

TABLE 1. Basic cost information for the Virden area, Hidalgo County, 2003.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.45
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.36
Phosphate (P205)	\$/pound	\$0.33
Seed:		
Alfalfa	\$/pound	\$3.00
Upland Cotton (picker)	\$/pound	\$0.56
Corn for Silage	\$/bag	\$89.75
Grain Sorghum	\$/pound	\$1.20
Canal Water	\$/acre	\$20.00
Wire:	\$/lb.	\$0.39
Energy:		
Diesel fuel	\$/gallon	\$1.30
Gasoline	\$/gallon	\$1.35
Electricity	cents/KwHr	6.82
LP Gas	\$/gallon	\$1.21
Employee Liability Insurance	\$/ \$1000 wages	\$20.00
Employee Benefits	percent/w ages	18.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	8.00%
Land Interest Rate	percent	7.00%
Equipment Interest Rate	percent	8.00%
Real Interest Rate	percent	4.00%
Land Taxes	\$348.00 /acre (full value)	\$2.99
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)	\$25.76
- R		\$24.41
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 1a. Overhead cost information for Virden area, Hidalgo County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$165.00 per month	\$1,980
Telephone		\$85.00 per month	\$1,020
Accounting & Legal			\$1,080
Misc. Supplies & Hand Tools			\$1,555
Pickup and Auto			
miles	15,000	@ \$0.365 per mile	\$5,475
Insurance			
- general liability (non-employee)			\$1,310
- fire/theft			\$1,010
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$465
Building repairs and maintenance			\$885
Dues, fees, publications			\$320
Farmstead Equipment			\$165
Total			\$15,265
Total per planted acre			\$80.34

TABLE 2. Pumping costs and data for irrigation wells, Virden area, Hidalgo County, 2003.

INPUT DATA

DEPTH CHARACTERISTICS:

STATIC... ..	50
DRAW DOWN .....	25
TOTAL HEAD.....	75
CASING... ..	100

GALLONS PER MINUTE (GPM)...	1500
WORK HORSEPOWER .....	28

EFFICIENCY FACTOR:

ELECTRICITY. ....	0.540
LP GAS..... ..	0.154
DIESEL..... ..	0.160

FUEL COST PER UNIT:

ELECTRICITY. ....	\$6.82	CENTS/K	wHr
LP GAS..... ..	\$1.21	\$/GAL	
DIESEL..... ..	\$1.30	\$/GAL	

FUEL PUMPING COSTS:

ELECTRIC WELL:

COST PER HOUR..... ..	\$	\$2.71
COST PER ACRE INCH .....	\$	\$0.82

LP GAS WELL:

COST PER HOUR..... ..	\$	\$6.21
COST PER ACRE INCH .....	\$	\$1.87

DIESEL WELL:

COST PER HOUR..... ..	\$	\$4.17
COST PER ACRE INCH .....	\$	\$1.26

TABLE 3. Equipment summary for a 200 acre flood-irrigated farm with above average management, Virden area, Hidalgo County, 2003.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL, LUBE PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 65 HP	198	1	\$2,400	\$1,298	\$205	\$6.56	\$1.03	\$138	\$24	\$0.81
TRACTOR 126 HP	284	1	\$31,475	\$3,329	\$1,385	\$11.74	\$4.88	\$4,652	\$300	\$17.47
PICKUP HALF TON	170	1	\$13,000	\$1,446	\$0	\$8.51	\$0.00	\$2,600	\$112	\$4.05
COTTON PICKER 2 ROW *	84	1	\$11,720	\$663	\$1,432	\$7.86	\$16.99	\$2,980	\$192	\$37.62
SWATHER 14 FT SP *	36	1	\$4,300	\$175	\$37	\$4.87	\$1.02	\$725	\$62	\$21.87
BALER, PTO 2 WIRE	47	1	\$1,500		\$40		\$0.85	\$385	\$33	\$8.85
PLANTER 4-ROW	37	1	\$3,400		\$203		\$5.44	\$680	\$29	\$18.98
CHISEL 7-PT	22	1	\$1,200		\$21		\$0.94	\$160	\$10	\$7.67
DISC 12 FT	55	1	\$2,250		\$79		\$1.44	\$300	\$19	\$5.80
CULTIVATOR 4 ROW	96	1	\$1,500		\$82		\$0.86	\$200	\$13	\$2.23
FLOAT 10 FT	39	1	\$450		\$3		\$0.08	\$47	\$3	\$1.28
ROTOBUCK	14	1	\$1,000		\$1		\$0.08	\$133	\$9	\$9.85
MULCHER 13 FT	27	1	\$3,750		\$76		\$2.78	\$500	\$32	\$19.52
LISTER 4-ROW	42	1	\$1,600		\$46		\$1.09	\$213	\$14	\$5.36
PLOW 3-14 IN	56	1	\$3,350		\$116		\$2.08	\$447	\$29	\$8.55
SHREDDER 2-ROW	20	1	\$1,250		\$9		\$0.45	\$167	\$11	\$9.00
COTTON TRAILER 8 BALE	170	3	\$3,600		\$73		\$0.43	\$480	\$31	\$3.01
FERTILIZER/SEEDER	12	1	\$2,300		\$15		\$1.20	\$307	\$20	\$26.87
SPRAYER 12 FT	24	1	\$1,375		\$46		\$1.95	\$183	\$12	\$8.20
ELECTRIC WELL	818	1	\$12,000	\$2,215	\$74	\$2.71	\$0.09	\$1,200	\$103	\$1.59
			\$103,420	\$9,126	\$3,942			\$16,497	\$1,056	

\* SHOWN AT ONE-HALF COST TO REFLECT JOINT OWNERSHIP BY TWO INDIVIDUALS

TABLE 4. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2003.  
Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
PURCHASED INPUTS							FIXED COST	
SEED	\$3.00	25 LBS					\$75.00	\$75.00
NITROGEN (N)	\$0.36	20 LBS					\$7.20	\$7.20
PHOSPHATE (P2O5)	\$0.33	50 LBS					\$16.50	\$16.50
PUMP WATER*		5 AC. IN.						
CANAL WATER		15 AC. IN.						\$0.00
SUBTOTAL							\$98.70	\$98.70
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
PLOW	145 HP	0.67 HR		\$5.06	\$7.87	\$4.66	\$17.43	\$35.02
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
FLOAT	145 HP	0.24 HR		\$1.81	\$2.82	\$1.19	\$4.50	\$10.32
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.33	\$0.11	\$1.38	\$2.20
LISTER	65 HP	0.18 HR		\$1.36	\$1.18	\$0.38	\$1.11	\$4.03
MULCHER	145 HP	0.15 HR		\$1.13	\$1.76	\$1.15	\$5.55	\$9.59
SEEDER	65 HP	0.05 HR		\$0.38	\$0.33	\$0.11	\$1.38	\$2.20
MULCHER	145 HP	0.15 HR		\$1.13	\$1.76	\$1.15	\$5.55	\$9.59
LISTER	65 HP	0.18 HR		\$1.36	\$1.18	\$0.38	\$1.11	\$4.03
IRRIGATE (4X)		2.00 HR		\$12.90	\$4.09	\$0.14	\$2.40	\$19.52
SUBTOTAL		4.01 HR		\$28.08	\$25.30	\$11.43	\$48.33	\$113.13
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.50 HR		\$3.79				\$3.79
EMPLOYEE BENEFITS				\$5.05				\$5.05
INSURANCE			\$0.56					\$0.56
SUPERVISION AND MANAGEMENT				\$17.54				\$17.54
SUBTOTAL		0.50 HR	\$0.56	\$26.39				\$26.95
TOTAL OPERATING EXPENSES		4.51 HR	\$99.26	\$54.47	\$25.30	\$11.43	\$48.33	\$238.79

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

TABLE 5. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2003.  
Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD					TOTAL	
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$120.00	4.90	TONS (IN FIELD)				\$588.00	
GRAZING	\$15.00	1.00	ACRE				\$15.00	
TOTAL							\$603.00	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	\$0.39	42 LBS	\$16.38					\$16.38
: Interest		3 YEARS					\$79.60	\$79.60
CANAL WATER		36 AC. IN.					\$10.42	\$10.42
PUMP WATER*		18 AC. IN.					\$20.00	\$20.00
SUBTOTAL			\$16.38				\$110.01	\$126.39
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (9X)		4.50 HR		\$29.03	\$14.71	\$0.49	\$8.65	\$52.87
SUBTOTAL		4.50 HR		29.03	14.71	0.49	8.65	52.87
<b>HARVEST OPERATIONS</b>								
SWATHER (5X)	14 FT	0.80 HR		\$6.04	\$3.89	\$0.81	\$17.49	\$28.24
BALER, PTO (5X)	145 HP	1.05 HR		\$7.93	\$12.33	\$6.02	\$27.63	\$53.90
SUBTOTAL		1.85 HR		\$13.97	\$16.22	\$6.83	\$45.12	\$82.14
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.46 HR		\$3.49				\$3.49
EMPLOYEE BENEFITS				\$7.74				\$7.74
INSURANCE			\$0.86					\$0.86
LAND TAXES							\$2.99	\$2.99
SUPERVISION AND MANAGEMENT				\$47.64				\$47.64
OTHER EXPENSES			\$80.34					\$80.34
SUBTOTAL		0.46 HR	\$81.20	\$58.87			\$2.99	\$143.06
TOTAL OPERATING EXPENSES		6.81 HR	\$97.58	\$101.86	\$30.93	\$7.32	\$166.78	\$404.46
NET OPERATING PROFIT								\$198.54
INTEREST ON OPERATING CAPITAL	(	13.91	@	8.00%				\$1.11
INTEREST ON EQUIPMENT INVESTMENT								\$27.96
RETURN TO LAND AND RISK								\$169.46

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

BUDGET SUMMARY

GROSS RETURN		\$603.00	
VARIABLE OPERATING EXPENSES	\$135.83		
RETURN OVER VARIABLE EXPENSES		\$467.17	(GROSS MARGIN)
FIXED EXPENSES	\$166.78		
NET FARM INCOME		\$300.39	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$101.86		
NET OPERATING PROFIT		\$198.54	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$29.07		
RETURN TO LAND AND RISK		\$169.46	

TABLE 6. Corn silage, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2003.

Planting dates: April 15 - May 31

Harvest dates: August 15 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN SILAGE	\$19.00	25.00 TONS (STANDING)						\$475.00
TOTAL								\$475.00
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$1.12	30 000	\$33.66					\$33.66
NITROGEN (N)	\$0.36	32 LBS	\$11.52					\$11.52
PHOSPHATE (P205)	\$0.33	40 LBS	\$13.20					\$13.20
CANAL WATER		36 AC. IN.					\$20.00	\$20.00
PUMP WATER*		14 AC. IN.						
SUBTOTAL			\$58.38				\$20.00	\$78.38
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.33	\$0.11	\$1.38	\$2.20
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
CHISEL	145 HP	0.20 HR		\$1.51	\$2.35	\$1.16	\$5.03	\$10.05
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
FLOAT	65 HP	0.24 HR		\$1.81	\$1.58	\$0.27	\$0.50	\$4.16
LISTER	65 HP	0.18 HR		\$1.36	\$1.18	\$0.38	\$1.11	\$4.03
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.43	\$0.05	\$0.84	\$7.16
MULCHER	145 HP	0.15 HR		\$1.13	\$1.76	\$1.15	\$5.55	\$9.59
PLANTER	145 HP	0.26 HR		\$1.96	\$3.05	\$2.68	\$9.48	\$17.18
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.17	\$2.76	\$0.79	\$1.28	\$8.00
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.68	\$1.06	\$0.45	\$2.46	\$4.64
IRRIGATE (7X)		3.50 HR		\$22.58	\$10.01	\$0.33	\$5.89	\$38.81
SUBTOTAL		6.18 HR		\$41.98	\$29.49	\$9.53	\$41.42	\$122.43
OVERHEAD EXPENSES								
DOWNTIME		0.46 HR		\$3.47				\$3.47
EMPLOYEE BENEFITS				\$7.56				\$7.56
INSURANCE			\$0.84					\$0.84
LAND TAXES							\$2.99	\$2.99
SUPERVISION AND MANAGEMENT				\$38.42				\$38.42
OTHER EXPENSES			\$80.34					\$80.34
SUBTOTAL		0.46 HR	\$81.18	\$49.45			\$2.99	\$133.62
TOTAL OPERATING EXPENSES		6.64 HR	\$139.56	\$91.43	\$29.49	\$9.53	\$64.41	\$334.43
NET OPERATING PROFIT								\$140.57
INTEREST ON OPERATING CAPITAL	(	38.94 @	8.00%	)				\$3.12
INTEREST ON EQUIPMENT INVESTMENT								\$24.21
RETURN TO LAND AND RISK								\$113.25

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

BUDGET SUMMARY

GROSS RETURN		\$475.00	
VARIABLE OPERATING EXPENSES	\$178.58		
RETURN OVER VARIABLE EXPENSES	\$296.42	(GROSS MARGIN)	
FIXED EXPENSES	\$64.41		
NET FARM INCOME	\$232.01	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$91.43		
NET OPERATING PROFIT	\$140.57	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$27.32		
RETURN TO LAND AND RISK	\$113.25		

TABLE 7. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with average management, Virden area, Hidalgo County, 2003.  
 Planting dates: April 10 - April 30  
 Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD					TOTAL	
<b>GROSS RETURNS</b>								
LINT	\$0.520	1050	LBS				\$546.00	
SEED	\$0.08	1680	LBS				\$126.00	
DIRECT PAYMENT	\$0.0667	1050	LBS				\$70.04	
COUNTER CYCLICAL PAYMENT	\$0.0873	600	LBS				\$52.38	
<b>TOTAL</b>							<b>\$794.42</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.56	17	LBS	\$9.52				\$9.52
NITROGEN (N)	\$0.36	80	LBS	\$28.80				\$28.80
PHOSPHATE (P205)	\$0.33	60	LBS	\$19.80				\$19.80
HERBICIDE	\$14.08	1	ACRE	\$14.08				\$14.08
CANAL WATER		24	AC. IN.	\$0.00			\$20.00	\$20.00
PUMP WATER*		12	AC. IN.					
CROP INSURANCE	\$0.74			\$0.74				\$0.74
<b>SUBTOTAL</b>				<b>\$72.94</b>			<b>\$20.00</b>	<b>\$92.94</b>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.33	\$0.11	\$1.38	\$2.20
DISC	145 HP	0.17 HR		\$1.28	\$2.00	\$1.08	\$3.95	\$8.31
PLOW	145 HP	0.67 HR		\$5.06	\$7.87	\$4.66	\$17.43	\$35.02
DISC & SPRAY	145 HP	0.15 HR		\$1.13	\$1.76	\$1.24	\$4.72	\$8.85
FLOAT	65 HP	0.24 HR		\$1.81	\$1.58	\$0.27	\$0.50	\$4.16
LISTER	145 HP	0.18 HR		\$1.36	\$2.11	\$1.08	\$4.11	\$8.66
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.09	\$0.04	\$0.64	\$6.60
MULCHER	145 HP	0.14 HR		\$1.06	\$1.64	\$1.07	\$5.18	\$8.95
PLANTER	145 HP	0.26 HR		\$1.96	\$3.05	\$2.68	\$9.48	\$17.18
CULTIVATOR (4X)	65 HP	0.84 HR		\$6.34	\$5.51	\$1.59	\$2.55	\$16.00
HOEING (CUSTOM)			\$24.00					\$24.00
ROTOBUCK (3X)	145 HP	0.03 HR		\$0.23	\$0.35	\$0.15	\$0.82	\$1.55
IRRIGATE (8X)		4.00 HR		\$25.80	\$8.71	\$0.29	\$5.13	\$39.93
<b>SUBTOTAL</b>		<b>7.48 HR</b>	<b>\$24.00</b>	<b>\$51.25</b>	<b>\$36.01</b>	<b>\$14.26</b>	<b>\$55.90</b>	<b>\$181.41</b>
<b>HARVEST OPERATIONS</b>								
COTTON PICKER (2X)	2 ROW	1.24 HR		\$9.36	\$9.75	\$21.06	\$46.65	\$86.82
COTTON TRAILER (2X)	HALF TON	2.50 HR		\$18.88	\$21.26	\$1.08	\$17.63	\$58.85
GIN COTTON (CUSTOM)			\$119.91					\$119.91
<b>SUBTOTAL</b>		<b>3.74 HR</b>	<b>\$119.91</b>	<b>\$28.24</b>	<b>\$31.01</b>	<b>\$22.14</b>	<b>\$64.28</b>	<b>\$265.58</b>
<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	65 HP	0.29 HR		\$2.19	\$1.90	\$0.43	\$2.85	\$7.37
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$2.19</b>	<b>\$1.90</b>	<b>\$0.43</b>	<b>\$2.85</b>	<b>\$7.37</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		1.56 HR		\$11.76				\$11.76
EMPLOYEE BENEFITS				\$14.70				\$14.70
INSURANCE			\$1.63					\$1.63
LAND TAXES							\$2.99	\$2.99
SUPERVISION AND MANAGEMENT				\$62.72				\$62.72
OTHER EXPENSES			\$80.34					\$80.34
<b>SUBTOTAL</b>		<b>1.56 HR</b>	<b>\$81.98</b>	<b>\$89.18</b>			<b>\$2.99</b>	<b>\$174.15</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>13.07 HR</b>	<b>\$298.82</b>	<b>\$170.86</b>	<b>\$68.92</b>	<b>\$36.83</b>	<b>\$146.01</b>	<b>\$721.44</b>
<b>NET OPERATING PROFIT</b>							<b>\$72.98</b>	
INTEREST ON OPERATING CAPITAL	(	64.04	@	8.00%	)		\$5.12	
INTEREST ON EQUIPMENT INVESTMENT							\$77.15	
<b>RETURN TO LAND AND RISK</b>							<b>(\$9.30)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$794.42	
VARIABLE OPERATING EXPENSES	\$404.57		
RETURN OVER VARIABLE EXPENSES	\$389.84		(GROSS MARGIN)
FIXED EXPENSES	\$146.01		
NET FARM INCOME	\$243.84		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$170.86		
NET OPERATING PROFIT	\$72.98		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$82.27		
RETURN TO LAND AND RISK		(\$9.30)	

TABLE 8. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2003.  
 Planting dates: May 1 - June 15  
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
GRAIN SORGHUM	\$4.39	61	CWT					\$267.79	
DIRECT PAYMENT	\$0.625	61	CWT					\$38.13	
COUNTER CYCLICAL PAYMENT	\$0.00	0	CWT					\$0.00	
GRAZING	\$10.00	1	ACRE					\$10.00	
<b>TOTAL</b>								<b>\$315.92</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS			FIXED COST	TOTAL	
SEED	\$1.20	8	LBS	\$9.60				\$9.60	
NITROGEN (N)	\$0.36	32	LBS	\$11.52				\$11.52	
PHOSPHATE (P205)	\$0.33	40	LBS	\$13.20				\$13.20	
HERBICIDE	\$14.08	1	ACRE	\$14.08				\$14.08	
INSECTICIDE	\$11.30	1	ACRE	\$11.30				\$11.30	
CANAL WATER		28	AC. IN.				\$20.00	\$20.00	
PUMP WATER*		12	AC. IN.						
CROP INSURANCE	\$1.47			\$1.47				\$1.47	
<b>SUBTOTAL</b>				<b>\$61.17</b>			<b>\$20.00</b>	<b>\$81.17</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZER	65 HP	0.15	HR		\$1.13	\$0.98	\$0.33	\$4.15	\$6.60
DISC	145 HP	0.20	HR		\$1.51	\$2.35	\$1.26	\$4.65	\$9.78
CHISEL	145 HP	0.40	HR		\$3.02	\$4.70	\$2.33	\$10.05	\$20.10
DISC	145 HP	0.20	HR		\$1.51	\$2.35	\$1.26	\$4.65	\$9.78
FLOAT	145 HP	0.25	HR		\$1.89	\$2.94	\$1.24	\$4.69	\$10.75
SPRAYER	65 HP	0.20	HR		\$1.51	\$1.31	\$0.60	\$1.80	\$5.22
LISTER	65 HP	0.50	HR		\$3.78	\$3.28	\$1.06	\$3.09	\$11.20
PRE-IRRIGATE		0.75	HR		\$4.84	\$1.63	\$0.05	\$0.96	\$7.49
MULCHER	145 HP	0.20	HR		\$1.51	\$2.35	\$1.53	\$7.40	\$12.79
PLANTER	145 HP	0.25	HR		\$1.89	\$2.94	\$2.58	\$9.11	\$16.52
SPRAYER	65 HP	0.20	HR		\$1.51	\$1.31	\$0.60	\$1.80	\$5.22
CULTIVATOR (2X)	65 HP	0.60	HR		\$4.53	\$3.94	\$1.13	\$1.82	\$11.43
ROTOBUCK (3X)	145 HP	0.25	HR		\$1.89	\$2.94	\$1.24	\$6.83	\$12.89
IRRIGATE (5X)		2.50	HR		\$16.13	\$8.17	\$0.27	\$4.81	\$29.37
<b>SUBTOTAL</b>		<b>6.65</b>	<b>HR</b>		<b>\$46.63</b>	<b>\$41.18</b>	<b>\$15.51</b>	<b>\$65.82</b>	<b>\$169.14</b>
<b>HARVEST OPERATIONS</b>									
COMBINE (CUSTOM)				\$25.62					\$25.62
HAUL (CUSTOM)				\$11.59					\$11.59
<b>SUBTOTAL</b>		<b>0.00</b>	<b>HR</b>		<b>37.21</b>				<b>37.21</b>
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.61	HR		\$4.62				\$4.62
EMPLOYEE BENEFITS					\$8.39				\$8.39
INSURANCE				\$0.93					\$0.93
LAND TAXES							\$2.99		\$2.99
SUPERVISION AND MANAGEMENT					\$24.14				\$24.14
OTHER EXPENSES				\$80.34					\$80.34
<b>SUBTOTAL</b>		<b>0.61</b>	<b>HR</b>		<b>\$81.28</b>	<b>\$37.16</b>		<b>\$2.99</b>	<b>\$121.42</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7.26</b>	<b>HR</b>		<b>\$179.66</b>	<b>\$83.79</b>	<b>\$41.18</b>	<b>\$15.51</b>	<b>\$88.81</b>
<b>NET OPERATING PROFIT</b>								<b>(\$93.03)</b>	
INTEREST ON OPERATING CAPITAL	(	47.86	@	8.00%	)				\$3.83
INTEREST ON EQUIPMENT INVESTMENT									\$38.32
<b>RETURN TO LAND AND RISK</b>								<b>(\$135.18)</b>	

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

BUDGET SUMMARY

GROSS RETURN		\$315.92	
VARIABLE OPERATING EXPENSES	\$236.34		
RETURN OVER VARIABLE EXPENSES		\$79.57	(GROSS MARGIN)
FIXED EXPENSES	\$88.81		
NET FARM INCOME		(\$9.24)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$83.79		
NET OPERATING PROFIT		(\$93.03)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$42.15		
RETURN TO LAND AND RISK		(\$135.18)	



TABLE 9. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2002.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN SILAGE	PICKER COTTON	GRAIN SORGHUM
	-----FLOOD-----				
		TONS	TONS	LBS	CWT
PRIMARY YIELD		4.90	25.00	1050.00	61.00
PRIMARY PRICE		120.00	19.00	0.52	4.39
GOVERNMENT PAYMENTS		0.00	0.00	122.42	38.13
SECOND INCOME		15.00	0.00	126.00	10.00
GROSS RETURN		\$603.00	\$475.00	\$794.42	\$315.92
CASH OPERATING EXPENSES					
SEED	\$75.00		\$33.66	\$9.52	\$9.60
FERTILIZER	\$23.70		\$24.72	\$48.60	\$24.72
CHEMICALS				\$14.08	\$25.38
CROP INSURANCE				\$0.74	\$1.47
OTHER PURCHASED INPUTS		\$16.38			
CANAL WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$21.22	\$16.22	\$18.05	\$59.12	\$31.38
FUEL-IRRIGATION	\$4.09	\$14.71	\$11.44	\$9.80	\$9.80
REPAIRS	\$11.43	\$7.32	\$9.53	\$36.83	\$15.51
CUSTOM CHARGES				\$143.91	\$37.21
LAND TAXES		\$2.99	\$2.99	\$2.99	\$2.99
OTHER EXPENSES	\$0.56	\$81.20	\$81.18	\$81.98	\$81.28
TOTAL CASH EXPENSES	\$135.99	\$138.82	\$181.57	\$407.56	\$239.33
RETURN OVER CASH EXPENSES	(\$135.99)	\$464.18	\$293.43	\$386.85	\$76.58
FIXED EXPENSES	\$48.33	\$163.79	\$61.42	\$143.02	\$85.82
TOTAL EXPENSES	\$184.32	\$302.61	\$242.99	\$550.58	\$325.15
NET FARM INCOME	(\$184.32)	\$300.39	\$232.01	\$243.84	(\$9.24)
LABOR AND MANAGEMENT COSTS	\$54.47	\$101.86	\$91.43	\$170.86	\$83.79
NET OPERATING PROFIT	(\$238.79)	\$198.54	\$140.57	\$72.98	(\$93.03)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.11	\$3.12	\$5.12	\$3.83
INTEREST ON EQUIPMENT INVESTMENT		\$27.96	\$24.21	\$77.15	\$38.32
TOTAL CAPITAL COSTS	\$0.00	\$29.07	\$27.32	\$82.27	\$42.15
RETURN TO LAND AND RISK	(\$238.79)	\$169.46	\$113.25	(\$9.30)	(\$135.18)