HR		\$1.12	\$2.82	\$1.06	\$3.81	\$8.81
DISC	155 HP	0.14 HR		\$1.04	\$2.64	\$1.27	\$2.65	\$7.60
ANNHYDROUS APPL	155 HP	0.17 HR		\$1.27	\$3.20	\$1.04	\$4.27	\$9.78
FERT SPREADER	126 HP	0.05 HR		\$0.37	\$0.87	\$0.15	\$0.33	\$1.72
DISC	155 HP	0.14 HR		\$1.04	\$2.64	\$1.27	\$2.65	\$7.60
DRILL	126 HP	0.18 HR		\$1.34	\$3.12	\$0.74	\$4.73	\$9.93
IRRIGATE (12X)		1.20 HR		\$7.92	\$26.49	\$2.41	\$18.11	\$54.94
SUBTOTAL		2.03 HR		\$14.10	\$41.78	\$7.95	\$36.56	\$100.39
HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$12.67					\$12.67
HAUL (CUSTOM)			\$7.68					\$7.68
SUBTOTAL			\$20.35					\$20.35
OVERHEAD EXPENSES								
DOWNTIME		0.21 HR		\$1.55				\$1.55
EMPLOYEE BENEFITS				\$2.54				\$2.54
INSURANCE			\$0.28					\$0.28
LAND TAXES							\$0.85	\$0.85
SUPERVISION AND MANAGEMENT				\$17.72				\$17.72
OTHER EXPENSES			\$67.58					\$67.58
SUBTOTAL		0.21 HR		\$67.86	\$21.80		\$0.85	\$90.52
TOTAL OPERATING EXPENSES		2.24 HR		\$161.98	\$35.90	\$41.78	\$7.95	\$285.02
NET OPERATING PROFIT								(\$55.02)
INTEREST ON OPERATING CAPITAL		(\$51.01 @	7.00%)				\$3.57
INTEREST ON EQUIPMENT INVESTMENT								\$5.56
RETURN TO LAND AND RISK								(\$64.15)

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

BUDGET SUMMARY

GROSS RETURN		\$230.00	
VARIABLE OPERATING EXPENSES	\$211.71		
RETURN OVER VARIABLE EXPENSES		\$18.29	(GROSS MARGIN)
FIXED EXPENSES	\$37.41		
NET FARM INCOME		(\$19.12)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$35.90		
NET OPERATING PROFIT		(\$55.02)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$9.13		
RETURN TO LAND AND RISK		(\$64.15)	

TABLE 9. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2005.
 Planting dates: May 1 - May 25
 Harvest dates: November 1 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
LINT	\$0.55	425.00 LBS		\$233.75
SEED	\$0.07	680.00 LBS		\$44.20
DIRECT PAYMENT	\$0.0000	425.00 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	675.00 LBS	0.85	\$78.78
TOTAL				\$356.73

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.72	20 LBS	\$14.40		\$14.40
NITROGEN (N)	\$0.40	32 LBS	\$12.80		\$12.80
PHOSPHATE (P2O5)	\$0.31	40 LBS	\$12.40		\$12.40
INSECTICIDE	\$11.20	1 X/ACRE	\$11.20		\$11.20
HERBICIDE	\$8.00	1 X/ACRE	\$8.00		\$8.00
INSECTICIDE (CUSTOM)	\$11.07	1 X/ACRE	\$11.07		\$11.07
CROP INSURANCE			\$0.35		\$0.35
PUMP WATER*		20 ACRE IN.			
SUBTOTAL			\$70.22		\$70.22

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	155 HP	0.48 HR		\$3.58	\$9.04	\$4.97	\$9.84	\$27.42
DISC	155 HP	0.14 HR		\$1.04	\$2.64	\$1.27	\$2.65	\$7.60
FERT SPREADER	126 HP	0.05 HR		\$0.37	\$0.87	\$0.15	\$0.33	\$1.72
DISC	155 HP	0.14 HR		\$1.04	\$2.64	\$1.27	\$2.65	\$7.60
PRE-IRRIGATE		0.10 HR		\$0.66	\$3.31	\$0.30	\$2.26	\$6.54
PLANTER	155 HP	0.17 HR		\$1.27	\$3.20	\$1.26	\$8.45	\$14.18
CULTIVATOR (3X)	126 HP	0.39 HR		\$2.91	\$6.76	\$2.65	\$5.57	\$17.88
HOE (CUSTOM 2X)			\$20.00					\$20.00
IRRIGATE (7X)		0.70 HR		\$4.62	\$23.18	\$2.11	\$15.85	\$45.76
SUBTOTAL		2.17 HR	\$20.00	\$15.49	\$51.63	\$13.99	\$47.60	\$148.71

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	126 HP	0.62 HR		\$4.62	\$10.74	\$2.47	\$9.83	\$27.66
MODULE BUILDER	155 HP	0.62 HR		\$4.62	\$11.67	\$7.95	\$16.18	\$40.42
GIN COTTON (CUSTOM)			\$79.99					\$79.99
SUBTOTAL		1.24 HR	\$79.99	\$9.24	\$22.41	\$10.42	\$26.01	\$148.07

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	155 HP	0.14 HR		\$1.04	\$2.64	\$0.81	\$4.34	\$8.83

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.68 HR		\$5.03				\$5.03
EMPLOYEE BENEFITS				\$4.64				\$4.64
INSURANCE			\$0.52					\$0.52
LAND TAXES						\$0.85		\$0.85
SUPERVISION AND MANAGEMENT				\$27.12				\$27.12
OTHER EXPENSES			\$67.58					\$67.58
SUBTOTAL		0.68 HR	\$68.10	\$36.79		\$0.85		\$105.74

TOTAL OPERATING EXPENSES		4.23 HR	\$238.30	\$62.56	\$76.68	\$25.22	\$78.81	\$481.57
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NET OPERATING PROFIT								(\$124.84)
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INTEREST ON OPERATING CAPITAL	(\$61.78	@	7.00%)			\$4.32
INTEREST ON EQUIPMENT INVESTMENT								\$14.76

RETURN TO LAND AND RISK								(\$143.93)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$356.73		
VARIABLE OPERATING EXPENSES	\$340.20			
RETURN OVER VARIABLE EXPENSES		\$16.52	(GROSS MARGIN)	
FIXED EXPENSES	\$78.81			
NET FARM INCOME		(\$62.29)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$62.56			
NET OPERATING PROFIT		(\$124.84)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$19.09			
RETURN TO LAND AND RISK		(\$143.93)		

TABLE 10. Summary of per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2005.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	STRIPPER COTTON
		TONS	BU	LBS
PRIMARY YIELD		6.00	48.00	425.00
PRIMARY PRICE		\$130.00	\$3.75	\$0.55
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$78.78
SECOND INCOME		\$0.00	\$50.00	\$44.20
GROSS RETURN		\$780.00	\$230.00	\$356.73
CASH OPERATING EXPENSES				
SEED	\$86.40		\$21.60	\$14.40
FERTILIZER	\$65.40	\$27.90	\$51.70	\$25.20
CHEMICALS		\$26.88		\$30.27
CROP INSURANCE			\$0.47	\$0.35
OTHER PURCHASED INPUTS		\$19.10		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$21.87	\$50.38	\$15.28	\$50.18
FUEL-IRRIGATION	\$7.95	\$55.64	\$26.49	\$26.49
REPAIRS	\$10.16	\$20.73	\$7.95	\$25.22
CUSTOM CHARGES			\$20.35	\$99.99
LAND TAXES		\$0.85	\$0.85	\$0.85
OTHER EXPENSES	\$0.22	\$68.23	\$67.86	\$68.10
TOTAL CASH EXPENSES	\$191.99	\$269.71	\$212.56	\$341.06
RETURN OVER CASH EXPENSES	(\$191.99)	\$510.29	\$17.44	\$15.67
FIXED EXPENSES	\$30.88	\$152.75	\$36.56	\$77.95
TOTAL EXPENSES	\$222.87	\$422.46	\$249.12	\$419.01
RETURNS TO CAPITAL, LABOR, LAND & RISK	(\$222.87)	\$357.54	(\$19.12)	(\$62.29)
LABOR AND MANAGEMENT COSTS	\$32.14	\$101.48	\$35.90	\$62.56
RETURNS TO CAPITAL, LAND & RISK	(\$255.01)	\$256.06	(\$55.02)	(\$124.84)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$4.05	\$3.57	\$4.32
INTEREST ON EQUIPMENT INVESTMENT		\$20.23	\$5.56	\$14.76
TOTAL CAPITAL COSTS	\$0.00	\$24.28	\$9.13	\$19.09
RETURN TO LAND AND RISK	(\$255.01)	\$231.78	(\$64.15)	(\$143.93)

TABLE 11. Whole farm summary, Lea County,
Projected 2005.

GROSS RETURNS		
ALFALFA HAY	125.00 ACRES	
CROP		\$97,500
WHEAT	106.25 ACRES	
CROP		\$19,125
GRAZING		\$5,313
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
COTTON	143.75 ACRES	
LINT		\$33,602
SEED		\$6,354
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$11,324
GROSS RETURN		<u>\$173,217</u>
CASH OPERATING EXPENSES		
SEED		\$6,179
FERTILIZER		\$13,977
CHEMICALS		\$7,712
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,388
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$15,595
FUEL-IRRIGATION		\$13,745
REPAIRS		\$7,275
CUSTOM CHARGES		\$16,535
LAND TAXES		\$320
OTHER EXPENSES		\$25,532
TOTAL CASH EXPENSES		<u>\$109,357</u>
RETURN OVER CASH EXPENSES		\$63,859
FIXED EXPENSES		\$29,520
TOTAL EXPENSES		<u>\$138,877</u>
NET FARM INCOME		\$34,340
LABOR AND MANAGEMENT COSTS		\$26,167
NET OPERATING PROFIT		\$8,173
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,507
INTEREST ON EQUIPMENT INVESTMENT		\$5,242
TOTAL CAPITAL COSTS		<u>\$6,749</u>
RETURN TO LAND AND RISK		<u>\$1,424</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$5,776)	1.83%
\$700 /ACRE	(\$8,656)	1.50%
\$900 /ACRE	(\$11,536)	1.28%
\$1,100 /ACRE	(\$14,416)	1.11%
\$1,300 /ACRE	(\$17,296)	0.98%
\$1,500 /ACRE	(\$20,176)	0.88%

* 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)