

TABLE 11. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN SILAGE	PICKER COTTON	GRAIN SORGHUM
		TONS	TONS	LBS	CWT
PRIMARY YIELD		5.00	23.00	800.00	60.00
PRIMARY PRICE		\$120.00	\$16.00	\$0.60	\$3.70
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$123.71	\$0.00
SECOND INCOME		\$15.00	\$0.00	\$83.20	\$10.00
GROSS RETURN		\$615.00	\$368.00	\$686.91	\$231.79
CASH OPERATING EXPENSES					
SEED	\$72.00		\$31.88	\$12.24	\$9.84
FERTILIZER	\$23.50		\$25.20	\$50.60	\$25.20
CHEMICALS				\$14.08	\$25.38
CROP INSURANCE				\$0.74	\$1.47
OTHER PURCHASED INPUTS		\$21.43			
CANAL WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$31.32	\$24.48	\$26.67	\$88.77	\$46.36
FUEL-IRRIGATION	\$4.42	\$15.92	\$12.38	\$10.61	\$10.61
REPAIRS	\$11.28	\$3.84	\$7.90	\$24.11	\$13.07
CUSTOM CHARGES				\$115.36	\$36.60
LAND TAXES		\$2.63	\$2.63	\$2.63	\$2.63
OTHER EXPENSES	\$0.56	\$112.54	\$112.52	\$113.31	\$112.61
TOTAL CASH EXPENSES	\$143.09	\$180.85	\$219.18	\$432.45	\$283.78
RETURN OVER CASH EXPENSES	(\$143.09)	\$434.15	\$148.82	\$254.45	(\$51.99)
FIXED EXPENSES	\$33.95	\$167.53	\$55.12	\$178.37	\$74.58
TOTAL EXPENSES	\$177.04	\$348.37	\$274.31	\$610.82	\$358.36
NET FARM INCOME	(\$177.04)	\$266.63	\$93.69	\$76.08	(\$126.58)
LABOR AND MANAGEMENT COSTS	\$54.03	\$103.23	\$84.42	\$163.22	\$78.01
NET OPERATING PROFIT	(\$231.07)	\$163.40	\$9.27	(\$87.14)	(\$204.59)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.07	\$2.52	\$4.23	\$3.22
INTEREST ON EQUIPMENT INVESTMENT		\$19.81	\$19.02	\$82.95	\$30.52
TOTAL CAPITAL COSTS	\$0.00	\$20.88	\$21.54	\$87.19	\$33.74
RETURN TO LAND AND RISK	(\$231.07)	\$142.52	(\$12.27)	(\$174.33)	(\$238.33)

TABLE 12. Whole farm summary, Virden area, Hidalgo County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	45.00 ACRES	
CROP		\$27,000
GRAZING		\$675
CORN SILAGE	43.00 ACRES	
CROP		\$15,824
UPLAND COTTON	68.00 ACRES	
LINT		\$32,640
SEED		\$5,658
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$8,412
GRAIN SORGHUM	34.00 ACRES	
CROP		\$7,541
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$340
GROSS RETURN		<u>\$97,749</u>
CASH OPERATING EXPENSES		
SEED		\$3,618
FERTILIZER		\$5,734
CHEMICALS		\$1,820
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$964
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$10,331
FUEL-IRRIGATION		\$2,398
REPAIRS		\$2,765
CUSTOM CHARGES		\$9,089
LAND TAXES		\$501
OTHER EXPENSES		\$21,445
TOTAL CASH EXPENSES		<u>\$58,765</u>
RETURN OVER CASH EXPENSES		\$38,985
FIXED EXPENSES		\$21,617
TOTAL EXPENSES		\$80,382
NET FARM INCOME		\$17,368
LABOR AND MANAGEMENT COSTS		\$22,838
NET OPERATING PROFIT		(\$5,470)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$553
INTEREST ON EQUIPMENT INVESTMENT		\$8,388
TOTAL CAPITAL COSTS		<u>\$8,941</u>
RETURN TO LAND AND RISK		<u>(\$14,411)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$18,611)	-2.34%
\$900 /ACRE	(\$19,811)	-2.00%
\$1,100 /ACRE	(\$21,011)	-1.75%
\$1,300 /ACRE	(\$22,211)	-1.55%
\$1,500 /ACRE	(\$23,411)	-1.39%
\$1,700 /ACRE	(\$24,611)	-1.26%
\$1,900 /ACRE	(\$25,811)	-1.16%

* 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)