

TABLE 1. Basic cost information for Lea County, 2003.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.55
General & Irrigators	\$/hour		\$6.75
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.36
Phosphate (P205)	\$/pound		\$0.33
Seed:			
Alfalfa	\$/pound		\$3.00
Wheat	\$/pound		\$0.13
Cotton	\$/pound		\$0.56
Electricity (Lea Co Elec Coop)	cents/KwHr		4.96
Natural gas (Gas Co NM)	\$/MCF		\$3.28
Service Charge	\$/month		\$10.00
Diesel fuel	\$/gallon		\$1.30
Gasoline	\$/gallon		\$1.35
LP Gas	\$/gallon		\$1.21
Employee Liability Insurance	\$/(\$1,000 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	0.075	7.00%
Equipment Interest Rate	percent		8.00%
Real Interest Rate	percent		4.00%
Land Taxes	\$90.00 /acre (full value)		\$0.78
Personal Property Tax Rate - NR	\$/(\$1,000 (Assessed Value)		\$26.04
- R			\$24.13
Supervision Factors			
Field Crop-Irrigation	\$/labor hour		\$1.00
Field Crop-Equipment & General	\$/labor hour		\$0.50
Management Rate	percent		7.00%

BUDGET AREA..... SOUTHERN HIGH PLAINS, LEA COUNTY, 2003.
 FARM SIZE..... 480 ACRES
 IRRIGATION TYPE..... SPRINKLER
 NUMBER OF CROPS... 3

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		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 1a. Overhead cost information for Lea County, 2003.

ITEM			
Electricity (Domestic & Shop)		\$115.00 per month	\$1,380
Telephone		\$115.00 per month	\$1,380
Accounting & Legal			\$1,555
Misc. Supplies & Hand Tools			\$2,270
Pickup and Auto			
miles	20,600 @	\$0.365 per mile	\$7,519
Insurance			
- general liability (non-employee)			\$1,675
- fire/theft			\$1,330
Property Taxes			
- non-planted land			\$82
- other than land & machinery			\$610
Building repairs and maintenance			\$2,370
Dues, fees, publications			\$380
Farmstead Equipment			\$165
		Total	\$20,716
Total per planted acre			\$55.24

TABLE 2. Pumping costs and data for irrigation wells, Lea County, 2003.

INPUT DATA	
DELIVERY PSI: SPRINKLER...	40
DEPTH CHARACTERISTICS: STATIC.....	70
DRAW DOV.....	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.....	0.00 CENTS/K wHr
NATURAL GAS.....	\$0.00 \$/MCF
LP GAS.....	\$0.00 \$/GAL
DIESEL.....	\$0.00 \$/GAL

FUEL PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR.....	\$ 0.03
COST PER ACRE INCH.....	\$ 0.02
NATURAL GAS WELL:	
COST PER HOUR.....	\$ 0.03
COST PER ACRE INCH.....	\$ 0.02
LP GAS WELL:	
COST PER HOUR.....	\$ 0.03
COST PER ACRE INCH.....	\$ 0.02
DIESEL WELL:	
COST PER HOUR.....	\$ 0.03
COST PER ACRE INCH.....	\$ 0.02

TABLE 3. Equipment summary for a 480 acre sprinkler-irrigated farm with above average management, Lea 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 126 HP	344	1	\$31,240	\$3,164	\$2,263	\$9.19	\$6.58	\$2,740	\$297	\$8.82
TRACTOR 155 HP	483	1	\$14,420	\$5,462	\$5,172	\$11.31	\$10.71	\$3,500	\$228	\$7.72
COTTON STRIPPER (MTD)	89	1	\$2,520		\$389		\$4.37	\$1,150	\$50	\$13.46
SWATHER 16 FT	69	1	\$24,740	\$335	\$299	\$4.87	\$4.34	\$3,621	\$314	\$57.23
BALER PTO 2-WIRE & ACCUM.	156	1	\$4,100		\$327		\$2.09	\$550	\$48	\$3.83
DISC 14 FT	76	1	\$3,000		\$139		\$1.83	\$400	\$26	\$5.61
DRILL 13 FT	23	1	\$2,150		\$62		\$2.71	\$430	\$19	\$19.59
PLOW (MOLDBOARD) 4-14 IN	79	1	\$4,000		\$190		\$2.40	\$533	\$35	\$7.18
CHISEL 9 PT.	16	1	\$1,350		\$19		\$1.16	\$180	\$12	\$12.03
PLANTER 6-ROW	24	1	\$4,250		\$131		\$5.36	\$850	\$37	\$36.29
FLOAT 12 FT	4	1	\$500		\$0		\$0.02	\$53	\$3	\$14.24
CULTIVATOR 6-ROW	56	1	\$2,500		\$87		\$1.55	\$333	\$22	\$6.33
FRONT END LOADER	156	1	\$2,550		\$0		\$0.00	\$255	\$22	\$1.77
SHREDDER 4-ROW	20	1	\$2,500		\$23		\$1.15	\$333	\$22	\$17.64
ANHYDROUS APPLICATOR	18	1	\$1,500		\$34		\$1.89	\$200	\$13	\$11.79
FERT SPREADER DEALER FURNI: MODULE BUILDER	89	1	\$8,000		\$663		\$7.44	\$1,067	\$69	\$12.75
CENTER PIVOT SPRINKLER	6261	3	\$45,000	\$155	\$1,002	\$0.02	\$0.16	\$6,000	\$391	\$1.02
NATURAL GAS WELL	6261	5	\$74,375	\$13,745	\$1,252	\$2.20	\$0.20	\$5,950	\$646	\$1.15
			\$228,695	\$22,862	\$12,051			\$28,145	\$2,253	

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.
Planting dates: August 15 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	\$3.00	30 LBS						\$90.00
NITROGEN (N)	\$0.36	55 LBS						\$19.80
PHOSPHATE (P205)	\$0.33	140 LBS						\$46.20
PUMP WATER		6 AC. IN.						
SUBTOTAL								\$156.00
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	155 HP	0.48 HR		\$3.62	\$5.43	\$6.29	\$7.15	\$22.50
DISC (2X)	155 HP	0.28 HR		\$2.11	\$3.17	\$3.51	\$3.73	\$12.53
FLOAT	155 HP	0.19 HR		\$1.43	\$2.15	\$2.04	\$4.17	\$9.79
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.46	\$0.33	\$0.44	\$1.61
DRILL	126 HP	0.18 HR		\$1.36	\$1.66	\$1.67	\$5.11	\$9.80
IRRIGATE (3X)		0.30 HR		\$2.03	\$8.04	\$1.30	\$7.86	\$19.22
SUBTOTAL		1.48 HR		\$10.93	\$20.90	\$15.15	\$28.47	\$75.45
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.30 HR		\$2.23				\$2.23
EMPLOYEE BENEFITS				\$1.97				\$1.97
INSURANCE			\$0.22					\$0.22
SUPERVISION AND MANAGEMENT				\$17.09				\$17.09
SUBTOTAL		0.30 HR	\$0.22	\$21.29				\$21.51
TOTAL OPERATING EXPENSES		1.78 HR	\$156.22	\$32.22	\$20.90	\$15.15	\$28.47	\$252.95

TABLE 5. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.

Harvest dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
ALFALFA HAY	\$140.00	6.00	TONS (STACKED)						\$840.00
TOTAL								\$840.00	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
PHOSPHATE (P2O5)	\$0.33	90	LBS					\$29.70	\$29.70
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					\$42.16	\$42.16
: Interest								\$11.15	\$11.15
PUMP WATER*		42	AC. IN.						
SUBTOTAL				\$75.68				\$53.30	\$128.99
PREHARVEST OPERATIONS									
PURCHASED INPUTS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS		LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	126 HP	0.05	HR		\$0.38	\$0.46	\$0.33	\$0.44	\$1.61
IRRIGATE		1.40	HR		\$9.45	\$56.27	\$9.12	\$54.99	\$129.84
SUBTOTAL		1.45	HR		\$9.83	\$56.73	\$9.45	\$55.44	\$131.44
HARVEST OPERATIONS									
SWATHER (5X)	16 FT SP	0.55	HR		\$4.15	\$2.68	\$2.39	\$31.48	\$40.70
BALER & ACCUM (5X)	155 HP	1.25	HR		\$9.44	\$14.14	\$16.00	\$14.43	\$54.01
FRONT END LOADER (5X)	126 HP	1.25	HR		\$9.44	\$11.49	\$8.22	\$13.25	\$42.40
SUBTOTAL		3.05	HR		\$23.03	\$28.31	\$26.61	\$59.16	\$137.10
OVERHEAD EXPENSES									
DOWNTIME		0.78	HR		\$5.85				\$5.85
EMPLOYEE BENEFITS					\$5.91				\$5.91
INSURANCE					\$0.66				\$0.66
LAND TAXES									\$0.78
SUPERVISION AND MANAGEMENT					\$61.75				\$61.75
OTHER EXPENSES					\$55.24				\$55.24
SUBTOTAL		0.78	HR		\$55.90	\$73.52		\$0.78	\$130.20
TOTAL OPERATING EXPENSES		5.28	HR		\$131.58	\$106.37	\$85.04	\$36.06	\$168.68
NET OPERATING PROFIT								\$312.27	
INTEREST ON OPERATING CAPITAL	(\$58.96	@	8.00%)				\$4.72
INTEREST ON EQUIPMENT INVESTMENT									\$26.89
RETURN TO LAND AND RISK								\$280.66	

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

BUDGET SUMMARY

GROSS RETURN		\$840.00	
VARIABLE OPERATING EXPENSES	\$252.68		
RETURN OVER VARIABLE EXPENSES		\$587.32	(GROSS MARGIN)
FIXED EXPENSES	\$168.68		
NET FARM INCOME		\$418.64	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$106.37		
NET OPERATING PROFIT		\$312.27	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$31.61		
RETURN TO LAND AND RISK		\$280.66	

TABLE 6. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.

Planting dates: August 15 - October 30

Harvest dates: June 20 - July 5

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	\$3.95	48.00	BUSHELS					\$189.60
DIRECT PAYMENT	\$0.52	48.00	BUSHELS					\$24.96
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$50.00	1.00	ACRE					\$50.00
TOTAL								\$264.56
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.13	90	LBS	\$11.70				\$11.70
PHOSPHATE (P205)	\$0.33	70	LBS	\$23.10				\$23.10
ANHYDROUS AMMONIA (NH3)	\$0.1500	200	LBS	\$30.00				\$30.00
PUMP WATER*		20	ACRE IN.					
CROP INSURANCE	\$0.47			\$0.47				\$0.47
SUBTOTAL				\$65.27				\$65.27
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	155 HP	0.15 HR		\$1.13	\$1.70	\$1.78	\$2.96	\$7.57
DISC	155 HP	0.14 HR		\$1.06	\$1.58	\$1.76	\$1.87	\$6.26
ANNHYDROUS APPL	155 HP	0.17 HR		\$1.28	\$1.92	\$2.14	\$3.32	\$8.67
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.46	\$0.33	\$0.44	\$1.61
DISC	155 HP	0.14 HR		\$1.06	\$1.58	\$1.76	\$1.87	\$6.26
DRILL	126 HP	0.18 HR		\$1.36	\$1.66	\$1.67	\$5.11	\$9.80
IRRIGATE (12X)		1.20 HR		\$8.10	\$26.79	\$4.34	\$26.19	\$65.43
SUBTOTAL		2.03 HR		\$14.37	\$35.70	\$13.78	\$41.76	\$105.60
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		\$1.57				\$1.57
EMPLOYEE BENEFITS				\$2.59				\$2.59
INSURANCE				\$0.29				\$0.29
LAND TAXES							\$0.78	\$0.78
SUPERVISION AND MANAGEMENT				\$20.13				\$20.13
OTHER EXPENSES				\$55.24				\$55.24
SUBTOTAL		0.21 HR		\$55.53	\$24.29		\$0.78	\$80.60
TOTAL OPERATING EXPENSES		2.24 HR		\$141.15	\$38.65	\$35.70	\$13.78	\$42.54
NET OPERATING PROFIT								(\$7.26)
INTEREST ON OPERATING CAPITAL	(\$46.70	@	8.00%				\$3.74
INTEREST ON EQUIPMENT INVESTMENT								\$6.72
RETURN TO LAND AND RISK								(\$17.71)

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

BUDGET SUMMARY

GROSS RETURN		\$264.56	
VARIABLE OPERATING EXPENSES	\$190.62		
RETURN OVER VARIABLE EXPENSES		\$73.94	(GROSS MARGIN)
FIXED EXPENSES	\$42.54		
NET FARM INCOME		\$31.40	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$38.65		
NET OPERATING PROFIT		(\$7.26)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$10.45		
RETURN TO LAND AND RISK		(\$17.71)	

TABLE 7. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.
 Planting dates: May 1 - May 25
 Harvest dates: November 1 - December 15

ITEM	PRICE	YIELD							TOTAL	
GROSS RETURNS										
LINT	\$0.520	425.00	LBS						\$221.00	
SEED	\$0.08	680.00	LBS						\$51.00	
DIRECT PAYMENT	\$0.0599	425.00	LBS						\$25.46	
COUNTER CYCLICAL PAYMENT	\$0.1373	425.00	LBS						\$58.35	
TOTAL								\$355.81		
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS							TOTAL
SEED	\$0.56	20	LBS	\$11.20						\$11.20
NITROGEN (N)	\$0.36	32	LBS	\$11.52						\$11.52
PHOSPHATE (P2O5)	\$0.33	40	LBS	\$13.20						\$13.20
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				\$66.54						\$66.54
PREHARVEST OPERATIONS										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
PLOW	155 HP	0.48 HR		\$3.62	\$5.43	\$6.29	\$7.15	\$22.50		
DISC	155 HP	0.14 HR		\$1.06	\$1.58	\$1.76	\$1.87	\$6.26		
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.46	\$0.33	\$0.44	\$1.61		
DISC	155 HP	0.14 HR		\$1.06	\$1.58	\$1.76	\$1.87	\$6.26		
PRE-IRRIGATE		0.10 HR		\$0.68	\$3.35	\$0.54	\$3.27	\$7.84		
PLANTER	155 HP	0.17 HR		\$1.28	\$1.92	\$2.73	\$7.48	\$13.42		
CULTIVATOR (3X)	126 HP	0.39 HR		\$2.94	\$3.59	\$3.17	\$5.91	\$15.61		
HOE (CUSTOM 2X)			\$20.00					\$20.00		
IRRIGATE (7X)		0.70 HR		\$4.73	\$23.44	\$3.80	\$22.91	\$54.89		
SUBTOTAL		2.17 HR	\$20.00	\$15.74	\$41.36	\$20.38	\$50.91	\$148.39		
HARVEST OPERATIONS										
COTTON STRIPPER	126 HP	0.62 HR		\$4.68	\$5.70	\$6.79	\$13.82	\$30.99		
MODULE BUILDER	155 HP	0.62 HR		\$4.68	\$7.01	\$11.25	\$12.69	\$35.64		
GIN COTTON (CUSTOM)			\$79.99					\$79.99		
SUBTOTAL		1.24 HR	\$79.99	\$9.36	\$12.71	\$18.04	\$26.51	\$146.61		
PREHARVEST OPERATIONS										
SHREDDER	155 HP	0.14 HR		\$1.06	\$1.58	\$1.66	\$3.55	\$7.85		
OVERHEAD EXPENSES										
DOWNTIME		0.68 HR		\$5.10				\$5.10		
EMPLOYEE BENEFITS				\$4.71				\$4.71		
INSURANCE			\$0.52					\$0.52		
LAND TAXES							\$0.78	\$0.78		
SUPERVISION AND MANAGEMENT				\$27.06				\$27.06		
OTHER EXPENSES			\$55.24					\$55.24		
SUBTOTAL		0.68 HR	\$55.77	\$36.86				\$0.78	\$93.41	
TOTAL OPERATING EXPENSES		4.23 HR	\$222.29	\$63.02	\$55.66	\$40.08	\$81.75	\$462.80		
NET OPERATING PROFIT								(\$106.99)		
INTEREST ON OPERATING CAPITAL	(\$58.74	@	8.00%)			\$4.70		
INTEREST ON EQUIPMENT INVESTMENT								\$18.01		
RETURN TO LAND AND RISK								(\$129.70)		

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

BUDGET SUMMARY

GROSS RETURN		\$355.81	
VARIABLE OPERATING EXPENSES	\$318.02		
RETURN OVER VARIABLE EXPENSES		\$37.79	(GROSS MARGIN)
FIXED EXPENSES	\$81.75		
NET FARM INCOME		(\$43.96)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$63.02		
NET OPERATING PROFIT		(\$106.99)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$22.71		
RETURN TO LAND AND RISK		(\$129.70)	

TABLE 8. Summary of per acre costs and returns for a 480 acre farm with above average management, Lea County, 2003.

	ALFALFA ESTABLISHMENT	ALFALFA HAY -----SPRINKLER-----	WHEAT	STRIPPER COTTON
		TONS	BU	LBS
PRIMARY YIELD		6.00	48.00	425.00
PRIMARY PRICE		140.00	3.95	0.52
GOVERNMENT PAYMENTS		0.00	24.96	83.81
SECOND INCOME		0.00	50.00	51.00
GROSS RETURN		\$840.00	\$264.56	\$355.81
CASH OPERATING EXPENSES				
SEED	\$90.00		\$11.70	\$11.20
FERTILIZER	\$66.00	\$29.70	\$53.10	\$24.72
CHEMICALS		\$26.88		\$30.27
CROP INSURANCE			\$0.47	\$0.35
OTHER PURCHASED INPUTS		\$19.10		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$12.86	\$28.77	\$8.90	\$28.86
FUEL-IRRIGATION	\$8.04	\$56.27	\$26.79	\$26.79
REPAIRS	\$15.15	\$36.06	\$13.78	\$40.08
CUSTOM CHARGES			\$20.35	\$99.99
LAND TAXES		\$0.78	\$0.78	\$0.78
OTHER EXPENSES	\$0.22	\$55.90	\$55.53	\$55.77
TOTAL CASH EXPENSES	\$192.26	\$253.46	\$191.41	\$318.81
RETURN OVER CASH EXPENSES	(\$192.26)	\$586.54	\$73.15	\$37.00
FIXED EXPENSES	\$28.47	\$167.90	\$41.76	\$80.97
TOTAL EXPENSES	\$220.73	\$421.36	\$233.16	\$399.77
RETURNS TO CAPITAL, LABOR, LAND & RISK	(\$220.73)	\$418.64	\$31.40	(\$43.96)
LABOR AND MANAGEMENT COSTS	\$32.22	\$106.37	\$38.65	\$63.02
RETURNS TO CAPITAL, LAND & RISK	(\$252.95)	\$312.27	(\$7.26)	(\$106.99)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$4.72	\$3.74	\$4.70
INTEREST ON EQUIPMENT INVESTMENT		\$26.89	\$6.72	\$18.01
TOTAL CAPITAL COSTS	\$0.00	\$31.61	\$10.45	\$22.71
RETURN TO LAND AND RISK	(\$252.95)	\$280.66	(\$17.71)	(\$129.70)

TABLE 9. Whole farm summary, Lea County, 2003.

GROSS RETURNS		
ALFALFA HAY	125 ACRES	
CROP		\$105,000
WHEAT	106 ACRES	
CROP		\$20,145
GRAZING		\$5,313
DIRECT PAYMENT		\$1,716
COUNTER CYCLICAL PAYMENT		\$0
COTTON	144 ACRES	
LINT		\$31,769
SEED		\$7,331
DIRECT PAYMENT		\$3,660
COUNTER CYCLICAL PAYMENT		\$8,388
GROSS RETURN		\$183,321
CASH OPERATING EXPENSES		
SEED		\$4,743
FERTILIZER		\$14,294
CHEMICALS		\$7,712
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,388
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,961
FUEL-IRRIGATION		\$13,901
REPAIRS		\$12,051
CUSTOM CHARGES		\$16,535
LAND TAXES		\$293
OTHER EXPENSES		\$20,909
TOTAL CASH EXPENSES		\$101,885
RETURN OVER CASH EXPENSES		\$81,436
FIXED EXPENSES		\$32,391
TOTAL EXPENSES		\$134,276
NET FARM INCOME		\$49,045
LABOR AND MANAGEMENT COSTS		\$27,140
NET OPERATING PROFIT		\$21,905
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,662
INTEREST ON EQUIPMENT INVESTMENT		\$6,664
TOTAL CAPITAL COSTS		\$8,326
RETURN TO LAND AND RISK		\$13,579

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$3,979	4.67%
\$700 /ACRE	\$139	3.88%
\$900 /ACRE	(\$3,701)	3.32%
\$1,100 /ACRE	(\$7,541)	2.89%
\$1,300 /ACRE	(\$11,381)	2.57%
\$1,500 /ACRE	(\$15,221)	2.31%

* 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)