

TABLE 1. Acreage Summary, Eddy County, Carlsbad Basin area, Projected 2004.

BUDGET AREA..... CARLSBAD BASIN, EDDY COUNTY			
FARM SIZE.....	200 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS.....	6		
	WATER USE		
ACREAGE SUMMARY:	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMENT *	25.00	8	200
ALFALFA	100.00	48	4,800
BARLEY	4.25	20	85
ARP	0.00		
FLEX IN PICKER COTTON	0.75	22	17
PICKER COTTON	51.00	22	1,122
ARP	0.00		
FLEX IN PICKER COTTON	9.00	22	198
STRIPPER COTTON	0.00	0	0
ARP	0.00		
FLEX	0.00		0
SUDAN	10.00	24	240
RED CHILE	5.00	48	240
ROADS, DITCHES, BORDERS, HOMESTEAD	20.00		
TOTAL	200.00		6,902
ACRE FEET PER ACRE OF WATER RIGHTS			2.88

* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Carlsbad Basin, Eddy County, Projected 2004.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$6.80
General & Irrigators		\$/hour	\$6.35
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.29
Phosphate (P ₂ O ₅)		\$/pound	\$0.20
Canal water	3 AC. FT.	\$/acre	\$43.00
Wire		\$/lb.	\$0.38
Seed:			
Alfalfa		\$/pound	\$2.80
Cotton			
Picker		\$/pound	\$0.68
Stripper		\$/pound	\$0.68
Barley		\$/pound	\$0.25
Sudan		\$/pound	\$0.54
Diesel fuel		\$/gallon	\$1.50
Gasoline		\$/gallon	\$1.45
Electricity		cents/KwHr	\$5.50
Natural Gas		\$/MCF	\$7.23
LP Gas		\$/gallon	\$0.80
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	8.00%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	8.00%
Real Interest Rate		percent	4.00%
Land Taxes		\$250.00 /acre (full value)	\$1.88
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$22.56
- R			\$19.86
Supervision Factors			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Vegetable Crop-Irrigation		\$/labor hour	\$2.90
Vegetable Crop-Equip & General		\$/labor hour	\$1.00
Management Rate			
Field Crops		percent/GR	7.00%
Vegetable Crops		percent/TOE	10.00%

TABLE 3. Overhead cost information for the Carlsbad Basin, Eddy County, Projected 2004.

Item			
Electricity (Domestic & Shop)		\$190.00 per month	\$2,280
Telephone		\$120.00 per month	\$1,440
Accounting & Legal			\$680
Misc. Supplies & Hand Tools			\$840
Pickup and Auto			
miles	15,000	@ \$0.360 per mile	\$5,400
Insurance			
- general liability (non-employee)			\$1,370
- fire/theft			\$900
Property Taxes			
- non-planted land			\$40
- other than land & machinery			\$310
Fixed Costs: Pump			\$1,610
Building repairs and maintenance			\$535
Dues, fees, publications			\$205
Farmstead Equipment			\$9,000
Total			\$24,610
Total Per Planted Acre			\$136.72

TABLE 4. Pumping costs and data for irrigation wells, Carlsbad Basin, Eddy County,
Projected 2004.

INPUT DATA	
DELIVERY PSI:	DEPTH CHARACTERISTICS:
SPRINKLER..... 0	STATIC..... 80
	DRAW DOWN..... 45
	TOTAL HEAD..... 125
	CASING..... 160
GALLONS PER MINUTE (GPM) 1,200	
WORK HORSEPOWER 38	
EFFICIENCY FACTOR:	
ELECTRICITY 0.47	
NATURAL GAS 0.12	
LP GAS 0.12	
DIESEL 0.16	
FUEL COST PER UNIT:	
ELECTRICITY 5.5 cents/KwHr	
NATURAL GAS \$7.23 /MCF	
LP GAS \$0.80 /GAL	
DIESEL \$1.50 /GAL	

FUEL PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR \$3.34	
COST PER ACRE INCH \$1.26	
NATURAL GAS WELL:	
COST PER HOUR \$6.40	
COST PER ACRE INCH \$2.41	
LP GAS WELL:	
COST PER HOUR \$7.03	
COST PER ACRE INCH \$2.65	
DIESEL WELL:	
COST PER HOUR \$6.41	
COST PER ACRE INCH \$2.42	

TABLE 5. Equipment summary for a 200 acre flood-irrigated farm with above average management, Carlsbad Basin
Projected 2004.

EQUIPMENT		ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS			FIXED COSTS			
ITEM & SIZE	FUEL, OIL, LUBRICANT				REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR 27 HP		93	1	\$2,330	\$272	\$25	\$2.93	\$0.27	\$50	\$9	\$0.64
TRACTOR 96 HP		169	1	\$26,855	\$1,740	\$1,075	\$10.30	\$6.37	\$1,930	\$218	\$12.72
TRACTOR 145 HP		254	1	\$31,475	\$3,435	\$1,239	\$13.55	\$4.88	\$4,652	\$262	\$19.38
SWATHER 14 FT SP		80	1	\$3,900	\$449	\$302	\$5.62	\$3.77	\$1,450	\$109	\$19.49
BORDER DISC 6 DISC		33	1	\$300		\$7		\$0.22	\$40	\$2	\$1.27
DISC 12 FT		51	1	\$2,250		\$73		\$1.44	\$300	\$17	\$6.27
PLOW 3-16 IN		69	1	\$3,350		\$142		\$2.04	\$447	\$25	\$6.80
CULTIVATOR 4 ROW		54	1	\$1,500		\$52		\$0.96	\$200	\$11	\$3.90
DRILL 12 FT		8	1	\$2,200		\$14		\$1.67	\$220	\$17	\$28.70
PLANTER 4 ROW		17	1	\$3,400		\$59		\$3.47	\$340	\$26	\$21.38
DRAG 12 FT		18	1	\$250		\$1		\$0.03	\$17	\$2	\$1.04
LISTER 4 ROW		12	1	\$1,600		\$16		\$1.38	\$107	\$12	\$10.03
SHREDDER 2 ROW		19	1	\$1,250		\$9		\$0.45	\$83	\$9	\$4.86
BALER PTO 2 WIRE		126	1	\$1,500		\$257		\$2.04	\$385	\$29	\$3.29
RIPPER 7 SHANK		7	1	\$1,200		\$8		\$1.20	\$160	\$9	\$25.04
COTTON TRAILER		30	5	\$3,500		\$1		\$0.03	\$467	\$26	\$16.23
VEGETABLE TRAILER		5	1	\$700		\$0		\$0.03	\$93	\$5	\$19.72
HAY RAKE 1 REEL		48	1	\$750		\$30		\$0.62	\$100	\$6	\$2.20
ROLLING CULTIVATOR 4 ROW		13	1	\$2,000		\$22		\$1.72	\$267	\$15	\$22.08
ELECTRIC WELL		91	1	\$13,200	\$302	\$8	\$3.34	\$0.09	\$1,389	\$99	\$16.45
TOTAL				\$103,510	\$6,199	\$3,339			\$12,696	\$909	

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2004.
Planting dates: August 20 - September 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	\$2.80	25.00 LBS		\$70.00				\$70.00
CANAL WATER		8.00 AC. IN.		\$0.00				
PUMP WATER		0.00 AC. IN.						
SUBTOTAL				\$70.00				\$70.00
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.16	\$2.30	\$1.08	\$4.36	\$8.90
PLOW	145 HP	0.67 HR		\$4.56	\$9.08	\$4.64	\$17.54	\$35.82
DISC (3X)	145 HP	0.51 HR		\$3.47	\$6.91	\$3.23	\$13.08	\$26.69
LASER (CUSTOM)			\$73.33					\$73.33
RIPPER	145 HP	0.27 HR		\$1.84	\$3.66	\$1.64	\$11.99	\$19.13
DISC	145 HP	0.17 HR		\$1.16	\$2.30	\$1.08	\$4.36	\$8.90
DRAG	96 HP	0.17 HR		\$1.16	\$1.75	\$1.09	\$2.34	\$6.33
BORDER DISC (2X)	27 HP	0.10 HR		\$0.68	\$0.29	\$0.05	\$0.19	\$1.21
DRILL	96 HP	0.21 HR		\$1.43	\$2.16	\$1.69	\$8.70	\$13.98
IRRIGATE (2X)		1.00 HR		\$6.35	\$0.00	\$0.00	\$0.00	\$6.35
SUBTOTAL		3.27 HR	\$73.33	\$21.79	\$28.46	\$14.49	\$62.57	\$200.63
OVERHEAD EXPENSES								
DOWNTIME		0.57 HR		\$3.86				\$3.86
EMPLOYEE BENEFITS				\$3.92				\$3.92
INSURANCE			\$0.44					\$0.44
SUPERVISION AND MANAGEMENT				\$21.08				\$21.08
SUBTOTAL		0.57 HR	\$0.44	\$28.86				\$29.30
TOTAL OPERATING EXPENSES		3.84 HR	\$143.77	\$50.65	\$28.46	\$14.49	\$62.57	\$299.92

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2004.
Harvesting dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL		
GROSS RETURNS										
ALFALFA HAY	\$140.00	7.0 TONS (STACKED)						\$980.00		
GRAZING	\$10.00	1.0 ACRE						\$10.00		
TOTAL								\$990.00		
PURCHASED INPUTS										
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL		
NITROGEN (N)	\$0.29	36 LBS	\$10.44					\$10.44		
PHOSPHATE (P205)	\$0.20	92 LBS	\$18.40					\$18.40		
INSECTICIDE (CUSTOM)	\$27.53	1 X/ACRE	\$27.53					\$27.53		
HERBICIDE (CUSTOM)	\$26.23	1 X/ACRE	\$26.23					\$26.23		
WIRE	\$0.38	51 LBS	\$19.51					\$19.51		
ESTABLISHMENT: Principal		4 YEARS					\$74.98	\$74.98		
: Interest							\$12.32	\$12.32		
CANAL WATER		48 AC. IN.	\$43.00					\$43.00		
PUMP WATER*		0 AC. IN.						\$0.00		
SUBTOTAL			\$145.11				\$87.30	\$232.41		
PREHARVEST OPERATIONS										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
BORDER DISC (6X)	27 HP	0.30 HR		\$2.04	\$0.88	\$0.15	\$0.57	\$3.64		
FERTILIZE	DEALER APPLIED									
IRRIGATE (8X)		4.00 HR		\$25.40	\$0.00	\$0.00	\$0.00	\$25.40		
SUBTOTAL			4.30 HR		\$27.44	\$0.88	\$0.15	\$0.57	\$29.04	
HARVEST OPERATIONS										
SWATHER (6X)	14 FT SP	0.80 HR		\$5.44	\$4.49	\$3.02	\$15.59	\$28.54		
RAKE (4X)	96 HP	0.48 HR		\$3.26	\$4.95	\$3.35	\$7.16	\$18.72		
BALER (6X)	145 HP	1.26 HR		\$8.57	\$17.07	\$8.73	\$28.56	\$62.92		
BALEWAGON			\$67.20					\$67.20		
SUBTOTAL			2.54 HR		\$67.20	\$17.27	\$26.51	\$15.09	\$51.31	\$177.38
OVERHEAD EXPENSES										
DOWNTIME		0.71 HR		\$4.83				\$4.83		
EMPLOYEE BENEFITS				\$8.05				\$8.05		
INSURANCE			\$0.89					\$0.89		
LAND TAXES							\$1.88	\$1.88		
SUPERVISION AND MANGEMENT				\$74.72				\$74.72		
OTHER EXPENSES			\$136.72					\$136.72		
SUBTOTAL			0.71 HR		\$137.62	\$87.60	\$1.88	\$227.09		
TOTAL OPERATING EXPENSES		7.55 HR		\$349.92	\$132.31	\$27.39	\$15.24	\$141.07	\$665.93	
NET OPERATING PROFIT								\$324.07		
INTEREST ON OPERATING CAPITAL		(	\$76.28	@	8.00%	)		\$6.10
INTEREST ON EQUIPMENT INVESTMENT								\$36.27		
RETURN TO LAND AND RISK								\$281.70		

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

BUDGET SUMMARY

GROSS RETURN		\$990.00	
VARIABLE OPERATING EXPENSES	\$392.55		
RETURN OVER VARIABLE EXPENSES	\$597.45		(GROSS MARGIN)
FIXED EXPENSES	\$141.07		
NET FARM INCOME	\$456.38		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$132.31		
NET OPERATING PROFIT	\$324.07		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$42.37		
RETURN TO LAND AND RISK		\$281.70	

TABLE 8. Barley, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2004.
Planting dates: August 20 - September 30
Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
BARLEY	\$3.50	45.0 CWT		\$157.50
DIRECT PAYMENT	\$0.24	45.0 CWT	0.85	\$9.18
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$40.00	1.0 ACRE		\$40.00
TOTAL				\$206.68

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.25	110 LBS	\$27.50		\$27.50
NITROGEN (N)	\$0.29	40 LBS	\$11.60		\$11.60
HERBICIDE	\$14.11	1 X/ACRE	\$14.11		\$14.11
CANAL WATER		20 AC. IN.	\$43.00		\$43.00
PUMP WATER*		0 AC. IN.			\$0.00
CROP INSURANCE	\$11.76		\$11.76		\$11.76
SUBTOTAL			\$107.97		\$107.97

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$4.56	\$9.08	\$4.64	\$17.54	\$35.82
DISC (2X)	145 HP	0.34 HR		\$2.31	\$4.61	\$2.15	\$8.72	\$17.79
DRAG	96 HP	0.17 HR		\$1.16	\$1.75	\$1.09	\$2.34	\$6.33
BORDER DISC	27 HP	0.05 HR		\$0.34	\$0.15	\$0.02	\$0.10	\$0.61
DRILL	96 HP	0.21 HR		\$1.43	\$2.16	\$1.69	\$8.70	\$13.98
IRRIGATE (5X)		2.50 HR		\$15.88	\$0.00	\$0.00	\$0.00	\$15.88
SUBTOTAL		3.94 HR		\$25.67	\$17.74	\$9.59	\$37.40	\$90.40

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$14.68					\$14.68
HAUL (CUSTOM)			\$7.80					\$7.80
SUBTOTAL			\$22.48					\$22.48

OVERHEAD EXPENSES								
DOWNTIME		0.36 HR		\$2.45				\$2.45
EMPLOYEE BENEFITS				\$4.62				\$4.62
INSURANCE			\$0.51					\$0.51
LAND TAXES						\$1.88		\$1.88
SUPERVISION AND MANGEMENT				\$14.25				\$14.25
OTHER EXPENSES			\$136.72					\$136.72
SUBTOTAL		0.36 HR		\$137.24	\$21.31		\$1.88	\$160.43

TOTAL OPERATING EXPENSES 4.30 HR \$267.69 \$46.98 \$17.74 \$9.59 \$39.28 \$381.28

NET OPERATING PROFIT (\$174.60)

INTEREST ON OPERATING CAPITAL (\$62.69 @ 8.00%) \$5.02
INTEREST ON EQUIPMENT INVESTMENT \$24.89

RETURN TO LAND AND RISK (\$204.51)

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

BUDGET SUMMARY

GROSS RETURN		\$206.68		
VARIABLE OPERATING EXPENSES	\$295.02			
RETURN OVER VARIABLE EXPENSES		(\$88.34)	(GROSS MARGIN)	
FIXED EXPENSES	\$39.28			
NET FARM INCOME		(\$127.62)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$46.98			
NET OPERATING PROFIT		(\$174.60)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$29.91			
RETURN TO LAND AND RISK		(\$204.51)		

TABLE 9. Sudan, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin
 Projected 2004.
 Planting Dates: August 20 - September 30
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAZING	\$110.00	6.8 TON (STACKED)						\$748.00
TOTAL								\$748.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.54	25 LBS	\$13.50					\$13.50
NITROGEN (N)	\$0.29	250 LBS	\$72.50					\$72.50
PHOSPHATE (P2O5)	\$0.20	60 LBS	\$12.00					\$12.00
CANAL WATER		24 AC. IN.	\$43.00					\$43.00
PUMP WATER*		0 AC. IN.						\$0.00
SUBTOTAL			\$141.00					\$141.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$4.56	\$9.08	\$4.64	\$17.54	\$35.82
DISC (2X)	145 HP	0.28 HR		\$1.90	\$3.79	\$1.77	\$7.18	\$14.65
DRAG	96 HP	0.17 HR		\$1.16	\$1.75	\$1.09	\$2.34	\$6.33
BORDER DISC	27 HP	0.05 HR		\$0.34	\$0.15	\$0.02	\$0.10	\$0.61
DRILL	96 HP	0.21 HR		\$1.43	\$2.16	\$1.69	\$8.70	\$13.98
IRRIGATE (6X)		3.00 HR		\$19.05	\$0.00	\$0.00	\$0.00	\$19.05
SUBTOTAL		4.38 HR		\$28.43	\$16.93	\$9.21	\$35.86	\$90.43

OVERHEAD EXPENSES								
DOWNTIME		0.35 HR		\$2.35				\$2.35
EMPLOYEE BENEFITS				\$5.12				\$5.12
INSURANCE			\$0.57					\$0.57
LAND TAXES						\$1.88		\$1.88
SUPERVISION AND MANGEMENT				\$56.05				\$56.05
OTHER EXPENSES			\$136.72					\$136.72
SUBTOTAL		0.35 HR	\$137.29	\$63.51		\$1.88		\$202.69

TOTAL OPERATING EXPENSES		4.73 HR	\$278.29	\$91.95	\$16.93	\$9.21	\$37.74	\$434.12
NET OPERATING PROFIT								\$313.88
INTEREST ON OPERATING CAPITAL	(	\$77.04	@	8.00%	)			\$6.16
INTEREST ON EQUIPMENT INVESTMENT								\$24.02
RETURN TO LAND AND RISK								\$283.70

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

BUDGET SUMMARY

GROSS RETURN		\$748.00	
VARIABLE OPERATING EXPENSES	\$304.44		
RETURN OVER VARIABLE EXPENSES		\$443.56	(GROSS MARGIN)
FIXED EXPENSES	\$37.74		
NET FARM INCOME		\$405.83	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$91.95		
NET OPERATING PROFIT		\$313.88	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.18		
RETURN TO LAND AND RISK		\$283.70	

TABLE 10. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2004.
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
COTTON LINT	\$0.55	980 LBS						\$539.00	
COTTON SEED	\$0.08	1,568 LBS						\$117.60	
DIRECT PAYMENT	\$0.0667	980 LBS	0.85					\$55.56	
COUNTER CYCLICAL PAYMENT	\$0.1373	675 LBS	0.85					\$78.78	
TOTAL								\$790.94	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.68	20 LBS	\$13.60					\$13.60	
NITROGEN (N)	\$0.29	20 LBS	\$5.80					\$5.80	
PHOSPHATE (P205)	\$0.20	40 LBS	\$8.00					\$8.00	
HERBICIDE	\$13.22	1 ACRE	\$13.22					\$13.22	
INSECTICIDE (CUSTOM)	\$27.39	2 X/ACRE	\$54.78					\$54.78	
CROP INSURANCE		FCIC	\$0.82					\$0.82	
CANAL WATER		22 AC. IN.	\$43.00					\$43.00	
PUMP WATER*		0 AC. IN.						\$0.00	
SUBTOTAL			\$139.23					\$139.23	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	145 HP	0.67 HR		\$4.56	\$9.08	\$4.64	\$17.54	\$35.82	
DISC	145 HP	0.17 HR		\$1.16	\$2.30	\$1.08	\$4.36	\$8.90	
DRAG	96 HP	0.17 HR		\$1.16	\$1.75	\$1.09	\$2.34	\$6.33	
DISC & SPRAY	145 HP	0.20 HR		\$1.36	\$2.71	\$1.26	\$5.13	\$10.47	
LISTER	96 HP	0.18 HR		\$1.22	\$1.85	\$1.39	\$4.09	\$8.57	
FERTILIZE	DEALER APPLIED								
PRE-IRRIGATE		0.75 HR		\$4.76	\$0.00	\$0.00	\$0.00	\$4.76	
ROLLING CULTIVATOR	96 HP	0.21 HR		\$1.43	\$2.16	\$1.70	\$7.31	\$12.60	
PLANTER	96 HP	0.26 HR		\$1.77	\$2.68	\$2.56	\$8.87	\$15.87	
CULTIVATOR (4X)	27 HP	0.84 HR		\$5.71	\$2.47	\$1.03	\$3.81	\$13.02	
HOEING			\$20.00					\$20.00	
IRRIGATE (3X)		1.50 HR		\$9.53	\$0.00	\$0.00	\$0.00	\$9.53	
SUBTOTAL		4.95 HR	\$20.00	\$32.65	\$25.00	\$14.75	\$53.45	\$145.86	
HARVEST OPERATIONS									
COTTON PICKER (CUSTOM)			\$146.71					\$146.71	
HAUL	80 HP	0.50 HR		\$3.40	\$5.15	\$3.20	\$14.47	\$26.22	
GIN COTTON (CUSTOM)			\$146.71					\$146.71	
SUBTOTAL		0.50 HR	\$293.41	\$3.40	\$5.15	\$3.20	\$14.47	\$319.63	
POSTHARVEST OPERATIONS									
SHREDDER	80 HP	0.29 HR		\$1.97	\$2.99	\$1.98	\$5.10	\$12.04	
SUBTOTAL		0.29 HR		\$1.97	\$2.99	\$1.98	\$5.10	\$12.04	
OVERHEAD EXPENSES									
DOWNTIME		0.83 HR		\$5.64				\$5.64	
EMPLOYEE BENEFITS				\$6.84				\$6.84	
INSURANCE			\$0.76					\$0.76	
LAND TAXES							\$1.88	\$1.88	
SUPERVISION AND MANGEMENT				\$59.28				\$59.28	
OTHER EXPENSES			\$136.72					\$136.72	
SUBTOTAL		0.83 HR	\$137.48	\$71.76			\$1.88	\$211.13	
TOTAL OPERATING EXPENSES		6.57 HR	\$590.12	\$109.78	\$33.14	\$19.93	\$74.90	\$827.88	
NET OPERATING PROFIT								(\$36.94)	
INTEREST ON OPERATING CAPITAL		(	\$81.49	@	8.00%	)		\$6.52
INTEREST ON EQUIPMENT INVESTMENT								\$51.55	
RETURN TO LAND AND RISK								(\$95.01)	

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

BUDGET SUMMARY

GROSS RETURN		\$790.94	
VARIABLE OPERATING EXPENSES	\$643.19		
RETURN OVER VARIABLE EXPENSES		\$147.74	(GROSS MARGIN)
FIXED EXPENSES	\$74.90		
NET FARM INCOME		\$72.84	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$109.78		
NET OPERATING PROFIT		(\$36.94)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$58.07		
RETURN TO LAND AND RISK		(\$95.01)	

TABLE 11. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2004.
Planting dates: April 15 - May 15
Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.55	980 LBS		\$539.00
COTTON SEED	\$0.08	1,568 LBS		\$117.60
DIRECT PAYMENT	\$0.0667	980 LBS	0.85	\$55.56
COUNTER CYCLICAL PAYMENT	\$0.1373	675 LBS	0.85	\$78.78
TOTAL				\$790.94

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.68	20 LBS	\$13.60		\$13.60
NITROGEN (N)	\$0.29	20 LBS	\$5.80		\$5.80
PHOSPHATE (P205)	\$0.20	40 LBS	\$8.00		\$8.00
HERBICIDE	\$13.22	1 X/ACRE	\$13.22		\$13.22
INSECTICIDE (CUSTOM)	\$25.95	2 X/ACRE	\$51.89		\$51.89
CROP INSURANCE		FCIC	\$12.61		\$12.61
CANAL WATER		22 AC. IN.	\$43.00		\$43.00
PUMP WATER*		0 AC. IN.			\$0.00
SUBTOTAL			\$148.13		\$148.13

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$4.56	\$9.08	\$4.64	\$17.54	\$35.82
DISC	145 HP	0.17 HR		\$1.16	\$2.30	\$1.08	\$4.36	\$8.90
DRAG	96 HP	0.17 HR		\$1.16	\$1.75	\$1.09	\$2.34	\$6.33
DISC & SPRAY	145 HP	0.20 HR		\$1.36	\$2.71	\$1.26	\$5.13	\$10.47
LISTER	96 HP	0.18 HR		\$1.22	\$1.85	\$1.39	\$4.09	\$8.57
FERTILIZE	DEALER APPLIED							
PRE-IRRIGATE		0.75 HR		\$4.76	\$0.00	\$0.00	\$0.00	\$4.76
ROLLING CULTIVATOR	96 HP	0.21 HR		\$1.43	\$2.16	\$1.70	\$7.31	\$12.60
PLANTER	96 HP	0.26 HR		\$1.77	\$2.68	\$2.56	\$8.87	\$15.87
CULTIVATOR (4X)	27 HP	0.84 HR		\$5.71	\$2.47	\$1.03	\$3.81	\$13.02
IRRIGATE (2X)		1.00 HR		\$6.35	\$0.00	\$0.00	\$0.00	\$6.35
SUBTOTAL		4.45 HR		\$29.47	\$25.00	\$14.75	\$53.45	\$122.68

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER (CUSTOM)			\$175.81					\$175.81
HAUL	96 HP	0.75 HR		\$5.10	\$7.73	\$4.80	\$21.71	\$39.33
GIN COTTON (CUSTOM)			\$175.81					\$175.81
SUBTOTAL		0.75 HR	\$351.62	\$5.10	\$7.73	\$4.80	\$21.71	\$390.96

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	80 HP	0.29 HR		\$1.97	\$2.99	\$1.98	\$5.10	\$12.04
SUBTOTAL		0.29 HR		\$1.97	\$2.99	\$1.98	\$5.10	\$12.04

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.94 HR		\$6.36				\$6.36
EMPLOYEE BENEFITS				\$6.58				\$6.58
INSURANCE			\$0.73					\$0.73
LAND TAXES						\$1.88		\$1.88
SUPERVISION AND MANGEMENT				\$58.65				\$58.65
OTHER EXPENSES			\$136.72					\$136.72
SUBTOTAL		0.94 HR	\$137.45	\$71.59		\$1.88		\$210.92

TOTAL OPERATING EXPENSES		6.43 HR	\$637.20	\$108.13	\$35.72	\$21.53	\$82.14	\$884.72
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NET OPERATING PROFIT (\$93.78)

INTEREST ON OPERATING CAPITAL (\$86.29 @ 8.00%) \$6.90
INTEREST ON EQUIPMENT INVESTMENT \$55.44

RETURN TO LAND AND RISK (\$156.12)

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

GROSS RETURN		\$790.94	
VARIABLE OPERATING EXPENSES	\$694.45		
RETURN OVER VARIABLE EXPENSES		\$96.49	(GROSS MARGIN)
FIXED EXPENSES	\$82.14		
NET FARM INCOME		\$14.35	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$108.13		
NET OPERATING PROFIT		(\$93.78)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$62.34		
RETURN TO LAND AND RISK		(\$156.12)	

TABLE 12. Red chile, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2004.
Planting dates: April 1 - April 15
Harvesting dates: September 1 - October 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
RED CHILE	\$0.68	2,860 LBS						\$1,944.80
TOTAL								\$1,944.80

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	21	8 LBS	\$168.00					\$168.00
NITROGEN (N)	0.29	200 LBS	\$58.00					\$58.00
PHOSPHATE (P205)	0.2	60 LBS	\$12.00					\$12.00
HERBICIDE (CUSTOM)	31.0784	1 X/ACRE	\$31.08					\$31.08
INSECTICIDE (CUSTOM)	44.48	1 X/ACRE	\$44.48					\$44.48
CROP INSURANCE		40 DOLLARS	\$40.00					\$40.00
CANAL WATER		48 AC. IN.	\$43.00					\$43.00
SUBTOTAL			\$396.56					\$396.56

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.16	\$2.30	\$1.08	\$4.36	\$8.90
PLOW	145 HP	0.48 HR		\$3.26	\$6.50	\$3.33	\$12.57	\$25.66
DISC (2X)	145 HP	0.34 HR		\$2.31	\$4.61	\$2.15	\$8.72	\$17.79
FLOAT	96 HP	0.16 HR		\$1.09	\$1.65	\$1.02	\$2.20	\$5.96
FERTILIZE (CUSTOM)	DEALER APPLIED							
LISTER	145 HP	0.18 HR		\$1.22	\$2.44	\$1.13	\$5.29	\$10.08
PRE-IRRIGATE		0.05 HR		\$0.32	\$0.00	\$0.20	\$37.22	\$37.74
CULTIVATOR	96 HP	0.21 HR		\$1.43	\$2.16	\$1.54	\$3.49	\$8.62
PLANTER	96 HP	0.26 HR		\$1.77	\$2.68	\$2.56	\$8.87	\$15.87
CULTIVATOR (2X)	27 HP	0.42 HR		\$2.86	\$1.23	\$0.52	\$1.91	\$6.51
THIN & HOE (2X)			\$80.00					\$80.00
IRRIGATE (7X)		3.50 HR		\$22.23	\$0.00	\$0.00	\$0.00	\$22.23
SUBTOTAL		5.60 HR	\$80.00	\$37.64	\$23.57	\$13.52	\$84.63	\$239.36

HARVEST OPERATIONS								
HAND PICK			\$572.00					\$572.00
FIELD HAUL	96 HP	1.00 HR		\$6.80	\$10.30	\$6.40	\$32.44	\$55.93
HAUL (CUSTOM)			\$85.80					\$85.80
SUBTOTAL		1.00 HR	\$657.80	\$6.80	\$10.30	\$6.40	\$32.44	\$713.73

POSTHARVEST OPERATIONS								
SHREDDER	27 HP	0.29 HR		\$1.97	\$0.85	\$0.21	\$1.60	\$4.63

OVERHEAD EXPENSES								
DOWNTIME		0.88 HR		\$5.97				\$5.97
EMPLOYEE BENEFITS				\$6.77				\$6.77
INSURANCE			\$0.75					\$0.75
LAND TAXES						\$1.88		\$1.88
SUPERVISION AND MANGEMENT				\$98.20				\$98.20
OTHER EXPENSES			\$136.72					\$136.72
SUBTOTAL		0.88 HR	\$137.48	\$110.94		\$1.88		\$250.30

TOTAL OPERATING EXPENSES		7.77 HR	\$1,271.83	\$157.35	\$34.73	\$20.12	\$120.54	\$1,604.58
NET OPERATING PROFIT								\$340.22
INTEREST ON OPERATING CAPITAL	(	\$267.03	@	8.00%	)			\$21.36
INTEREST ON EQUIPMENT INVESTMENT								\$272.32
RETURN TO LAND AND RISK								\$46.54

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

BUDGET SUMMARY

GROSS RETURN		\$1,944.80	
VARIABLE OPERATING EXPENSES	\$1,326.69		
RETURN OVER VARIABLE EXPENSES		\$618.11	(GROSS MARGIN)
FIXED EXPENSES	\$120.54		
NET FARM INCOME		\$497.58	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$157.35		
NET OPERATING PROFIT		\$340.22	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$293.69		
RETURN TO LAND AND RISK		\$46.54	

TABLE 13. Summary of per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Eddy County
Projected 2004.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	SUDAN	PICKER COTTON	STRIPPER COTTON	RED CHILE
		TONS	CWT	ACRE	LBS	LBS	CWT
PRIMARY YIELD		7.00	45.00	6.80	980.00	0.00	2,860.00
PRIMARY PRICE		\$140.00	\$3.50	\$110.00	\$0.55	\$0.00	\$0.68
GOVERNMENT PAYMENTS		\$0.00	\$9.18	\$0.00	\$134.34	\$0.00	\$0.00
SECOND INCOME		\$10.00	\$40.00	\$0.00	\$117.60	\$0.00	\$0.00
GROSS RETURN		\$990.00	\$206.68	\$748.00	\$790.94	\$0.00	\$1,944.80
CASH OPERATING EXPENSES							
SEED	\$70.00		\$27.50	\$13.50	\$13.60	\$0.00	\$168.00
FERTILIZER		\$28.84	\$11.60	\$84.50	\$13.80	\$0.00	\$70.00
CHEMICALS		\$53.76	\$14.11		\$68.01	\$0.00	\$75.56
CROP INSURANCE			\$11.76		\$0.82	\$0.00	\$40.00
OTHER PURCHASED INPUTS		\$19.51					
CANAL WATER	\$0.00	\$43.00	\$43.00	\$43.00	\$43.00	\$0.00	\$43.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$28.46	\$27.39	\$17.74	\$16.93	\$33.14	\$0.00	\$34.73
FUEL-IRRIGATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REPAIRS	\$14.49	\$15.24	\$9.59	\$9.21	\$19.93	\$0.00	\$20.12
CUSTOM CHARGES	\$73.33	\$67.20	\$22.48		\$313.41	\$0.00	\$737.80
LAND TAXES		\$1.88	\$1.88	\$1.88	\$1.88	\$0.00	\$1.88
OTHER EXPENSES	\$0.44	\$137.62	\$137.24	\$137.29	\$137.48	\$0.00	\$137.48
TOTAL CASH EXPENSES	\$186.71	\$394.43	\$296.90	\$306.32	\$645.07	\$0.00	\$1,328.57
RETURN OVER CASH EXPENSES	(\$186.71)	\$595.57	(\$90.22)	\$441.68	\$145.86	\$0.00	\$616.23
FIXED EXPENSES	\$62.57	\$139.19	\$37.40	\$35.86	\$73.02	\$0.00	\$118.66
TOTAL EXPENSES	\$249.28	\$533.62	\$334.30	\$342.17	\$718.10	\$0.00	\$1,447.22
NET FARM INCOME	(\$249.28)	\$456.38	(\$127.62)	\$405.83	\$72.84	\$0.00	\$497.58
LABOR AND MANAGEMENT COSTS	\$50.65	\$132.31	\$46.98	\$91.95	\$109.78	\$0.00	\$157.35
NET OPERATING PROFIT	(\$299.92)	\$324.07	(\$174.60)	\$313.88	(\$36.94)	\$0.00	\$340.22
CAPITAL COSTS							
INTEREST ON OPERATING CAPITAL		\$6.10	\$5.02	\$6.16	\$6.52	\$0.00	\$21.36
INTEREST ON EQUIPMENT INVESTMENT		\$36.27	\$24.89	\$24.02	\$51.55	\$0.00	\$272.32
TOTAL CAPITAL COSTS	\$0.00	\$42.37	\$29.91	\$30.18	\$58.07	\$0.00	\$293.69
RETURN TO LAND AND RISK	(\$299.92)	\$281.70	(\$204.51)	\$283.70	(\$95.01)	\$0.00	\$46.54

TABLE 14. Whole farm budget summary, Carlsbad Basin, Eddy County,
Projected 2004.

GROSS RETURNS		
ALFALFA HAY	100 ACRES	
CROP		\$98,000
GRAZING		\$1,000
BARLEY	4.25 ACRES	
CROP		\$669
DIRECT PAYMENT		\$39
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$170
UPLAND COTTON	60.75 ACRES	
COTTON LINT		\$32,744
COTTON SEED		\$7,144
DIRECT PAYMENT		\$2,834
COUNTER CYCLICAL PAYMENT		\$4,786
STRIPPER COTTON	0 ACRES	
COTTON LINT		\$0
COTTON SEED		\$0
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
SUDAN	10 ACRES	
GRAZING		\$7,480
RED CHILE	5 ACRES	
CROP		\$9,724
GROSS RETURN		<u>\$164,590</u>
CASH OPERATING EXPENSES		
SEED		\$3,668
FERTILIZER		\$4,967
CHEMICALS		\$9,945
CROP INSURANCE		\$300
OTHER PURCHASED INPUTS		\$1,951
CANAL WATER		\$7,740
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$5,882
FUEL-IRRIGATION		\$0
REPAIRS		\$3,330
CUSTOM CHARGES		\$31,378
LAND TAXES		\$338
OTHER EXPENSES		\$24,768
TOTAL CASH EXPENSES		<u>\$94,267</u>
RETURN OVER CASH EXPENSES		\$70,323
FIXED EXPENSES		\$13,532
TOTAL EXPENSES		\$107,799
NET FARM INCOME		\$56,791
LABOR AND MANAGEMENT COSTS		\$23,072
NET OPERATING PROFIT		\$33,719
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,196
INTEREST ON EQUIPMENT INVESTMENT		\$8,466
TOTAL CAPITAL COSTS		<u>\$9,662</u>
RETURN TO LAND AND RISK		<u>\$24,057</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$750 /ACRE	\$18,057	13.30%
\$1,500 /ACRE	\$12,057	8.36%
\$2,250 /ACRE	\$6,057	6.09%
\$3,000 /ACRE	\$57	4.79%

* 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)