

TABLE 1. Acreage Summary, Otero County,
Projected 2006

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 2006

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.45
General & Irrigators		\$/hour	\$6.65
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.40
Phosphate (P205)		\$/pound	\$0.31
Anhydrous Ammonia (NH3)		\$/ton	\$400.00
Seed:			
Alfalfa		\$/pound	\$2.88
Wheat		\$/pound	\$0.24
White Corn		\$/bag	\$83.50
Cotton		\$/pound	\$0.72
Diesel fuel		\$/gallon	\$2.10
Gasoline		\$/gallon	\$2.05
Electricity (Rio Grande Elec)		cents/KwHr	6.45
LP Gas		\$/gallon	\$1.70
Baling Wire		\$/pound	\$0.50
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		\$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 2005.

Item			
Electricity (Domestic & Shop)		\$206.00 per month	\$2,472
Telephone		\$200.85 per month	\$2,410
Accounting & Legal			\$1,509
Misc. Supplies & Hand Tools			\$4,676
Pickup and Auto			
miles	53,045	@ \$0.415 per mile	\$22,014
Insurance			
- general liability (non-employee)			\$1,627
- fire/theft			\$1,288
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,236
Dues, fees, publications			\$371
Farmstead Equipment			\$165
Total			\$43,778
Total per planted acre			\$71.77

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 2006
Planting dates: August 1 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
PURCHASED INPUTS									
SEED	\$2.88	30 LBS	\$86.40						\$86.40
PUMP WATER*		6 AC. IN.							
SUBTOTAL			\$86.40						\$86.40
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	155 HP	0.14 HR		\$1.04	\$2.57	\$1.27	\$3.20	\$8.09	
CHISEL	155 HP	0.20 HR		\$1.49	\$3.68	\$1.37	\$5.22	\$11.76	
PLOW	155 HP	0.48 HR		\$3.58	\$8.82	\$4.97	\$13.47	\$30.83	
DISC (2X)	155 HP	0.28 HR		\$2.09	\$5.15	\$2.55	\$6.39	\$16.17	
DRAG (2X)	155 HP	0.30 HR		\$2.24	\$5.51	\$1.62	\$6.05	\$15.42	
DRILL	93 HP	0.12 HR		\$0.89	\$1.50	\$0.46	\$3.67	\$6.52	
IRRIGATE (3X)		0.75 HR		\$4.99	\$13.36	\$0.00	\$1.16	\$19.51	
SUBTOTAL		2.27 HR		\$16.31	\$40.59	\$12.24	\$39.15	\$108.30	
OVERHEAD EXPENSES									
DOWNTIME		0.12 HR		\$0.86					\$0.86
EMPLOYEE BENEFITS				\$2.94					\$2.94
INSURANCE			\$0.33					\$0.33	
SUPERVISION AND MANAGEMENT				\$14.61					\$14.61
SUBTOTAL		0.12	\$0.33	\$18.40					\$18.73
TOTAL OPERATING EXPENSES		2.39 HR	\$86.73	\$34.71	\$40.59	\$12.24	\$39.15	\$213.43	

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 2006
Harvesting dates: June 1 - October 10

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$130.00	6.50 TONS (STACKED)	\$845.00
GRAZING	\$15.00	1.00 ACRE	\$15.00
TOTAL			\$860.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	\$0.40	75 LBS	\$30.00		\$30.00
PHOSPHATE (P2O5)	\$0.31	200 LBS	\$62.00		\$62.00
INSECTICIDE	\$16.03	2 X/ACRE	\$32.05		\$32.05
ESTABLISHMENT: Principal		5 YEARS		\$42.69	\$42.69
: Interest				\$7.65	\$7.65
BALING TWINE	\$0.50	56 LBS	\$0.28		\$0.28
PUMP WATER*		40 AC. IN.			
SUBTOTAL			\$124.33	\$50.33	\$174.66

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DRAG	93 HP	0.15 HR		\$1.12	\$1.87	\$0.31	\$0.50	\$3.80
IRRIGATE (11X)		2.75 HR		\$18.29	\$89.09	\$0.00	\$7.73	\$115.11
SUBTOTAL		2.90 HR		\$19.41	\$90.96	\$0.31	\$8.23	\$118.91

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (5X)	16 FT	0.55 HR		\$4.10	\$4.22	\$0.80	\$14.23	\$23.34
BALER (5X)	93 HP	0.85 HR		\$6.33	\$10.61	\$1.95	\$4.46	\$23.35
LOAD (5X)	93 HP	1.00 HR		\$7.45	\$12.48	\$25.89	\$11.55	\$57.37
SUBTOTAL		2.40 HR		\$17.88	\$27.32	\$28.64	\$30.24	\$104.07

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.60 HR		\$4.47				\$4.47
EMPLOYEE BENEFITS			\$6.71				\$6.71
INSURANCE		\$0.75					\$0.75
LAND TAXES						\$3.01	\$3.01
SUPERVISION AND MANAGEMENT			\$64.15				\$64.15
OTHER EXPENSES		\$71.77					\$71.77
SUBTOTAL	0.60 HR	\$72.51	\$75.33			\$3.01	\$150.85

TOTAL OPERATING EXPENSES 5.90 HR \$196.84 \$112.62 \$118.27 \$28.95 \$91.81 \$548.49

NET OPERATING PROFIT \$311.51

INTEREST ON OPERATING CAPITAL (\$89.65 @ 7.00%) \$6.28
INTEREST ON EQUIPMENT INVESTMENT \$22.05

RETURN TO LAND AND RISK \$283.19

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

BUDGET SUMMARY

GROSS RETURN		\$860.00	
VARIABLE OPERATING EXPENSES	\$344.06		
RETURN OVER VARIABLE EXPENSES		\$515.94	(GROSS MARGIN)
FIXED EXPENSES	\$91.81		
NET FARM INCOME		\$424.13	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$112.62		
NET OPERATING PROFIT		\$311.51	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.32		
RETURN TO LAND AND RISK		\$283.19	

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 2006

Planting dates: August 15 - September 15

Harvesting dates: July 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$6.25	35.00 CWT		\$218.75
DIRECT PAYMENT	\$0.00	35.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$25.00	1.00 ACRE		\$25.00
TOTAL				\$243.75

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.24	150 LBS	\$36.00		\$36.00
ANHYDROUS (NH3)	\$0.20	125 LBS	\$25.00		\$25.00
LIVESTOCK FAC & EQUIP				\$5.00	\$5.00
PUMP WATER*		25 AC. IN.			\$0.00
CROP INSURANCE	\$0.29				\$0.29
SUBTOTAL			\$61.00	\$5.00	\$66.29

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.04	\$2.57	\$1.27	\$3.20	\$8.09
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.49	\$3.68	\$1.08	\$3.91	\$17.15
DISC	155 HP	0.14 HR		\$1.04	\$2.57	\$1.27	\$3.20	\$8.09
DRILL	93 HP	0.12 HR		\$0.89	\$1.50	\$0.46	\$3.67	\$6.52
IRRIGATE (5X)		2.50 HR		\$16.63	\$55.68	\$0.00	\$4.06	\$76.36
SUBTOTAL		3.10 HR	\$7.00	\$21.10	\$66.00	\$4.08	\$18.03	\$116.21

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		\$1.12				\$1.12
EMPLOYEE BENEFITS				\$3.80				\$3.80
INSURANCE			\$0.42					\$0.42
LAND TAXES							\$3.01	\$3.01
SUPERVISION AND MANAGEMENT				\$19.86				\$19.86
OTHER EXPENSES			\$71.77					\$71.77
SUBTOTAL		0.15 HR	\$72.19	\$24.78			\$3.01	\$99.97

TOTAL OPERATING EXPENSES		3.25 HR	\$166.19	\$45.87	\$66.00	\$4.08	\$26.04	\$308.47
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NET OPERATING PROFIT								(\$64.72)
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INTEREST ON OPERATING CAPITAL	(\$48.17	@	7.00%)			\$3.37
INTEREST ON EQUIPMENT INVESTMENT								\$7.89

RETURN TO LAND AND RISK								(\$75.99)
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*Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$243.75	
VARIABLE OPERATING EXPENSES	\$236.27		
RETURN OVER VARIABLE EXPENSES		\$7.48	(GROSS MARGIN)
FIXED EXPENSES	\$26.04		
NET FARM INCOME		(\$18.56)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$45.87		
NET OPERATING PROFIT		(\$64.43)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.26		
RETURN TO LAND AND RISK		(\$75.69)	

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 2006
 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	\$0.84	25 000	\$20.88		\$20.88
NITROGEN (N)	\$0.40	30 LBS	\$12.00		\$12.00
PHOSPHATE (P2O5)	\$0.31	70 LBS	\$21.70		\$21.70
TRACE ELEMENTS	\$0.15	65 LBS	\$9.75		\$9.75
ANHYDROUS (NH3)	\$0.20	175 LBS	\$35.00		\$35.00
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			\$156.85	\$5.00	\$161.85

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.04	\$2.57	\$1.27	\$3.20	\$8.09
CHISEL	155 HP	0.20 HR		\$1.49	\$3.68	\$1.37	\$5.22	\$11.76
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.49	\$3.68	\$1.08	\$3.91	\$17.15
DISC & SPRAY	155 HP	0.19 HR		\$1.42	\$3.49	\$1.87	\$7.18	\$13.96
LISTER	155 HP	0.12 HR		\$0.89	\$2.21	\$0.88	\$3.78	\$7.76
PLANTER	93 HP	0.17 HR		\$1.27	\$2.12	\$0.70	\$6.04	\$10.13
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.91	\$4.87	\$2.26	\$3.34	\$13.37
IRRIGATE (8X)		4.00 HR		\$26.60	\$106.90	\$0.00	\$7.79	\$141.29
SUBTOTAL		5.41 HR	\$7.00	\$37.10	\$129.52	\$9.44	\$40.46	\$223.52

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		\$2.03				\$2.03
EMPLOYEE BENEFITS				\$6.68				\$6.68
INSURANCE			\$0.74					\$0.74
LAND TAXES						\$3.01		\$3.01
SUPERVISION AND MANAGEMENT				\$44.27				\$44.27
OTHER EXPENSES			\$71.77					\$71.77
SUBTOTAL		0.27 HR	\$72.51	\$52.97		\$3.01		\$128.49

TOTAL OPERATING EXPENSES		5.68 HR	\$273.61	\$90.08	\$129.52	\$9.44	\$48.47	\$551.11
NET OPERATING PROFIT								(\$6.11)
INTEREST ON OPERATING CAPITAL	(\$113.16	@	7.00%)			\$7.92
INTEREST ON EQUIPMENT INVESTMENT								\$18.17
RETURN TO LAND AND RISK								(\$32.19)

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

GROSS RETURN		\$545.00	
VARIABLE OPERATING EXPENSES	\$412.56		
RETURN OVER VARIABLE EXPENSES		\$132.44	(GROSS MARGIN)
FIXED EXPENSES	\$48.47		
NET FARM INCOME		\$83.97	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$90.08		
NET OPERATING PROFIT		(\$6.11)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$26.09		
RETURN TO LAND AND RISK		(\$32.19)	

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 2006
 Planting dates: April 15 - May 15
 Harvesting dates: November 1 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.55	1,000.00 LBS		\$550.00
COTTON SEED	\$0.07	1,600.00 LBS		\$104.00
DIRECT PAYMENT	\$0.0000	1,000.00 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	720.00 LBS	0.85	\$84.03
TOTAL				\$738.03

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.72	25 LBS	\$18.00		\$18.00
NITROGEN (N)	\$0.40	72 LBS	\$28.80		\$28.80
PHOSPHATE (P2O5)	\$0.31	184 LBS	\$57.04		\$57.04
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			\$143.27		\$143.27

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.04	\$2.57	\$1.27	\$3.20	\$8.09
PLOW	155 HP	0.48 HR		\$3.58	\$8.82	\$4.97	\$13.47	\$30.83
DISC (2X)	155 HP	0.28 HR		\$2.09	\$5.15	\$2.55	\$6.39	\$16.17
FLOAT (2X)	93 HP	0.32 HR		\$2.38	\$3.99	\$0.67	\$1.63	\$8.68
LISTER	155 HP	0.12 HR		\$0.89	\$2.21	\$0.88	\$3.78	\$7.76
PLANTER	155 HP	0.17 HR		\$1.27	\$3.12	\$1.26	\$8.90	\$14.56
ROLLING CULT. (4X)	93 HP	0.52 HR		\$3.87	\$6.49	\$3.01	\$4.45	\$17.83
HAND HOE (CUSTOM)			\$25.00					\$25.00
IRRIGATE (6X)		3.00 HR		\$19.95	\$66.81	\$0.00	\$4.87	\$91.63
SUBTOTAL		5.03 HR	\$25.00	\$35.07	\$99.17	\$14.62	\$46.69	\$220.56

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	93 HP	0.62 HR		\$4.62	\$7.74	\$1.86	\$11.43	\$25.65
HAUL	93 HP	1.00 HR		\$7.45	\$12.48	\$2.12	\$8.96	\$31.01
GIN COTTON (CUSTOM)			\$204.40					\$204.40
SUBTOTAL		1.62 HR	\$204.40	\$12.07	\$20.22	\$3.98	\$20.39	\$261.06

POST HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	93 HP	0.29 HR		\$2.16	\$3.62	\$0.66	\$2.91	\$9.35

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.91 HR		\$6.74				\$6.74
EMPLOYEE BENEFITS				\$8.49				\$8.49
INSURANCE			\$0.94					\$0.94
LAND TAXES							\$3.01	\$3.01
SUPERVISION AND MANAGEMENT				\$57.75				\$57.75
OTHER EXPENSES			\$71.77					\$71.77
SUBTOTAL		0.91 HR	\$72.71	\$72.97			\$3.01	\$148.69

TOTAL OPERATING EXPENSES		7.85 HR	\$445.38	\$122.28	\$123.02	\$19.26	\$72.99	\$782.92
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NET OPERATING PROFIT								(\$44.89)
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INTEREST ON OPERATING CAPITAL		(\$102.10 @ 7.00%)						\$7.15
INTEREST ON EQUIPMENT INVESTMENT								\$31.01

RETURN TO LAND AND RISK								(\$83.05)
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* Pump water costs are shown under irrigation in the preharvest operations section
 BUDGET SUMMARY

GROSS RETURN		\$738.03	
VARIABLE OPERATING EXPENSES	\$587.65		
RETURN OVER VARIABLE EXPENSES	\$150.38	(GROSS MARGIN)	
FIXED EXPENSES	\$72.99		
NET FARM INCOME	\$77.39	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$122.28		
NET OPERATING PROFIT	(\$44.89)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$38.16		
RETURN TO LAND AND RISK	(\$83.05)		

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 2006

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$3.70	50.00 CWT		\$184.82
DIRECT PAYMENT	\$0.00	50.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$13.00	1.00 ACRE		\$13.00
TOTAL				\$197.82

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.04	12 LBS	\$12.48		\$12.48
ANHYDROUS (NH3)	\$0.20	150 LBS	\$30.00		\$30.00
NITROGEN (N)	\$0.40	18 LBS	\$7.20		\$7.20
PHOSPHATE (P2O5)	\$0.31	46 LBS	\$14.26		\$14.26
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			\$91.27	\$5.00	\$98.23

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.04	\$2.57	\$1.27	\$3.20	\$8.09
CHISEL	155 HP	0.20 HR		\$1.49	\$3.68	\$1.37	\$5.22	\$11.76
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.49	\$3.68	\$1.08	\$3.91	\$17.15
DISC & SPRAY	155 HP	0.19 HR		\$1.42	\$3.49	\$1.87	\$7.18	\$13.96
LISTER	155 HP	0.12 HR		\$0.89	\$2.21	\$0.88	\$3.78	\$7.76
PLANTER	155 HP	0.17 HR		\$1.27	\$3.12	\$1.26	\$8.90	\$14.56
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.91	\$4.87	\$2.26	\$3.34	\$13.37
IRRIGATE (6X)		3.00 HR		\$22.35	\$80.18	\$0.00	\$5.84	\$108.37
SUBTOTAL		4.41 HR	\$7.00	\$32.85	\$103.79	\$10.00	\$41.38	\$195.03

HARVEST OPERATIONS								
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								
DOWNTIME		1.10 HR		\$8.21				\$8.21
EMPLOYEE BENEFITS				\$5.91				\$5.91
INSURANCE			\$0.66					\$0.66
LAND TAXES						\$3.01		\$3.01
SUPERVISION AND MANAGEMENT				\$16.05				\$16.05
OTHER EXPENSES			\$71.77					\$71.77
SUBTOTAL		1.10 HR	\$72.42	\$30.18		\$3.01		\$105.61

TOTAL OPERATING EXPENSES	5.51 HR	\$185.69	\$63.03	\$103.79	\$10.00	\$49.38	\$413.86
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NET OPERATING PROFIT							(\$216.04)
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INTEREST ON OPERATING CAPITAL	(\$77.56	@	7.00%)		\$5.43
INTEREST ON EQUIPMENT INVESTMENT							\$18.79

RETURN TO LAND AND RISK							(\$240.26)
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BUDGET SUMMARY

GROSS RETURN		\$197.82	
VARIABLE OPERATING EXPENSES	\$299.49		
RETURN OVER VARIABLE EXPENSES		(\$101.66)	(GROSS MARGIN)
FIXED EXPENSES	\$49.38		
NET FARM INCOME		(\$151.05)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$63.03		
NET OPERATING PROFIT		(\$214.08)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$24.22		
RETURN TO LAND AND RISK		(\$238.30)	

TABLE 12. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2006

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	WHITE CORN	STRIPPER COTTON	GRAIN SORGHUM
		TONS	CWT	CWT	LBS	CWT
PRIMARY YIELD		6.50	35.00	70.00	1,000.00	50.00
PRIMARY PRICE		\$130.00	\$6.25	\$7.50	\$0.55	\$3.70
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$84.03	\$0.00
SECOND INCOME		\$15.00	\$25.00	\$20.00	\$104.00	\$13.00
GROSS RETURN		\$860.00	\$243.75	\$545.00	\$738.03	\$197.82
CASH OPERATING EXPENSES						
SEED	\$86.40		\$36.00	\$20.88	\$18.00	\$12.48
FERTILIZER		\$124.05	\$25.00	\$78.45	\$28.80	\$51.46
CHEMICALS				\$57.52	\$38.84	\$27.33
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.28			\$57.04	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$27.23	\$29.19	\$10.32	\$22.61	\$56.20	\$23.62
FUEL-IRRIGATION	\$13.36	\$89.09	\$55.68	\$106.90	\$66.81	\$80.18
REPAIRS	\$12.24	\$28.95	\$4.08	\$9.44	\$19.26	\$10.00
CUSTOM CHARGES			\$33.00	\$44.25	\$229.40	\$22.00
LAND TAXES		\$3.01	\$3.01	\$3.01	\$3.01	\$3.01
OTHER EXPENSES	\$0.33	\$72.51	\$72.19	\$72.51	\$72.71	\$72.42
TOTAL CASH EXPENSES	\$139.56	\$347.07	\$239.57	\$415.57	\$590.66	\$304.45
RETURN OVER CASH EXPENSES	(\$139.56)	\$512.93	\$4.18	\$129.43	\$147.37	(\$106.63)
FIXED EXPENSES	\$39.15	\$88.80	\$23.03	\$45.46	\$69.98	\$46.38
TOTAL EXPENSES	\$178.72	\$435.87	\$262.60	\$461.03	\$660.64	\$350.83
NET FARM INCOME	(\$178.72)	\$424.13	(\$18.85)	\$83.97	\$77.39	(\$153.01)
LABOR AND MANAGEMENT COSTS	\$34.71	\$112.62	\$45.87	\$90.08	\$122.28	\$63.03
NET OPERATING PROFIT	(\$213.43)	\$311.51	(\$64.72)	(\$6.11)	(\$44.89)	(\$216.04)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$6.28	\$3.37	\$7.92	\$7.15	\$5.43
INTEREST ON EQUIPMENT INVESTMENT		\$22.05	\$7.89	\$18.17	\$31.01	\$18.79
TOTAL CAPITAL COSTS	\$0.00	\$28.32	\$11.26	\$26.09	\$38.16	\$24.22
RETURN TO LAND AND RISK	(\$213.43)	\$283.19	(\$75.99)	(\$32.19)	(\$83.05)	(\$240.26)

TABLE 13. Whole farm summary, Dell City area, Otero County,
Projected 2006

GROSS RETURNS		
ALFALFA HAY	280.00 ACRES	
CROP		\$240,800
WHEAT	170.00 ACRES	
CROP		\$37,188
GRAZING		\$4,250
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHITE CORN	50.00 ACRES	
CROP		\$26,250
GRAZING		\$1,000
COTTON	84.50 ACRES	
LINT		\$46,475
SEED		\$8,788
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$7,100
GRAIN SORGHUM	25.50 ACRES	
CROP		\$4,713
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$332
GROSS RETURN		<u>\$376,895</u>
CASH OPERATING EXPENSES		
SEED		\$13,841
FERTILIZER		\$46,653
CHEMICALS		\$6,855
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$4,898
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$17,935
FUEL-IRRIGATION		\$48,193
REPAIRS		\$11,839
CUSTOM CHARGES		\$27,768
LAND TAXES		\$1,834
OTHER EXPENSES		\$44,210
TOTAL CASH EXPENSES		<u>\$224,175</u>
RETURN OVER CASH EXPENSES		\$152,720
FIXED EXPENSES		\$28,389
TOTAL EXPENSES		<u>\$252,564</u>
NET FARM INCOME		\$124,331
LABOR AND MANAGEMENT COSTS		\$57,719
NET OPERATING PROFIT		\$66,613
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,469
INTEREST ON EQUIPMENT INVESTMENT		\$11,522
TOTAL CAPITAL COSTS		<u>\$14,991</u>
RETURN TO LAND AND RISK		<u>\$51,622</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$42,022	13.68%
\$750 /ACRE	\$37,222	10.29%
\$1,000 /ACRE	\$32,422	8.25%
\$1,250 /ACRE	\$27,622	6.89%
\$1,500 /ACRE	\$22,822	5.91%

* 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)