

TABLE 1. Acreage Summary, Hidalgo County,
Projected 2004.

BUDGET AREA.....	VIRDEN AREA, HIDALGO COUNTY
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 *	15.00	20	300
ALFALFA	45.00	54	2,430
CORN SILAGE	25.00	50	1,250
COTTON	68.00	36	2,448
ARP	0.00		
FLEX IN CORN SILAGE	12.00	36	432
GRAIN SORGHUM	34.00	40	1,360
ARP	0.00		
FLEX IN CORN SILAGE	6.00	36	216
ROADS, DITCHES	10.00		
TOTAL	200.00		8,436
ACRE FEET PER ACRE OF WATER RIGHTS			3.52

* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Virden area, Hidalgo County,
Projected 2004.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.45
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.29
Phosphate (P205)	\$/pound	\$0.20
Seed:		
Alfalfa	\$/pound	\$2.80
Upland Cotton (picker)	\$/pound	\$0.68
Corn for Silage	\$/bag	\$85.00
Grain Sorghum	\$/pound	\$1.30
Canal Water	\$/acre	\$23.00
Wire:	\$/lb.	\$0.38
Energy:		
Diesel fuel	\$/gallon	\$1.50
Gasoline	\$/gallon	\$1.45
Electricity	cents/KwHr	6.82
LP Gas	\$/gallon	\$1.21
Employee Liability Insurance	\$/ \$1000 wages	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	6.50%
Land Interest Rate	percent	6.00%
Equipment Interest Rate	percent	6.50%
Real Interest Rate	percent	4.00%
Land Taxes	\$348.00 /acre (full value)	\$2.63
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$22.71 \$21.20
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for Virden area, Hidalgo County,
Projected 2004.

Item			
Electricity (Domestic & Shop)		\$170.00 per month	\$2,040
Telephone		\$90.00 per month	\$1,080
Accounting & Legal			\$1,210
Misc. Supplies & Hand Tools			\$1,605
Pickup and Auto			
miles	15,000	@ \$0.365 per mile	\$5,475
Insurance			
- general liability (non-employee)			\$1,350
- fire/theft			\$1,030
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$480
Building repairs and maintenance			\$905
Dues, fees, publications			\$330
Farmstead Equipment			\$170
Total			\$15,675
Total per planted acre			\$82.50

TABLE 4. Pumping costs and data for irrigation wells, Virden area, Hidalgo County, Projected 2004.

INPUT DATA		DEPTH CHARACTERISTICS:	
		STATIC.....	50
		DRAW DOWN.....	25
		TOTAL HEAD.....	75
		CASING.....	100
GALLONS PER MINUTE (GPM)	1,500		
WORK HORSEPOWER	28		
EFFICIENCY FACTOR:			
ELECTRICITY	0.540		
LP GAS	0.154		
DIESEL	0.160		
FUEL COST PER UNIT:			
ELECTRICITY	6.82	CENTS/KwHr	
LP GAS	\$1.21	\$/GAL	
DIESEL	\$1.50	\$/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	\$4.81
		COST PER ACRE INCH	\$1.45

TABLE 5. Equipment summary for a 200 acre flood-irrigated farm with above average management, Virden area, Hidalgo County, 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	65 HP	197.83	1	2,400.00	1,394.68	204.56	7.05	1.03	137.50	20.82	0.80
TRACTOR	126 HP	283.52	1	31,240.00	3,840.70	1,359.28	13.55	4.79	4,566.00	259.23	17.02
PICKUP HALF	1/2 TON	170.00	1	13,000.00	1,552.95	0.00	9.14	0.00	2,600.00	98.41	4.03
COTTON PICKER	2 ROW*	84.32	1	4,715.00	764.95	1,432.26	9.07	16.99	2,980.00	169.19	37.35
SWATHER	14 FT SP*	36.00	1	1,950.00	202.18	36.54	5.62	1.02	725.00	54.88	21.66
BALER, PTO	2 WIRE	47.25	1	1,600.00		40.02		0.85	385.00	29.14	8.76
PLANTER	4 ROW	37.36	1	3,400.00		203.24		5.44	680.00	25.74	18.89
CHISEL	7 PT	22.20	1	1,200.00		20.78		0.94	160.00	9.08	7.62
DISC	12 FT	55.08	1	2,250.00		79.32		1.44	300.00	17.03	5.76
CULTIVATOR	4 ROW	95.58	1	1,500.00		81.72		0.86	200.00	11.36	2.21
FLOAT	10 FT	38.74	1	450.00		3.25		0.08	46.67	2.65	1.27
ROTOBUCK		14.41	1	1,000.00		1.15		0.08	133.33	7.57	9.78
MULCHER	13 FT	27.27	1	3,750.00		75.67		2.78	500.00	28.39	19.38
LISTER	4 ROW	42.38	1	1,600.00		46.11		1.09	213.33	12.11	5.32
PLOW	3-14 IN	55.61	1	3,350.00		115.50		2.08	446.67	25.36	8.49
SHREDDER	2 ROW	19.72	1	1,250.00		8.87		0.45	166.67	9.46	8.93
COTTON TRAILER	8 BALE	170.00	3	3,600.00		73.44		0.43	480.00	27.25	2.98
FERTILIZER/SEEDER		12.15	1	2,300.00		14.53		1.20	306.67	17.41	26.67
SPRAYER	12 FT	23.80	1	1,375.00		46.47		1.95	183.33	10.41	8.14
ELECTRIC WELL		817.94	1	12,000.00	2,214.91	74.02	2.71	0.09	1,200.00	90.84	1.58
				93,930	9,970	3,917			16,410	926	

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

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2004.
Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL				
PURCHASED INPUTS								
SEED	\$2.80	25 LBS	\$70.00	\$70.00				
NITROGEN (N)	\$0.29	20 LBS	\$5.80	\$5.80				
PHOSPHATE (P2O5)	\$0.20	50 LBS	\$10.00	\$10.00				
PUMP WATER*		5 AC. IN.						
CANAL WATER		15 AC. IN.		\$0.00				
SUBTOTAL			\$85.80	\$85.80				
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$2.30	\$1.06	\$3.87	\$8.52
PLOW	145 HP	0.67 HR		\$5.06	\$9.08	\$4.60	\$17.09	\$35.83
DISC	145 HP	0.17 HR		\$1.28	\$2.30	\$1.06	\$3.87	\$8.52
FLOAT	145 HP	0.24 HR		\$1.81	\$3.25	\$1.17	\$4.39	\$10.62
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.35	\$0.11	\$1.37	\$2.22
LISTER	65 HP	0.18 HR		\$1.36	\$1.27	\$0.38	\$1.10	\$4.11
MULCHER	145 HP	0.15 HR		\$1.13	\$2.03	\$1.14	\$5.46	\$9.76
SEEDER	65 HP	0.05 HR		\$0.38	\$0.35	\$0.11	\$1.37	\$2.22
MULCHER	145 HP	0.15 HR		\$1.13	\$2.03	\$1.14	\$5.46	\$9.76
LISTER	65 HP	0.18 HR		\$1.36	\$1.27	\$0.38	\$1.10	\$4.11
IRRIGATE (4X)		2.00 HR		\$12.90	\$4.09	\$0.14	\$2.38	\$19.50
SUBTOTAL		4.01 HR		\$28.08	\$28.33	\$11.29	\$47.47	\$115.16
OVERHEAD EXPENSES								
DOWNTIME		0.50 HR		\$3.79				\$3.79
EMPLOYEE BENEFITS				\$5.05				\$5.05
INSURANCE			\$0.56					\$0.56
SUPERVISION AND MANAGEMENT				\$16.78				\$16.78
SUBTOTAL		0.50 HR	\$0.56	\$25.63				\$26.19
TOTAL OPERATING EXPENSES		4.51 HR	\$86.36	\$53.71	\$28.33	\$11.29	\$47.47	\$227.15

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

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2004.

Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$120.00	5.00 TONS (IN FIELD)	\$600.00
GRAZING	\$15.00	1.00 ACRE	\$15.00
TOTAL			\$615.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	0.38	43 LBS	\$16.39		\$16.39
: Interest		3 YEARS		\$75.72	\$75.72
CANAL WATER		36 AC. IN.		\$7.95	\$7.95
PUMP WATER*		18 AC. IN.		\$23.00	\$23.00
SUBTOTAL			\$16.39	\$106.67	\$123.06

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	\$8.57	\$52.79
SUBTOTAL		4.50 HR		\$29.03	\$14.71	\$0.49	\$8.57	\$52.79

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (5X)	14 FT	0.80 HR		\$6.04	\$4.49	\$0.81	\$17.33	\$28.68
BALER, PTO (5X)	145 HP	1.05 HR		\$7.93	\$14.22	\$5.92	\$27.07	\$55.15
SUBTOTAL		1.85 HR		\$13.97	\$18.72	\$6.74	\$44.40	\$83.82

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.46 HR		\$3.49				\$3.49
EMPLOYEE BENEFITS			\$7.74				\$7.74
INSURANCE		\$0.86					\$0.86
LAND TAXES						\$2.63	\$2.63
SUPERVISION AND MANAGEMENT			\$48.48				\$48.48
OTHER EXPENSES		\$82.50					\$82.50
SUBTOTAL	0.46 HR	\$83.36	\$59.71			\$2.63	\$145.70

TOTAL OPERATING EXPENSES	6.81 HR	\$99.75	\$102.70	\$33.42	\$7.23	\$162.28	\$405.37
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NET OPERATING PROFIT							\$209.63
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INTEREST ON OPERATING CAPITAL	(\$14.12	@	6.50%)		\$0.92
INTEREST ON EQUIPMENT INVESTMENT							\$22.49

RETURN TO LAND AND RISK							\$186.22
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* Pump water costs are shown under irrigation in the preharvest operation section.

BUDGET SUMMARY

GROSS RETURN		\$615.00	
VARIABLE OPERATING EXPENSES	\$140.40		
RETURN OVER VARIABLE EXPENSES	\$474.60		(GROSS MARGIN)
FIXED EXPENSES	\$162.28		
NET FARM INCOME	\$312.32		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$102.70		
NET OPERATING PROFIT	\$209.63		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$23.40		
RETURN TO LAND AND RISK		\$186.22	

TABLE 8. Corn silage, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2004.

Planting dates: April 15 - May 31

Harvest dates: August 15 - October 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
CORN SILAGE	\$16.00	23.00 TONS (STANDING)	\$368.00
TOTAL			\$368.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.06	30 000	\$31.88		\$31.88
NITROGEN (N)	\$0.29	32 LBS	\$9.28		\$9.28
PHOSPHATE (P205)	\$0.20	40 LBS	\$8.00		\$8.00
CANAL WATER		36 AC. IN.		\$23.00	\$23.00
PUMP WATER*		14 AC. IN.			
SUBTOTAL			\$49.16	\$23.00	\$72.16

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.35	\$0.11	\$1.37	\$2.22
DISC	145 HP	0.17 HR		\$1.28	\$2.30	\$1.06	\$3.87	\$8.52
CHISEL	145 HP	0.20 HR		\$1.51	\$2.71	\$1.15	\$4.93	\$10.29
DISC	145 HP	0.17 HR		\$1.28	\$2.30	\$1.06	\$3.87	\$8.52
FLOAT	65 HP	0.24 HR		\$1.81	\$1.69	\$0.27	\$0.50	\$4.27
LISTER	65 HP	0.18 HR		\$1.36	\$1.27	\$0.38	\$1.10	\$4.11
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.43	\$0.05	\$0.83	\$7.15
MULCHER	145 HP	0.15 HR		\$1.13	\$2.03	\$1.14	\$5.46	\$9.76
PLANTER	145 HP	0.26 HR		\$1.96	\$3.52	\$2.66	\$9.34	\$17.48
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.17	\$2.96	\$0.79	\$1.26	\$8.19
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.68	\$1.22	\$0.44	\$2.41	\$4.75
IRRIGATE (7X)		3.50 HR		\$22.58	\$10.01	\$0.33	\$5.83	\$38.75
SUBTOTAL		6.18 HR		\$41.98	\$31.80	\$9.44	\$40.78	\$124.00

OVERHEAD EXPENSES

DOWNTIME		0.46 HR		\$3.47				\$3.47
EMPLOYEE BENEFITS				\$7.56				\$7.56
INSURANCE			\$0.84					\$0.84
LAND TAXES							\$2.63	\$2.63
SUPERVISION AND MANAGEMENT				\$30.93				\$30.93
OTHER EXPENSES			\$82.50					\$82.50
SUBTOTAL		0.46 HR	\$83.34	\$41.96			\$2.63	\$127.93

TOTAL OPERATING EXPENSES 6.64 HR \$132.49 \$83.94 \$31.80 \$9.44 \$66.42 \$324.09

NET OPERATING PROFIT \$43.91

INTEREST ON OPERATING CAPITAL (\$34.89 @ 6.50%) \$2.27
 INTEREST ON EQUIPMENT INVESTMENT \$19.51

RETURN TO LAND AND RISK \$22.12

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

BUDGET SUMMARY

GROSS RETURN		\$368.00	
VARIABLE OPERATING EXPENSES	\$173.73		
RETURN OVER VARIABLE EXPENSES		\$194.27	(GROSS MARGIN)
FIXED EXPENSES	\$66.42		
NET FARM INCOME		\$127.85	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$83.94		
NET OPERATING PROFIT		\$43.91	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$21.78		
RETURN TO LAND AND RISK		\$22.12	

TABLE 9. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with average management, Virden area, Hidalgo County, Projected 2004.
 Planting dates: April 10 - April 30
 Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
LINT	\$0.55	1,060.00 LBS		\$583.00
SEED	\$0.08	1,696.00 LBS		\$127.20
DIRECT PAYMENT	\$0.0667	1,060.00 LBS	0.85	\$60.10
COUNTER CYCLICAL PAYMENT	\$0.1373	1,060.00 LBS	0.85	\$123.71
TOTAL				\$894.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.68	17 LBS	\$11.56		\$11.56
NITROGEN (N)	\$0.29	80 LBS	\$23.20		\$23.20
PHOSPHATE (P205)	\$0.20	60 LBS	\$12.00		\$12.00
HERBICIDE	\$14.08	1 ACRE	\$14.08		\$14.08
CANAL WATER		24 AC. IN.	\$0.00	\$23.00	\$23.00
PUMP WATER*		12 AC. IN.			
CROP INSURANCE	\$0.74		\$0.74		\$0.74
SUBTOTAL			\$61.58	\$23.00	\$84.58

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.38	\$0.35	\$0.11	\$1.37	\$2.22
DISC	145 HP	0.17 HR		\$1.28	\$2.30	\$1.06	\$3.87	\$8.52
PLOW	145 HP	0.67 HR		\$5.06	\$9.08	\$4.60	\$17.09	\$35.83
DISC & SPRAY	145 HP	0.15 HR		\$1.13	\$2.03	\$1.23	\$4.64	\$9.03
FLOAT	65 HP	0.24 HR		\$1.81	\$1.69	\$0.27	\$0.50	\$4.27
LISTER	145 HP	0.18 HR		\$1.36	\$2.44	\$1.06	\$4.02	\$8.88
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.09	\$0.04	\$0.63	\$6.60
MULCHER	145 HP	0.14 HR		\$1.06	\$1.90	\$1.06	\$5.10	\$9.11
PLANTER	145 HP	0.26 HR		\$1.96	\$3.52	\$2.66	\$9.34	\$17.48
CULTIVATOR (4X)	65 HP	0.84 HR		\$6.34	\$5.92	\$1.59	\$2.53	\$16.38
HOEING (CUSTOM)			\$24.00					\$24.00
ROTOBUCK (3X)	145 HP	0.03 HR		\$0.23	\$0.41	\$0.15	\$0.80	\$1.58
IRRIGATE (8X)		4.00 HR		\$25.80	\$8.71	\$0.29	\$5.08	\$39.88
SUBTOTAL		7.48 HR	\$24.00	\$51.25	\$39.44	\$14.11	\$54.97	\$183.78

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON PICKER (2X)	2 ROW	1.24 HR		\$9.36	\$11.25	\$21.06	\$46.31	\$87.99
COTTON TRAILER (2X)	HALF TON	2.50 HR		\$18.88	\$22.84	\$1.08	\$17.53	\$60.32
GIN COTTON (CUSTOM)			\$121.05					\$121.05
SUBTOTAL		3.74 HR	\$121.05	\$28.24	\$34.09	\$22.14	\$63.84	\$269.36

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	65 HP	0.29 HR		\$2.19	\$2.04	\$0.43	\$2.82	\$7.49
SUBTOTAL		0.29 HR		\$2.19	\$2.04	\$0.43	\$2.82	\$7.49

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	1.56 HR		\$11.76				\$11.76
EMPLOYEE BENEFITS			\$14.70				\$14.70
INSURANCE		\$1.63					\$1.63
LAND TAXES						\$2.63	\$2.63
SUPERVISION AND MANAGEMENT			\$69.70				\$69.70
OTHER EXPENSES		\$82.50					\$82.50
SUBTOTAL	1.56 HR	\$84.13	\$96.16			\$2.63	\$182.92

TOTAL OPERATING EXPENSES	13.07 HR	\$290.76	\$177.83	\$75.58	\$36.68	\$147.27	\$728.12
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NET OPERATING PROFIT							\$165.88
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INTEREST ON OPERATING CAPITAL	(\$59.57	@	6.50%)		\$3.87
INTEREST ON EQUIPMENT INVESTMENT							\$62.45

RETURN TO LAND AND RISK							\$99.57
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* Pump water costs are shown under irrigation in the preharvest operation section.

BUDGET SUMMARY

GROSS RETURN		\$894.00	
VARIABLE OPERATING EXPENSES	\$403.02		
RETURN OVER VARIABLE EXPENSES		\$490.98	(GROSS MARGIN)
FIXED EXPENSES	\$147.27		
NET FARM INCOME		\$343.72	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$177.83		
NET OPERATING PROFIT		\$165.88	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$66.32		
RETURN TO LAND AND RISK		\$99.57	

TABLE 10. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2004.

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$4.03	62.00 CWT		\$249.86
DIRECT PAYMENT	\$0.35	62.00 CWT	0.85	\$18.45
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$10.00	1.00 ACRE		\$10.00
TOTAL				\$278.31

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.30	8 LBS	\$10.40		\$10.40
NITROGEN (N)	\$0.29	32 LBS	\$9.28		\$9.28
PHOSPHATE (P205)	\$0.20	40 LBS	\$8.00		\$8.00
HERBICIDE	\$14.08	1 ACRE	\$14.08		\$14.08
INSECTICIDE	\$11.30	1 ACRE	\$11.30		\$11.30
CANAL WATER		28 AC. IN.		\$23.00	\$23.00
PUMP WATER*		12 AC. IN.			
CROP INSURANCE	\$1.47		\$1.47		\$1.47
SUBTOTAL			\$54.53	\$23.00	\$77.53

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZER	65 HP	0.15 HR		\$1.13	\$1.06	\$0.33	\$4.12	\$6.65
DISC	145 HP	0.20 HR		\$1.51	\$2.71	\$1.25	\$4.55	\$10.02
CHISEL	145 HP	0.40 HR		\$3.02	\$5.42	\$2.29	\$9.85	\$20.58
DISC	145 HP	0.20 HR		\$1.51	\$2.71	\$1.25	\$4.55	\$10.02
FLOAT	145 HP	0.25 HR		\$1.89	\$3.39	\$1.22	\$4.57	\$11.07
SPRAYER	65 HP	0.20 HR		\$1.51	\$1.41	\$0.60	\$1.79	\$5.31
LISTER	65 HP	0.50 HR		\$3.78	\$3.52	\$1.06	\$3.06	\$11.42
PRE-IRRIGATE		0.75 HR		\$4.84	\$1.63	\$0.05	\$0.95	\$7.48
MULCHER	145 HP	0.20 HR		\$1.51	\$2.71	\$1.51	\$7.28	\$13.01
PLANTER	145 HP	0.25 HR		\$1.89	\$3.39	\$2.56	\$8.98	\$16.81
SPRAYER	65 HP	0.20 HR		\$1.51	\$1.41	\$0.60	\$1.79	\$5.31
CULTIVATOR (2X)	65 HP	0.60 HR		\$4.53	\$4.23	\$1.13	\$1.81	\$11.70
ROTOBUCK (3X)	145 HP	0.25 HR		\$1.89	\$3.39	\$1.22	\$6.70	\$13.19
IRRIGATE (5X)		2.50 HR		\$16.13	\$8.17	\$0.27	\$4.76	\$29.33
SUBTOTAL		6.65 HR		\$46.63	\$45.14	\$15.35	\$64.77	\$171.89

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$26.04				\$26.04
HAUL (CUSTOM)				\$11.78				\$11.78
SUBTOTAL		0.00 HR		\$37.82				\$37.82

OVERHEAD EXPENSES								
DOWNTIME		0.61 HR		\$4.62				\$4.62
EMPLOYEE BENEFITS				\$8.39				\$8.39
INSURANCE				\$0.93				\$0.93
LAND TAXES							\$2.63	\$2.63
SUPERVISION AND MANAGEMENT				\$21.51				\$21.51
OTHER EXPENSES				\$82.50				\$82.50
SUBTOTAL		0.61 HR		\$83.43	\$34.52		\$2.63	\$120.59

TOTAL OPERATING EXPENSES		7.26 HR		\$175.79	\$81.16	\$45.14	\$15.35	\$90.41	\$407.84
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NET OPERATING PROFIT									(\$129.53)
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INTEREST ON OPERATING CAPITAL	(\$45.54	@	6.50%)				\$2.96
INTEREST ON EQUIPMENT INVESTMENT									\$30.88

RETURN TO LAND AND RISK									(\$163.37)
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* Pump water costs are shown under irrigation in the preharvest operation section
BUDGET SUMMARY

GROSS RETURN		\$278.31			
VARIABLE OPERATING EXPENSES	\$236.28				
RETURN OVER VARIABLE EXPENSES		\$42.03	(GROSS MARGIN)		
FIXED EXPENSES	\$90.41				
NET FARM INCOME		(\$48.38)	(RETURN TO CAPITAL, LABOR, LAND & RISK)		
LABOR AND MANAGEMENT COST	\$81.16				
NET OPERATING PROFIT		(\$129.53)	(RETURN TO CAPITAL, LAND & RISK)		
CAPITAL COSTS	\$33.84				
RETURN TO LAND AND RISK		(\$163.37)			

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

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN SILAGE	PICKER COTTON	GRAIN SORGHUM
		TONS	TONS	LBS	CWT
PRIMARY YIELD		5.00	23.00	1,060.00	62.00
PRIMARY PRICE		\$120.00	\$16.00	\$0.55	\$4.03
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$183.80	\$18.45
SECOND INCOME		\$15.00	\$0.00	\$127.20	\$10.00
GROSS RETURN		\$615.00	\$368.00	\$894.00	\$278.31
CASH OPERATING EXPENSES					
SEED	\$70.00		\$31.88	\$11.56	\$10.40
FERTILIZER	\$15.80		\$17.28	\$35.20	\$17.28
CHEMICALS				\$14.08	\$25.38
CROP INSURANCE				\$0.74	\$1.47
OTHER PURCHASED INPUTS		\$16.39			
CANAL WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$24.24	\$18.72	\$20.36	\$65.77	\$35.34
FUEL-IRRIGATION	\$4.09	\$14.71	\$11.44	\$9.80	\$9.80
REPAIRS	\$11.29	\$7.23	\$9.44	\$36.68	\$15.35
CUSTOM CHARGES				\$145.05	\$37.82
LAND TAXES		\$2.63	\$2.63	\$2.63	\$2.63
OTHER EXPENSES	\$0.56	\$83.36	\$83.34	\$84.13	\$83.43
TOTAL CASH EXPENSES	\$125.98	\$143.03	\$176.37	\$405.66	\$238.91
RETURN OVER CASH EXPENSES	(\$125.98)	\$471.97	\$191.63	\$488.35	\$39.39
FIXED EXPENSES	\$47.47	\$159.64	\$63.78	\$144.63	\$87.77
TOTAL EXPENSES	\$173.45	\$302.68	\$240.15	\$550.29	\$326.68
NET FARM INCOME	(\$173.45)	\$312.32	\$127.85	\$343.72	(\$48.38)
LABOR AND MANAGEMENT COSTS	\$53.71	\$102.70	\$83.94	\$177.83	\$81.16
NET OPERATING PROFIT	(\$227.15)	\$209.63	\$43.91	\$165.88	(\$129.53)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$0.92	\$2.27	\$3.87	\$2.96
INTEREST ON EQUIPMENT INVESTMENT		\$22.49	\$19.51	\$62.45	\$30.88
TOTAL CAPITAL COSTS	\$0.00	\$23.40	\$21.78	\$66.32	\$33.84
RETURN TO LAND AND RISK	(\$227.15)	\$186.22	\$22.12	\$99.57	(\$163.37)

TABLE 12. Whole farm summary, Virden area, Hidalgo County,
Projected 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		\$39,644
SEED		\$8,650
DIRECT PAYMENT		\$3,005
COUNTER CYCLICAL PAYMENT		\$8,412
GRAIN SORGHUM	34.00 ACRES	
CROP		\$8,495
DIRECT PAYMENT		\$627
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$340
GROSS RETURN		<u>\$112,332</u>
CASH OPERATING EXPENSES		
SEED		\$3,560
FERTILIZER		\$3,961
CHEMICALS		\$1,820
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$738
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,755
FUEL-IRRIGATION		\$2,215
REPAIRS		\$3,917
CUSTOM CHARGES		\$11,149
LAND TAXES		\$501
OTHER EXPENSES		\$15,901
TOTAL CASH EXPENSES		<u>\$51,618</u>
RETURN OVER CASH EXPENSES		\$60,714
FIXED EXPENSES		\$20,050
TOTAL EXPENSES		\$71,668
NET FARM INCOME		\$40,664
LABOR AND MANAGEMENT COSTS		\$23,888
NET OPERATING PROFIT		\$16,775
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$503
INTEREST ON EQUIPMENT INVESTMENT		\$7,147
TOTAL CAPITAL COSTS		<u>\$7,650</u>
RETURN TO LAND AND RISK		<u>\$9,126</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	\$3,526	7.17%
\$900 /ACRE	\$1,926	6.12%
\$1,100 /ACRE	\$326	5.34%
\$1,300 /ACRE	(\$1,274)	4.74%
\$1,500 /ACRE	(\$2,874)	4.26%
\$1,700 /ACRE	(\$4,474)	3.87%
\$1,900 /ACRE	(\$6,074)	3.54%

* 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)