

BUDGET AREA..... COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2002.
 FARM SIZE..... 400 ACRES
 IRRIGATION TYPE..... FLOOD/SPRINKLER
 NUMBER OF CROPS 4

TABLE 1. Basic cost information for the Cotton City-Animas area, 2005.

WATER USE				Item		
ACREAGE SUMMARY:				Labor Wage Rate:		
	LAND USE (ACRES)	AC. IN. PER ACR	TOTAL AC. IN.	Equipment operators	\$/hour	7.55
				General & Irrigators	\$/hour	6.75
GRAIN SORGHUM	136	30	4080	Purchased Inputs:		
ARP	0			Fertilizer:		
FLEX IN COTTON	24	28	672	Nitrogen (N)	\$/pound	0.42
COTTON	153	28	4284	Phosphate (P205)	\$/pound	0.31
ARP	0			Anhydrous Ammonia (NH3)	\$/ton	375
FLEX IN COTTON	27	28	756	Seed:		
GREEN CHILE	20	54	1080	Grain Sorghum	\$/pound	1.04
RED CHILE	20	48	960	Cotton (picker)	\$/pound	0.56
ROADS, HOMESTEAD	20			Chile		
				green	\$/pound	18
TOTAL	400		11832	red	\$/pound	18
				wheat	\$/pound	0.11
ACRE FEET PER ACRE OF WATER RIGHT			2.465	Energy:		
				Natural gas (Gas Co NM)	\$/MCF	3.71
				(service charge)	\$/month	10
				Diesel fuel	\$/gallon	2.25
				Gasoline	\$/gallon	2.15
				Electricity (Columbus)	cents/KwHr	11.17
				LP Gas	\$/gallon	1.485
				Employee Liability Insurance	\$/ \$1,000 wages	20
				Employee Benefits	percent/w ages	0.18
				Labor Downtime	percent	0.25
				Financial Rates:		
				Operating Capital Interest Rate	percent	0.09
				Land Interest Rate	percent	0.075
				Equipment Interest Rate	percent	0.09
				Real Interest Rate	percent	0.04
				Land Taxes	348 /acre (full value)	2.96032
				Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)	25.52
				- R		23.85
				Supervision Factors		
				Field Crop-Irrigation	\$/labor hour	1
				Field Crop-Equipment & General	\$/labor hour	0.5
				Vegetable Crop-Irrigation	\$/labor hour	2.9
				Vegetable Crop-Equipment & General	\$/labor hour	1
				Management Rate		
				Field Crops	percent/GR	0.07
				Vegetable Crops	percent/TOE	0.1

TABLE 1a. Overhead cost information for Cotton City-Animas area, 2005.

ITEM			
Electricity (Domestic & Shop)	\$212.00	per month	2544
Telephone	\$100.70	per month	1208.4
Accounting & Legal			#####
Misc. Supplies & Hand Tools			#####
Pickup and Auto			
miles	20000	@	0.415 per mile
			8300
Insurance			
- general liability (non-employee)			#####
- fire/theft			#####
Property Taxes			
- non-planted land			11.925
- other than land & machinery			560
Building repairs and maintenance			#####
Dues, fees, publications			\$360.40
Farmstead Equipment			\$148.40

		Total	21024.83
			=====
		Total Per Planted Acre	55.32849

TABLE 8. Green chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas Area, Hidalgo County, 2006.
Planting dates: March 15 - May 1
Harvesting dates: August 15 - September 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
GREEN CHILE	325	10 TONS							3250
RED CHILE	0	0 LBS							0
TOTAL									3250
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	18	4 LBS	72						72
ANHYDROUS AMMONIA (NH ₃)	0.1875	300 LBS	56.25						56.25
NITROGEN (N)	0.42	60 LBS	25.2						25.2
PHOSPHATE (P ₂ O ₅)	0.31	150 LBS	46.5						46.5
HERBICIDE	12.566	1 ACRE	12.566						12.566
INSECTICIDE	12.566	1 ACRE	12.566						12.566
CROP INSURANCE	0	1 DOLLARS	0						0
PUMP WATER*		54 AC. IN.							
SUBTOTAL			225.082						225.082
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		1.057	3.269228	0.805896	3.952785	9.084909	
PLOW	185 HP	0.48 HR		3.624	11.20878	3.439872	25.87621	44.14886	
DISC	185 HP	0.14 HR		1.057	3.269228	0.805896	3.952785	9.084909	
LASER (CUSTOM)			73.33					73.33	
LISTER & SPRAY	185 HP	0.13 HR		0.9815	3.035711	1.019642	4.085321	9.122175	
FERTILIZE	185 HP	0.05 HR		0.3775	1.167581	0.20232	1.217939	2.96534	
PRE-IRRIGATE		0.75 HR		5.6625	42.00398	0.067875	0.596671	48.33103	
ROLLING CULT	96 HP	0.13 HR		0.9815	1.505275	1.693843	3.648082	7.8287	
VEGETABLE PLANTER	96 HP	0.17 HR		1.2835	1.968437	2.201425	9.270221	14.72358	
CULTIVATOR (5X)	96 HP	0.65 HR		4.9075	7.526376	7.676214	7.955992	28.06608	
THIN & HOE (CUSTOM)			90					90	
ROTO BUCK (7X)	96 HP	0.21 HR		1.5855	2.431598	2.530408	2.57695	9.124456	
IRRIGATE (8X)		4 HR		30.2	74.67374	3.276583	3.182246	111.3326	
SUBTOTAL		6.85 HR	163.33	51.7175	152.0599	23.71997	66.3152	457.1426	
HARVEST OPERATIONS									
HARVEST GREEN (CUSTOM)			900					900	
HARVEST RED (CUSTOM)			0					0	
HAUL	3/4 TON	6 HR		45.3	81.27	13.26	16.52797	156.358	
SUBTOTAL		6 HR	900	45.3	81.27	13.26	16.52797	1056.358	
POST HARVEST OPERATIONS									
SHREDDER	80 HP	0.29 HR		2.1895	3.357922	3.975772	4.212673	13.73587	
SUBTOTAL		0.29 HR	0	2.1895	3.357922	3.975772	4.212673	13.73587	
OVERHEAD EXPENSES									
DOWNTIME		0.5975 HR		3.4465				3.4465	
EMPLOYEE BENEFITS				17.85726				17.85726	
INSURANCE			1.98414					1.98414	
LAND TAXES						2.96032		2.96032	
SUPERVISION AND MANAGEMENT				200				200	
OTHER EXPENSES			55.32849					55.32849	
SUBTOTAL		0.5975 HR	57.31263	221.3038			2.96032	281.5767	
TOTAL OPERATING EXPENSES		13.7375 HR	1345.725	320.5108	236.6879	40.95575	90.01616	2033.895	
NET OPERATING PROFIT								1216.105	
INTEREST ON OPERATING CAPITAL	(239.3635 @	0.09)						21.54271	
INTEREST ON EQUIPMENT INVESTMENT								68.50612	
RETURN TO LAND AND RISK								1126.056	

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

BUDGET SUMMARY

GROSS RETURN		3250	
VARIABLE OPERATING EXPENSES	1623.368		
RETURN OVER VARIABLE EXPENSES	1626.632	(GROSS MARGIN)	
FIXED EXPENSES	90.01616		
NET FARM INCOME	1536.616	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	320.5108		
NET OPERATING PROFIT	1216.105	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	90.04884		
RETURN TO LAND AND RISK	1126.056		

TABLE 7. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, 2006.
Planting dates: April 15 - May 15
Harvesting dates: October 15 - January 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
COTTON LINT	0.69	1060 LBS						731.4
COTTON SEED	0.04875	1696 LBS						82.68
ASCS DEFICIENCY	0.056	1060 LBS						59.36
FARM LOAN DEFICIENCY	0.04	600 LBS						24
TOTAL								897.44
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	0.56	25 LBS	14					14
NITROGEN (N)	0.42	32 LBS	13.44					13.44
PHOSPHATE (P2O5)	0.31	40 LBS	12.4					12.4
HERBICIDE	9.455	1 ACRE	9.455					9.455
CROP INSURANCE	0	1 DOLLARS	0					0
PUMP WATER*		28 AC. IN.						
SUBTOTAL			49.295					49.295
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.1 HR		0.755	2.335163	0.48144	2.793457	6.365059
DISC	185 HP	0.14 HR		1.057	3.269228	0.805896	3.952785	9.084909
FERTILIZE	185 HP	0.05 HR		0.3775	1.167581	0.20232	1.217939	2.96534
DRAG (2X)	96 HP	0.2 HR		1.51	2.315808	2.382412	1.805819	8.014039
DISC & SPRAY	185 HP	0.15 HR		1.1325	3.502744	1.28421	4.78092	10.70037
LISTER	185 HP	0.18 HR		1.359	4.203293	0.906912	5.001647	11.47085
PRE-IRRIGATE		1 HR		6.75	8.711937	0.327658	2.880357	18.66995
ROLLING CULT.	96 HP	0.21 HR		1.5855	2.431598	2.736208	2.570397	9.323703
PLANTER	96 HP	0.26 HR		1.963	3.01055	5.298166	4.304581	14.5763
CULTIVATOR (2X)	96 HP	0.42 HR		3.171	4.863197	4.960015	4.114748	17.10896
HAND HOE (CUSTOM)			15					15
ROTO BUCK (5X)	96 HP	0.075 HR		0.56625	0.868428	0.903717	0.920339	3.258734
IRRIGATE (4X)		4 HR		27	34.84775	1.310633	11.52143	74.67981
SUBTOTAL		6.785 HR	15	47.22675	71.52727	21.59959	45.86442	201.218
HARVEST OPERATIONS								
COTTON PICKER (2X)	2 ROW	1.24 HR		9.362	16.87392	57.35	31.07965	114.6656
COTTON TRAILER (2X)	HALF TON	1 HR		7.55	13.545	2.79	6.926426	30.81143
GIN COTTON (CUSTOM)			115.752					115.752
SUBTOTAL		2.24 HR	115.752	16.912	30.41892	60.14	38.00607	261.229
POSTHARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		1.057	1.621066	1.919338	2.033704	6.631108
OVERHEAD EXPENSES								
DOWNTIME		1.04125 HR		7.861438				7.861438
EMPLOYEE BENEFITS				11.73524				11.73524
INSURANCE			1.303915				1.303915	
LAND TAXES						2.96032	2.96032	
SUPERVISION AND MANAGEMENT				69.9033				69.9033
OTHER EXPENSES			55.32849				55.32849	
SUBTOTAL		1.04125 HR	56.6324	89.49997			2.96032	149.0927
TOTAL OPERATING EXPENSES		10.20625 HR	236.6794	154.6957	103.5673	83.65893	88.86451	667.4658
NET OPERATING PROFIT								229.9742
INTEREST ON OPERATING CAPITAL	(66.00689 @		0.09)					5.94062
INTEREST ON EQUIPMENT INVESTMENT								47.66211
RETURN TO LAND AND RISK								176.3715
* Pump water costs are shown under irrigation in the preharvest operations section.								
BUDGET SUMMARY								
GROSS RETURN		897.44						
VARIABLE OPERATING EXPENSES	423.9056							
RETURN OVER VARIABLE EXPENSES	473.5344	(GROSS MARGIN)						
FIXED EXPENSES	88.86451							
NET FARM INCOME	384.6699	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	154.6957							
NET OPERATING PROFIT	229.9742	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	53.60273							
RETURN TO LAND AND RISK	176.3715							

TABLE 2. Pumping costs and data for irrigation wells, Cotton City-Animas area, Hidalgo County, 2004.

INPUT DATA	
DEPTH CHARACTERISTICS:	
STATIC.....	150
DRAW DO.....	50
TOTAL HEAD.....	200
CASING.....	300
GALLONS PER MINUTE (GPM).....	700
WORK HORSEPOWE.....	35.35354
EFFICIENCY FACTOR:	
ELECTRICITY.....	0.54
NATURAL GAS.....	0.154
LP GAS.....	0.154
DIESEL.....	0.16
FUEL COST PER UNIT:	
ELECTRICITY.....	11.17 CENTS/kWhr
NATURAL GAS.....	3.71 \$/MCF
LP GAS.....	1.485 \$/GAL
DIESEL.....	2.25 \$/GAL

FUEL PUMPING COSTS:	
ELECTRIC WELL:	
COST PER HOUR.....\$	5.48796
COST PER ACRE INCH.....\$	3.548097
NATURAL GAS WELL:	
COST PER HOUR.....\$	2.406258
COST PER ACRE INCH.....\$	1.555703
LP GAS WELL:	
COST PER HOUR.....\$	9.474168
COST PER ACRE INCH.....\$	6.125275
DIESEL WELL:	
COST PER HOUR.....\$	8.959856
COST PER ACRE INCH.....\$	5.79276

TABLE 3. Equipment summary for a 400 acre, flood/sprinkler-irrigated farm with above average management, Cotton City-Animas area, Hidalgo County, 2005.

EQUIPMENT	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS				FIXED COSTS			
			TOTAL VALUE	FUEL AND JBRICANT	FUEL OIL REPAIR PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR	
TRACTOR 80 HP	509.78	2	53710	5902.763	6020.277	11.57904	11.80956	3859.333	492.4509	8.536593
TRACTOR 155 HP	261.8	1	38035	6113.455	1059.348	23.35163	4.0464	5994.667	382.4597	24.35877
PICKUP 1/2 TON	384	1	13000	5201.28	834	13.545	2.171875	2600	110.5867	2.754661
COTTON PICKER 2 ROW	252.96	1	9430	3442.28	9653	13.608	38.16018	5960	380.248	25.06423
SHREDDER 4 ROW	59.2	1	2500		112.48		1.9	333.3333	21.26667	5.989865
ROLLING CULT 4 ROW	76.6	1	2000		93.452		1.22	266.6667	17.01333	3.703394
CULTIVATOR 4 ROW	168.8	1	1500		0		0	200	12.76	1.260427
DISC 14 FT.	109.8	1	3000		187.758		1.71	400	25.52	3.87541
ROTO BUCK	37.98	1	1000		9.1152		0.24	133.3333	8.506667	3.734597
RIPPER 4 ROW (7-SHANK)	47.6	1	1200		36.5568		0.768	160	10.208	3.575798
LISTER 4 ROW	66.2	1	1600		65.6704		0.992	213.3333	13.61067	3.428157
PLANTER 4 ROW	88.4	1	3400		757.4112		8.568	680	28.92267	8.019487
VEG PLANTER 4 ROW	6.8	1	1500		7.752		1.14	300	12.76	45.99412
SPRAYER 12 FT	53.6	1	1375		150.348		2.805	183.3333	11.69667	3.638619
DRAG 8-24 FT.	72	1	250		7.38		0.1025	33.33333	2.126667	0.4925
PLOW 4-14	19.2	1	4000		59.904		3.12	533.3333	34.02667	29.55
COTTON TRAILER 8 BALE	204	5	6000		73.44		0.36	800	51.04	4.171765
FERT SPREADER DLR FURN	19									
NATURAL GAS WELL	8178.974	3	59250	19680.72	740.1972	2.406258	0.0905	5642.857	504.02	0.795561
			202750	40340.5	19868.09			28293.52	2119.223	

TABLE 9. Red chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas Area, Hidalgo County, 2006.
Planting dates: March 15 - May 1
Harvesting dates: September 15 - January 31

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
RED CHILE	0.7	3500 LBS						2450
TOTAL								2450
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	18	4 LBS		72				72
ANHYDROUS AMMONIA (NH ₃)	0.1875	230 LBS		43.125				43.125
NITROGEN (N)	0.36	60 LBS		21.6				21.6
PHOSPHATE (P ₂ O ₅)	0.33	150 LBS		49.5				49.5
HERBICIDE	14.1056	1 ACRE		14.1056				14.1056
INSECTICIDE	14.2158	1 ACRE		14.2158				14.2158
CROP INSURANCE	0	1 DOLLARS		0				0
PUMP WATER*		48 AC. IN.						
SUBTOTAL				214.5464				214.5464
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		1.057	3.269228	0.805896	3.952785	9.084909
FLOW	185 HP	0.48 HR		3.624	11.20878	3.439872	25.87621	44.14886
DISC	185 HP	0.14 HR		1.057	3.269228	0.805896	3.952785	9.084909
DRAG (2X)	96 HP	0.2 HR		1.51	2.315808	2.382412	1.805819	8.014039
LISTER	185 HP	0.12 HR		0.906	2.802195	0.604608	3.334431	7.647234
FERTILIZE	185 HP	0.05 HR		0.3775	1.167581	0.20232	1.217939	2.96534
PRE-IRRIGATE		0.75 HR		5.6625	37.33687	0.067875	0.596671	43.66392
ROLLING CULT	96 HP	0.13 HR		0.9815	1.505275	1.693843	1.591198	5.771816
VEGETABLE PLANTER	96 HP	0.17 HR		1.2835	1.968437	2.201425	9.270221	14.72358
CULTIVATOR (5X)	96 HP	0.65 HR		4.9075	7.526376	7.676214	6.368063	26.47815
THIN & HOE (CUSTOM)			90					90
ROTO BUCK (7X)	96 HP	0.21 HR		1.5855	2.84445	2.530408	2.57695	9.537307
IRRIGATE (11X)		5.5 HR		41.525	68.45093	0.49775	4.375588	114.8493
SUBTOTAL		8.54 HR	90	64.477	143.6652	22.90852	64.91866	385.9693
HARVEST OPERATIONS								
HARVEST (CUSTOM)			700					700
HAUL	3/4 TON	3 HR		22.65	40.635	6.63	8.263984	78.17898
SUBTOTAL		3 HR	700	22.65	40.635	6.63	8.263984	778.179
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		2.1895	3.357922	3.975772	4.212673	13.73587
SUBTOTAL		0.29 HR	0	2.1895	3.357922	3.975772	4.212673	13.73587
OVERHEAD EXPENSES								
DOWNTIME		1.395 HR		10.53225				10.53225
EMPLOYEE BENEFITS				16.07697				16.07697
INSURANCE			1.78633					1.78633
LAND TAXES						2.96032		2.96032
SUPERVISION AND MANAGEMENT				86.95149				86.95149
OTHER EXPENSES			55.32849					55.32849
SUBTOTAL		1.395 HR	57.11482	113.5607	0	0	2.96032	173.6359
TOTAL OPERATING EXPENSES		13.225 HR	1061.661	202.8772	187.6581	33.51429	80.35564	1566.066
NET OPERATING PROFIT								883.9336
INTEREST ON OPERATING CAPITAL	(211.7998 @		0.09)					19.06199
INTEREST ON EQUIPMENT INVESTMENT								55.62706
RETURN TO LAND AND RISK								809.2445
* Pump water costs are shown under irrigation in the preharvest operations section.								
BUDGET SUMMARY								
GROSS RETURN		2450						
VARIABLE OPERATING EXPENSES	1282.834							
RETURN OVER VARIABLE EXPENSES	1167.166	(GROSS MARGIN)						
FIXED EXPENSES	80.35564							
NET FARM INCOME	1086.811	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	202.8772							
NET OPERATING PROFIT	883.9336	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	74.68905							
RETURN TO LAND AND RISK		809.2445						

TABLE 10. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, 2006.

	GRAIN SORGHUM	PICKER COTTON FLOOD	GREEN CHILE	RED CHILE
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	3	0.69	325	0.7
GOVERNMENT PAYMENTS	33	83.36	0	0
SECOND INCOME	0	82.68	0	0
GROSS RETURN	219	897.44	3250	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	56.08	56.63	57.31	57.11
TOTAL CASH EXPENSES	259.14	426.87	1626.33	1285.79
RETURN OVER CASH EXPENSES	(40.14)	470.57	1623.67	1164.21
FIXED EXPENSES	52.09	85.90	87.06	77.40
TOTAL EXPENSES	311.23	512.77	1713.38	1363.19
NET FARM INCOME	(92.23)	384.67	1536.62	1086.81
LABOR AND MANAGEMENT COSTS	67.68	154.70	227.50	202.88
NET OPERATING PROFIT	(159.91)	229.97	1309.12	883.93
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	(191.92)	176.37	1219.07	809.24

TABLE 5. CORN FOR GRAIN, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 700 ACRE FARM WITH AVERAGE MANAGEMENT, COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2006.
 PLANTING DATES: APRIL 1 - MAY 15
 HARVEST DATES: SEPTEMBER 15 - NOVEMBER 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN FOR GRAIN	3.57	85 CWT						303.45
ASCS DEFICIENCY	0.46	85 CWT						39.1
TOTAL								342.55
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	0.90625	32 000	29					29
ANHYDROUS AMMONIA (NH ₃)	0.1875	250 LBS	46.875					46.875
NITROGEN (N)	0.42	80 LBS	33.6					33.6
PHOSPHATE (P ₂ O ₅)	0.31	100 LBS	31					31
HERBICIDE	7.8324	1 ACRE	7.8324					7.8324
PUMP WATER*		40 AC. IN.						
CROP INSURANCE								
SUBTOTAL			148.3074					148.3074
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		1.51	4.670325	0.96288	5.586914	12.73012
DISC & SPRAY	185 HP	0.15 HR		1.1325	1.1325	0	8.550375	10.81538
FERTILIZE	185 HP	0.05 HR		0.3775	1.167581	0.20232	1.217939	2.96534
ANHYDROUS KNIVES	185 HP	0.1 HR		0.755	2.335163	0.40464	2.435877	5.93068
PLANTER	185 HP	0.26 HR		1.963	6.071423	1.052064	3.45	12.53649
CULTIVATOR (2X)	96 HP	0.42 HR		3.171	4.863197	4.960015	4.114748	17.10896
IRRIGATE (12X)		1.8 HR		12.15	20.84227	24.33521	22.3416	79.66908
SUBTOTAL		2.98 HR		21.059	41.08246	31.91713	47.69746	141.756
HARVEST OPERATIONS								
COMBINE (CUSTOM)				30.6				30.6
HAUL TO STORAGE (CUSTOM)				17				17
HAUL TO MARKET (CUSTOM)				38.25				38.25
SUBTOTAL				85.85	0	0	0	85.85
POSTHARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		1.057	1.621066	1.919338	2.033704	6.631108
OVERHEAD EXPENSES								
DOWNTIME		0.33 HR		2.4915				2.4915
EMPLOYEE BENEFITS				3.98088				3.98088
INSURANCE			0.44232				0.44232	
LAND TAXES							2.96032	
SUPERVISION AND MANAGEMENT				26.4385				26.4385
OTHER EXPENSES			55.32849				55.32849	
SUBTOTAL		0.33 HR		55.77081	32.91088		2.96032	91.64201
TOTAL OPERATING EXPENSES		3.45 HR		289.9282	55.02688	42.70353	33.83647	52.69148
NET OPERATING PROFIT								-131.637
INTEREST ON OPERATING CAPITAL	(100.4429	@	0.09				9.039858
INTEREST ON EQUIPMENT INVESTMENT								16.8285
RETURN TO LAND AND RISK								-157.505

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

BUDGET SUMMARY

GROSS RETURN		342.55	
VARIABLE OPERATING EXPENSES	366.4682		
RETURN OVER VARIABLE EXPENSES	-23.9182	(GROSS MARGIN)	
FIXED EXPENSES	52.69148		
NET FARM INCOME	-76.6097	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	55.02688		
NET OPERATING PROFIT	-131.637	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	25.86835		
RETURN TO LAND AND RISK	-157.505		

TABLE 4. WHEAT, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 700 ACRE FARM WITH ABOVE AVERAGE MANAGEMENT, COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2006.
 PLANTING DATES: DECEMBER 10 - DECEMBER 20
 HARVEST DATES: JUNE 15 - JULY 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	5	50 CWT						250
ASCS DEFICIENCY	0.77	50 CWT						38.5
TOTAL								288.5
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	0.11	100 LBS	11					11
ANHYDROUS AMMONIA (NH ₃)	0.1875	250 LBS	46.875					46.875
NITROGEN (N)	0.42	30 LBS	12.6					12.6
PHOSPHATE (P ₂ O ₅)	0.31	80 LBS	24.8					24.8
PUMP WATER*		24 ACRE IN.						
CROP INSURANCE								
SUBTOTAL			95.275					95.275
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		1.057	3.269228	0.566496	3.410228	8.302952
FERTILIZE	185 HP	0.05 HR		0.3775	1.167581	0.20232	1.217939	2.96534
DRAG (2X)	96 HP	0.2 HR		1.51	2.315808	2.382412	1.805819	8.014039
ANHYDROUS KNIVES	185 HP	0.1 HR		0.755	2.335163	0.40464	0	3.494803
DRILL	96 HP	0.18 HR		1.359	2.084227	2.125721	0	5.568948
IRRIGATE (4X)		0.6 HR		4.05	4.05	0	27.3375	35.4375
DISC	96 HP	0.25 HR		1.8875	2.89476	2.95239	0	7.73465
SUBTOTAL		1.52 HR		10.996	18.11677	8.633979	33.77149	71.51823
HARVEST OPERATIONS								
COMBINE (CUSTOM)				32.22				32.22
HAUL TO STORAGE (CUSTOM)				9.5				9.5
HAUL TO MARKET (CUSTOM)				22.5				22.5
SUBTOTAL				64.22	0	0	0	64.22
OVERHEAD EXPENSES								
DOWNTIME		0.155 HR		1.17025				1.17025
EMPLOYEE BENEFITS				1.97928				1.97928
INSURANCE			0.21992					0.21992
LAND TAXES						2.96032		2.96032
SUPERVISION AND MANAGEMENT				21.205				21.205
OTHER EXPENSES			55.32849					55.32849
SUBTOTAL		0.155 HR		55.54841	24.35453		2.96032	82.86326
TOTAL OPERATING EXPENSES		1.675 HR		215.0434	35.35053	18.11677	8.633979	313.8765
NET OPERATING PROFIT								-25.3765
INTEREST ON OPERATING CAPITAL	(59.67685 @		0.09)					5.370917
INTEREST ON EQUIPMENT INVESTMENT								9.316712
RETURN TO LAND AND RISK								-40.0641

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

BUDGET SUMMARY

GROSS RETURN		288.5	
VARIABLE OPERATING EXPENSES	241.7942		
RETURN OVER VARIABLE EXPENSES	46.70585	(GROSS MARGIN)	
FIXED EXPENSES	36.73181		
NET FARM INCOME	9.974043	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	35.35053		
NET OPERATING PROFIT	-25.3765	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	14.68763		
RETURN TO LAND AND RISK	-40.0641		

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County, 2006

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		65000
RED		0
RED CHILE	20 ACRES	
CROP		49000
GROSS RETURN		<u>323834.4</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		21468.1
TOTAL CASH EXPENSES		<u>182725.7</u>
RETURN OVER CASH EXPENSES		141108.7
FIXED EXPENSES		27897.5
TOTAL EXPENSES		<u>210623.2</u>
NET FARM INCOME		113211.2
LABOR AND MANAGEMENT COSTS		49370.03
NET OPERATING PROFIT		63841.19
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>45256.95</u>
=====		

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
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500 /ACRE	37256.95	0.158513
700 /ACRE	34056.95	0.132245
900 /ACRE	30856.95	0.113445
1100 /ACRE	27656.95	0.099325
1300 /ACRE	24456.95	0.088331
1500 /ACRE	21256.95	0.079528

* 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	-113.193	309.9378

TABLE 6. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, 2006.
 Planting dates: May 1 - May 20
 Harvesting dates: November 1 - November 25

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAIN SORGHUM	3	62 CWT						186
ASCS DIVERSION	0	0 CWT						0
ASCS DEFICIENCY	0.55	60 CWT						33
TOTAL								219
PURCHASED INPUTS								
SEED	1.04	8 LBS	8.32					8.32
ANHYDROUS AMMONIA (NH ₃)	0.1875	180 LBS	33.75					33.75
HERBICIDE	9.455	1 ACRE	9.455					9.455
INSECTICIDE (CUSTOM)	10.065	1 ACRE	10.065					10.065
PUMP WATER*		30 AC. IN.						
CROP INSURANCE	0.367647		0.367647					0.367647
SUBTOTAL			61.95765					61.95765
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		1.51	4.670325	0.96288	5.586914	12.73012
DISC	185 HP	0.14 HR		1.057	3.269228	0.805896	3.952785	9.084909
FERTILIZE	185 HP	0.05 HR		0.3775	1.167581	0.20232	1.217939	2.96534
DRAG (2X)	96 HP	0.2 HR		1.51	2.315808	2.382412	1.805819	8.014039
DISC & SPRAY	185 HP	0.15 HR		1.1325	3.502744	1.28421	4.78092	10.70037
LISTER	185 HP	0.18 HR		1.359	4.203293	0.906912	5.001647	11.47085
PRE-IRRIGATE		0.75 HR		5.0625	7.778515	0.292552	2.571747	15.70531
ROLLING CULT	96 HP	0.21 HR		1.5855	2.431598	2.736208	2.570397	9.323703
PLANTER	96 HP	0.26 HR		1.963	3.01055	5.298166	4.304581	14.5763
CULTIVATOR (2X)	96 HP	0.42 HR		3.171	4.863197	4.960015	4.114748	17.10896
ROTO BUCK (7X)	96 HP	0.105 HR		0.79275	1.215799	1.265204	1.288475	4.562228
IRRIGATE (5X)		2.5 HR		16.875	38.89257	1.46276	12.85874	70.08907
SUBTOTAL		5.165 HR		36.39575	77.32121	22.55953	50.05471	186.3312
HARVEST OPERATIONS								
COMBINE (CUSTOM)				22.94				22.94
HAUL TO STORAGE (CUSTOM)				11.78				11.78
SUBTOTAL				34.72	0	0	0	34.72
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		1.057	1.621066	1.919338	2.033704	6.631108
OVERHEAD EXPENSES								
DOWNTIME		0.51375 HR		3.878813				3.878813
EMPLOYEE BENEFITS				6.741495				6.741495
INSURANCE				0.749055				0.749055
LAND TAXES								2.96032
SUPERVISION AND MANAGEMENT				19.6075				19.6075
OTHER EXPENSES				55.32849				55.32849
SUBTOTAL				56.07754	30.22781		2.96032	89.26567
TOTAL OPERATING EXPENSES		5.81875 HR		152.7552	67.68056	78.94228	55.04873	378.9056
NET OPERATING PROFIT								
INTEREST ON OPERATING CAPITAL	(59.72744 @		0.09)					5.37547
INTEREST ON EQUIPMENT INVESTMENT								26.64314
RETURN TO LAND AND RISK								-191.924

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

BUDGET SUMMARY

GROSS RETURN		219	
VARIABLE OPERATING EXPENSES	256.1763		
RETURN OVER VARIABLE EXPENSES	-37.1763	(GROSS MARGIN)	
FIXED EXPENSES	55.04873		
NET FARM INCOME	-92.2251	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	67.68056		
NET OPERATING PROFIT	-159.906	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	32.01861		
RETURN TO LAND AND RISK	-191.924		