

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%

VIRDEN AREA, HIDALGO COUNTY, 2003.
 FARM SIZE 200 ACRES
 IRRIGATION TYPE..... FLOOD
 NUMBER OF CROPS... 4

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMENT *	15	20	300
ALFALFA	45	54	2,430
CORN SILAGE	25	50	1,250
COTTON	68	36	2,448
ARP	0		
FLEX IN CORN SILAGE	12	36	432
GRAIN SORGHUM	34	40	1,360
ARP	0		
FLEX IN CORN SILAGE	6	36	216
ROADS, DITCHES	10		
TOTAL	200		8,436
ACRE FEET PER ACRE OF WATER RIGHTS			3.52

* DOUBLE-CROPPED

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 DOV	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 ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS					FIXED COSTS		
			TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR	DEPRE- CIATION	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		
GROSS RETURNS									
ALFALFA HAY	\$130.00	6.50	TONS (IN FIELD)				\$845.00		
GRAZING	\$15.00	1.00	ACRE				\$15.00		
TOTAL							\$860.00		
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS			FIXED COST	TOTAL	
WIRE ESTABLISHMENT: Principal	\$0.39	56	LBS	\$21.72				\$21.72	
: Interest		3	YEARS				\$79.60	\$79.60	
CANAL WATER PUMP WATER*		36	AC. IN.				\$10.42	\$10.42	
		18	AC. IN.				\$20.00	\$20.00	
SUBTOTAL				\$21.72			\$110.01	\$131.74	
PREHARVEST OPERATIONS									
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
HARVEST OPERATIONS									
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
OVERHEAD EXPENSES									
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					\$65.63				\$65.63
OTHER EXPENSES				\$80.34					\$80.34
SUBTOTAL		0.46	HR		\$81.20	\$76.86		\$2.99	\$161.05
TOTAL OPERATING EXPENSES		6.81	HR		\$102.93	\$119.85	\$30.93	\$7.32	\$166.78
NET OPERATING PROFIT									\$432.20
INTEREST ON OPERATING CAPITAL	(16.58	@	8.00%					\$1.33
INTEREST ON EQUIPMENT INVESTMENT									\$27.96
RETURN TO LAND AND RISK									\$402.91

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

BUDGET SUMMARY

GROSS RETURN		\$860.00	
VARIABLE OPERATING EXPENSES	\$141.18		
RETURN OVER VARIABLE EXPENSES		\$718.82	(GROSS MARGIN)
FIXED EXPENSES	\$166.78		
NET FARM INCOME		\$552.05	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$119.85		
NET OPERATING PROFIT		\$432.20	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$29.28		
RETURN TO LAND AND RISK		\$402.91	

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								
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								
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	\$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	
GROSS RETURNS								
LINT	\$0.570	600	LBS				\$342.00	
SEED	\$0.08	960	LBS				\$72.00	
DIRECT PAYMENT	\$0.0667	600	LBS				\$40.02	
COUNTER CYCLICAL PAYMENT	\$0.0873	600	LBS				\$52.38	
TOTAL							\$506.40	
PURCHASED INPUTS								
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	
SUBTOTAL				\$72.94	\$20.00		\$92.94	
PREHARVEST OPERATIONS								
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
SUBTOTAL		7.48 HR	\$24.00	\$51.25	\$36.01	\$14.26	\$55.90	\$181.41
HARVEST OPERATIONS								
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)			\$68.52					\$68.52
SUBTOTAL		3.74 HR	\$68.52	\$28.24	\$31.01	\$22.14	\$64.28	\$214.19
POSTHARVEST OPERATIONS								
SHREDDER	65 HP	0.29 HR		\$2.19	\$1.90	\$0.43	\$2.85	\$7.37
SUBTOTAL		0.29 HR		\$2.19	\$1.90	\$0.43	\$2.85	\$7.37
OVERHEAD EXPENSES								
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				\$42.56				\$42.56
OTHER EXPENSES			\$80.34					\$80.34
SUBTOTAL		1.56 HR	\$81.98	\$69.02			\$2.99	\$153.99
TOTAL OPERATING EXPENSES		13.07 HR	\$247.43	\$150.70	\$68.92	\$36.83	\$146.01	\$649.89
NET OPERATING PROFIT							(\$143.49)	
INTEREST ON OPERATING CAPITAL	(59.76	@	8.00%)		\$4.78	
INTEREST ON EQUIPMENT INVESTMENT							\$77.15	
RETURN TO LAND AND RISK							(\$225.42)	

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

BUDGET SUMMARY

GROSS RETURN		\$506.40	
VARIABLE OPERATING EXPENSES	\$353.18		
RETURN OVER VARIABLE EXPENSES	\$153.22	(GROSS MARGIN)	
FIXED EXPENSES	\$146.01		
NET FARM INCOME	\$7.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$150.70		
NET OPERATING PROFIT	(\$143.49)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$81.93		
RETURN TO LAND AND RISK	(\$225.42)		

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
GROSS RETURNS			
GRAIN SORGHUM	\$3.95	60 CWT	\$237.00
DIRECT PAYMENT	\$0.625	60 CWT	\$37.50
COUNTER CYCLICAL PAYMENT	\$0.00	0 CWT	\$0.00
GRAZING	\$10.00	1 ACRE	\$10.00
TOTAL			\$284.50

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
SUBTOTAL			\$61.17	\$20.00	\$81.17

PREHARVEST OPERATIONS	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
SUBTOTAL		6.65 HR		\$46.63	\$41.18	\$15.51	\$65.82	\$169.14

HARVEST OPERATIONS

COMBINE (CUSTOM)			\$25.20					\$25.20
HAUL (CUSTOM)			\$11.40					\$11.40
SUBTOTAL		0.00 HR	36.60					36.60

OVERHEAD EXPENSES

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				\$21.94				\$21.94
OTHER EXPENSES			\$80.34					\$80.34
SUBTOTAL		0.61 HR	\$81.28	\$34.96		\$2.99		\$119.22

TOTAL OPERATING EXPENSES 7.26 HR \$179.05 \$81.59 \$41.18 \$15.51 \$88.81 \$406.13

NET OPERATING PROFIT (\$121.63)

INTEREST ON OPERATING CAPITAL (47.81 @ 8.00%) \$3.82
 INTEREST ON EQUIPMENT INVESTMENT \$38.32

RETURN TO LAND AND RISK (\$163.78)

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

BUDGET SUMMARY

GROSS RETURN		\$284.50	
VARIABLE OPERATING EXPENSES	\$235.73		
RETURN OVER VARIABLE EXPENSES	\$48.77	(GROSS MARGIN)	
FIXED EXPENSES	\$88.81		
NET FARM INCOME		(\$40.04)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$81.59		
NET OPERATING PROFIT		(\$121.63)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$42.15		
RETURN TO LAND AND RISK		(\$163.78)	

TABLE 9. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, 2003.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN SILAGE	PICKER COTTON	GRAIN SORGHUM
	-----FLOOD-----				
		TONS	TONS	LBS	CWT
PRIMARY YIELD		6.50	25.00	600.00	60.00
PRIMARY PRICE		130.00	19.00	0.57	3.95
GOVERNMENT PAYMENTS		0.00	0.00	92.40	37.50
SECOND INCOME		15.00	0.00	72.00	10.00
GROSS RETURN		\$860.00	\$475.00	\$506.40	\$284.50
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		\$21.72			
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				\$92.52	\$36.60
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	\$144.16	\$181.57	\$356.17	\$238.72
RETURN OVER CASH EXPENSES	(\$135.99)	\$715.84	\$293.43	\$150.23	\$45.78
FIXED EXPENSES	\$48.33	\$163.79	\$61.42	\$143.02	\$85.82
TOTAL EXPENSES	\$184.32	\$307.95	\$242.99	\$499.19	\$324.54
NET FARM INCOME	(\$184.32)	\$552.05	\$232.01	\$7.21	(\$40.04)
LABOR AND MANAGEMENT COSTS	\$54.47	\$119.85	\$91.43	\$150.70	\$81.59
NET OPERATING PROFIT	(\$238.79)	\$432.20	\$140.57	(\$143.49)	(\$121.63)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.33	\$3.12	\$4.78	\$3.82
INTEREST ON EQUIPMENT INVESTMENT		\$27.96	\$24.21	\$77.15	\$38.32
TOTAL CAPITAL COSTS	\$0.00	\$29.28	\$27.32	\$81.93	\$42.15
RETURN TO LAND AND RISK	(\$238.79)	\$402.91	\$113.25	(\$225.42)	(\$163.78)

TABLE 10. Whole farm summary, Virden area, Hidalgo County, 2003.

GROSS RETURNS		
ALFALFA HAY	45 ACRES	
CROP		\$38,025
GRAZING		\$675
CORN SILAGE	43 ACRES	
CROP		\$20,425
UPLAND COTTON	68 ACRES	
LINT		\$23,256
SEED		\$4,896
DIRECT PAYMENT		\$2,001
COUNTER CYCLICAL PAYMENT		\$3,562
GRAIN SORGHUM	34 ACRES	
CROP		\$8,058
DIRECT PAYMENT		\$1,275
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$340
GROSS RETURN		<u>\$102,173</u>
CASH OPERATING EXPENSES		
SEED		\$3,546
FERTILIZER		\$5,564
CHEMICALS		\$1,820
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$978
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$6,911
FUEL-IRRIGATION		\$2,215
REPAIRS		\$3,942
CUSTOM CHARGES		\$7,536
LAND TAXES		\$568
OTHER EXPENSES		\$15,491
TOTAL CASH EXPENSES		<u>\$48,671</u>
RETURN OVER CASH EXPENSES		\$53,502
FIXED EXPENSES		\$19,798
TOTAL EXPENSES		\$68,469
NET FARM INCOME		\$33,704
LABOR AND MANAGEMENT COSTS		\$23,163
NET OPERATING PROFIT		\$10,540
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$649
INTEREST ON EQUIPMENT INVESTMENT		\$8,848
TOTAL CAPITAL COSTS		<u>\$9,497</u>
RETURN TO LAND AND RISK		<u>\$1,044</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$4,556)	4.33%
\$900 /ACRE	(\$6,156)	3.72%
\$1,100 /ACRE	(\$7,756)	3.26%
\$1,300 /ACRE	(\$9,356)	2.90%
\$1,500 /ACRE	(\$10,956)	2.61%
\$1,700 /ACRE	(\$12,556)	2.38%
\$1,900 /ACRE	(\$14,156)	2.18%

* 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)