

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

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

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	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		
<b>TOTAL</b>	<b>480.00</b>		<b>10,376</b>
ACRE FEET PER ACRE OF WATER RIGHTS			1.80

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for Lea County,  
Projected 2004.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$7.55
General & Irrigators	\$/hour	\$6.75
<b>Purchased Inputs:</b>		
<b>Fertilizer:</b>		
Nitrogen (N)	\$/pound	\$0.29
Phosphate (P205)	\$/pound	\$0.20
<b>Seed:</b>		
Alfalfa	\$/pound	\$2.80
Wheat	\$/pound	\$0.18
Cotton	\$/pound	\$0.68
Electricity (Lea Co Elec Coop)	cents/KwHr	4.96
Natural gas (Gas Co NM)	\$/MCF	\$7.23
Service Charge	\$/month	\$10.00
Diesel fuel	\$/gallon	\$1.50
Gasoline	\$/gallon	\$1.45
LP Gas	\$/gallon	\$1.21
Employee Liability Insurance	\$/ \$1,000 wages	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
<b>Financial Rates:</b>		
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	\$90.00 /acre (full value)	\$0.85
Personal Property Tax Rate	- NR \$/ \$1,000 (Assessed Value)	\$28.45
	- R	\$25.10
<b>Supervision Factors</b>		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment & General	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for Lea County,  
Projected 2004.

Item		
Electricity (Domestic & Shop)	\$120.00 per month	\$1,440
Telephone	\$120.00 per month	\$1,440
Accounting & Legal		\$1,605
Misc. Supplies & Hand Tools		\$2,340
Pickup and Auto		
miles	20,600 @ \$0.365 per mile	\$7,519
<b>Insurance</b>		
- general liability (non-employee)		\$1,725
- fire/theft		\$1,370
<b>Property Taxes</b>		
- non-planted land		\$95
- other than land & machinery		\$630
Building repairs and maintenance		\$2,440
Dues, fees, publications		\$390
Farmstead Equipment		\$170
<b>Total</b>		<b>\$21,164</b>
<b>Total per planted acre</b>		<b>\$56.44</b>

TABLE 4. Pumping costs and data for irrigation wells, Lea County, Projected 2004.

INPUT DATA			
DELIVERY PSI:			DEPTH CHARACTERISTICS:
SPRINKLER	40		STATIC.....
			DRAW DOWN.....
			TOTAL HEAD.....
			CASING.....
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	4.96	CENTS/KwHr	
NATURAL GAS	\$7.23	\$/MCF	
LP GAS	\$1.21	\$/GAL	
DIESEL	\$1.50	\$/GAL	

FUEL PUMPING COSTS

ELECTRIC WELL:		
COST PER HOUR		\$2.53
COST PER ACRE INCH		\$1.53
NATURAL GAS WELL:		
COST PER HOUR		\$4.80
COST PER ACRE INCH		\$2.90
LP GAS WELL:		
COST PER HOUR		\$7.96
COST PER ACRE INCH		\$4.80
DIESEL WELL:		
COST PER HOUR		\$6.17
COST PER ACRE INCH		\$3.72

TABLE 5. Equipment summary for a 480 acre sprinkler-irrigated farm with above average management, Lea 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	126 HP	344	1	\$31,240	\$3,651	\$2,263	\$10.61	\$6.58	\$2,740	\$325	\$8.90
TRACTOR	155 HP	483	1	\$14,420	\$6,302	\$5,172	\$13.05	\$10.71	\$3,500	\$249	\$7.76
COTTON STRIPPER (MTD)		89	1	\$2,950		\$389		\$4.37	\$1,150	\$55	\$13.52
SWATHER	16 FT	69	1	\$21,350	\$386	\$299	\$5.62	\$4.34	\$3,621	\$343	\$57.66
BALER PTO	2 WIRE	156	1	\$3,900		\$327		\$2.09	\$550	\$52	\$3.85
DISC	14 FT	76	1	\$3,000		\$139		\$1.83	\$400	\$28	\$5.65
DRILL	13 FT	23	1	\$2,150		\$62		\$2.71	\$430	\$20	\$19.66
PLOW (MOLDBOARD)	4-14 IN	79	1	\$4,000		\$190		\$2.40	\$533	\$38	\$7.22
CHISEL	9 PT	16	1	\$1,350		\$19		\$1.16	\$180	\$13	\$12.10
PLANTER	6 ROW	24	1	\$4,250		\$131		\$5.36	\$850	\$40	\$36.43
FLOAT	12 FT	4	1	\$500		\$0		\$0.02	\$53	\$4	\$14.32
CULTIVATOR	6 ROW	56	1	\$2,500		\$87		\$1.55	\$333	\$24	\$6.37
FRONT END LOADER		156	1	\$2,550		\$0		\$0.00	\$255	\$24	\$1.79
SHREDDER	4 ROW	20	1	\$2,500		\$23		\$1.15	\$333	\$24	\$17.74
ANHYDROUS APPLICATOR		18	1	\$1,500		\$34		\$1.89	\$200	\$14	\$11.86
FERT SPREADER	DEALER FURNISHED	20									
MODULE BUILDER		89	1	\$8,000		\$663		\$7.44	\$1,067	\$76	\$12.82
CENTER PIVOT SPRINKLER		6,261	3	\$45,000	\$155	\$1,002	\$0.02	\$0.16	\$6,000	\$427	\$1.03
NATURAL GAS WELL		6,261	5	\$74,375	\$30,072	\$1,252	\$4.80	\$0.20	\$5,950	\$705	\$1.16
				\$225,535	\$40,567	\$12,051			\$28,145	\$2,461	

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2004.

Planting dates: August 15 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<b>PURCHASED INPUTS</b>								
SEED	\$2.80	30 LBS	\$84.00					\$84.00
NITROGEN (N)	\$0.29	55 LBS	\$15.95					\$15.95
PHOSPHATE (P205)	\$0.20	140 LBS	\$28.00					\$28.00
PUMP WATER		6 AC. IN.						
SUBTOTAL			\$127.95					\$127.95
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	155 HP	0.48 HR		\$3.62	\$6.26	\$6.29	\$7.19	\$23.38
DISC (2X)	155 HP	0.28 HR		\$2.11	\$3.65	\$3.51	\$3.75	\$13.03
FLOAT	155 HP	0.19 HR		\$1.43	\$2.48	\$2.04	\$4.20	\$10.15
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.53	\$0.33	\$0.45	\$1.68
DRILL	126 HP	0.18 HR		\$1.36	\$1.91	\$1.67	\$5.14	\$10.08
IRRIGATE (3X)		0.30 HR		\$2.03	\$17.48	\$1.30	\$7.91	\$28.72
SUBTOTAL		1.48 HR		\$10.93	\$32.32	\$15.15	\$28.64	\$87.04
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.30 HR		\$2.23				\$2.23
EMPLOYEE BENEFITS				\$1.97				\$1.97
INSURANCE			\$0.22					\$0.22
SUPERVISION AND MANAGEMENT				\$15.94				\$15.94
SUBTOTAL		0.30 HR	\$0.22	\$20.13				\$20.35
<b>TOTAL OPERATING EXPENSES</b>		1.78 HR	\$128.17	\$31.07	\$32.32	\$15.15	\$28.64	\$235.34

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2004.  
Harvest dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$130.00	5.25 TONS (STACKED)						\$682.50	
<b>TOTAL</b>							<b>\$682.50</b>		
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
PHOSPHATE (P2O5)	\$0.20	90 LBS	\$18.00					\$18.00	
INSECTICIDE (CUSTOM)	\$14.08	1 ACRE	\$14.08					\$14.08	
HERBICIDE	\$12.80	1 ACRE	\$12.80					\$12.80	
WIRE	\$0.37	45 LBS	\$16.71					\$16.71	
ESTABLISHMENT: Principal		6 YEARS					\$39.22	\$39.22	
: Interest							\$8.25	\$8.25	
PUMP WATER*		42 AC. IN.							
<b>SUBTOTAL</b>			<b>\$61.59</b>				<b>\$47.47</b>	<b>\$109.07</b>	
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.53	\$0.33	\$0.45	\$1.68	
IRRIGATE		1.40 HR		\$9.45	\$122.36	\$9.12	\$55.38	\$196.31	
<b>SUBTOTAL</b>		<b>1.45 HR</b>		<b>\$9.83</b>	<b>\$122.89</b>	<b>\$9.45</b>	<b>\$55.83</b>	<b>\$197.99</b>	
<b>HARVEST OPERATIONS</b>									
SWATHER (5X)	16 FT SP	0.55 HR		\$4.15	\$3.09	\$2.39	\$31.71	\$41.34	
BALER & ACCUM (5X)	155 HP	1.25 HR		\$9.44	\$16.31	\$16.00	\$14.52	\$56.27	
FRONT END LOADER (5X)	126 HP	1.25 HR		\$9.44	\$13.26	\$8.22	\$13.36	\$44.28	
<b>SUBTOTAL</b>		<b>3.05 HR</b>		<b>\$23.03</b>	<b>\$32.67</b>	<b>\$26.61</b>	<b>\$59.60</b>	<b>\$141.90</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.78 HR		\$5.85				\$5.85	
EMPLOYEE BENEFITS				\$5.91				\$5.91	
INSURANCE			\$0.66					\$0.66	
LAND TAXES								\$0.85	
SUPERVISION AND MANAGEMENT				\$50.73				\$50.73	
OTHER EXPENSES			\$56.44					\$56.44	
<b>SUBTOTAL</b>		<b>0.78 HR</b>	<b>\$57.09</b>	<b>\$62.49</b>				<b>\$0.85</b>	<b>\$120.44</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>5.28 HR</b>	<b>\$118.69</b>	<b>\$95.35</b>	<b>\$155.55</b>	<b>\$36.06</b>	<b>\$163.75</b>	<b>\$569.40</b>	
<b>NET OPERATING PROFIT</b>							<b>\$113.10</b>		
INTEREST ON OPERATING CAPITAL		( \$68.82 @	6.50%	)				\$4.47	
INTEREST ON EQUIPMENT INVESTMENT							\$26.89		
<b>RETURN TO LAND AND RISK</b>							<b>\$81.74</b>		

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

**BUDGET SUMMARY**

GROSS RETURN		\$682.50	
VARIABLE OPERATING EXPENSES	\$310.30		
RETURN OVER VARIABLE EXPENSES		\$372.20	(GROSS MARGIN)
FIXED EXPENSES	\$163.75		
NET FARM INCOME		\$208.45	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$95.35		
NET OPERATING PROFIT		\$113.10	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$31.36		
RETURN TO LAND AND RISK		\$81.74	

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2004.  
 Planting dates: August 15 - October 30  
 Harvest dates: June 20 - July 5

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
WHEAT	\$3.75	21.00 BUSHELS		\$78.75
DIRECT PAYMENT	\$0.52	21.00 BUSHELS	0.85	\$9.28
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$50.00	1.00 ACRE		\$50.00
<b>TOTAL</b>				<b>\$138.03</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	0.18	90 LBS	\$16.20		\$16.20
PHOSPHATE (P205)	0.20	70 LBS	\$14.00		\$14.00
ANHYDROUS AMMONIA (NH3)	0.15	200 LBS	\$30.00		\$30.00
PUMP WATER*		20 ACRE IN.			
CROP INSURANCE	0.47		\$0.47		\$0.47
<b>SUBTOTAL</b>			<b>\$60.67</b>		<b>\$60.67</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	155 HP	0.15 HR		\$1.13	\$1.96	\$1.78	\$2.98	\$7.85
DISC	155 HP	0.14 HR		\$1.06	\$1.83	\$1.76	\$1.88	\$6.52
ANNHYDROUS APPL	155 HP	0.17 HR		\$1.28	\$2.22	\$2.14	\$3.34	\$8.98
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.53	\$0.33	\$0.45	\$1.68
DISC	155 HP	0.14 HR		\$1.06	\$1.83	\$1.76	\$1.88	\$6.52
DRILL	126 HP	0.18 HR		\$1.36	\$1.91	\$1.67	\$5.14	\$10.08
IRRIGATE (12X)		1.20 HR		\$8.10	\$58.26	\$4.34	\$26.37	\$97.08
<b>SUBTOTAL</b>		<b>2.03 HR</b>		<b>\$14.37</b>	<b>\$68.54</b>	<b>\$13.78</b>	<b>\$42.03</b>	<b>\$138.71</b>

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$7.54				\$7.54
HAUL (CUSTOM)				\$3.36				\$3.36
<b>SUBTOTAL</b>				<b>\$10.90</b>				<b>\$10.90</b>

OVERHEAD EXPENSES								
DOWNTIME		0.21 HR		\$1.57				\$1.57
EMPLOYEE BENEFITS				\$2.59				\$2.59
INSURANCE				\$0.29				\$0.29
LAND TAXES							\$0.85	\$0.85
SUPERVISION AND MANAGEMENT				\$11.28				\$11.28
OTHER EXPENSES				\$56.44				\$56.44
<b>SUBTOTAL</b>		<b>0.21 HR</b>		<b>\$56.72</b>	<b>\$15.43</b>		<b>\$0.85</b>	<b>\$73.01</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>2.24 HR</b>		<b>\$128.30</b>	<b>\$29.80</b>	<b>\$68.54</b>	<b>\$13.78</b>	<b>\$42.88</b>	<b>\$283.29</b>
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<b>NET OPERATING PROFIT</b>									<b>(\$145.26)</b>
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INTEREST ON OPERATING CAPITAL	(	\$51.82	@	6.50%	)				\$3.37
INTEREST ON EQUIPMENT INVESTMENT									\$6.72

<b>RETURN TO LAND AND RISK</b>									<b>(\$155.34)</b>
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\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN		\$138.03		
VARIABLE OPERATING EXPENSES	\$210.61			
RETURN OVER VARIABLE EXPENSES		(\$72.58)	(GROSS MARGIN)	
FIXED EXPENSES	\$42.88			
NET FARM INCOME		(\$115.46)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$29.80			
NET OPERATING PROFIT		(\$145.26)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$10.08			
RETURN TO LAND AND RISK		(\$155.34)		

TABLE 9. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2004.  
 Planting dates: May 1 - May 25  
 Harvest dates: November 1 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
LINT	\$0.50	675.00 LBS		\$337.50
SEED	\$0.08	1,080.00 LBS		\$81.00
DIRECT PAYMENT	\$0.0667	675.00 LBS	0.85	\$38.27
COUNTER CYCLICAL PAYMENT	\$0.1373	675.00 LBS	0.85	\$78.78
<b>TOTAL</b>				<b>\$535.55</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.68	20 LBS	\$13.60		\$13.60
NITROGEN (N)	\$0.29	32 LBS	\$9.28		\$9.28
PHOSPHATE (P2O5)	\$0.20	40 LBS	\$8.00		\$8.00
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.			
<b>SUBTOTAL</b>			<b>\$61.50</b>		<b>\$61.50</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	155 HP	0.48 HR		\$3.62	\$6.26	\$6.29	\$7.19	\$23.38
DISC	155 HP	0.14 HR		\$1.06	\$1.83	\$1.76	\$1.88	\$6.52
FERT SPREADER	126 HP	0.05 HR		\$0.38	\$0.53	\$0.33	\$0.45	\$1.68
DISC	155 HP	0.14 HR		\$1.06	\$1.83	\$1.76	\$1.88	\$6.52
PRE-IRRIGATE		0.10 HR		\$0.68	\$7.28	\$0.54	\$3.30	\$11.80
PLANTER	155 HP	0.17 HR		\$1.28	\$2.22	\$2.73	\$7.51	\$13.75
CULTIVATOR (3X)	126 HP	0.39 HR		\$2.94	\$4.14	\$3.17	\$5.96	\$16.21
HOE (CUSTOM 2X)			\$20.00					\$20.00
IRRIGATE (7X)		0.70 HR		\$4.73	\$50.98	\$3.80	\$23.08	\$82.58
<b>SUBTOTAL</b>		<b>2.17 HR</b>	<b>\$20.00</b>	<b>\$15.74</b>	<b>\$75.07</b>	<b>\$20.38</b>	<b>\$51.24</b>	<b>\$182.43</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	126 HP	0.62 HR		\$4.68	\$6.58	\$6.79	\$13.90	\$31.94
MODULE BUILDER	155 HP	0.62 HR		\$4.68	\$8.09	\$11.25	\$12.76	\$36.79
GIN COTTON (CUSTOM)			\$127.04					\$127.04
<b>SUBTOTAL</b>		<b>1.24 HR</b>	<b>\$127.04</b>	<b>\$9.36</b>	<b>\$14.67</b>	<b>\$18.04</b>	<b>\$26.66</b>	<b>\$195.77</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	155 HP	0.14 HR		\$1.06	\$1.83	\$1.66	\$3.57	\$8.12

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.68 HR		\$5.10				\$5.10
EMPLOYEE BENEFITS				\$4.71				\$4.71
INSURANCE			\$0.52					\$0.52
LAND TAXES							\$0.85	\$0.85
SUPERVISION AND MANAGEMENT				\$39.64				\$39.64
OTHER EXPENSES			\$56.44					\$56.44
<b>SUBTOTAL</b>		<b>0.68 HR</b>	<b>\$56.96</b>	<b>\$49.44</b>			<b>\$0.85</b>	<b>\$107.26</b>

TOTAL OPERATING EXPENSES 4.23 HR \$265.50 \$75.61 \$91.57 \$40.08 \$82.32 \$555.07

NET OPERATING PROFIT (\$19.52)

INTEREST ON OPERATING CAPITAL ( \$68.80 @ 6.50% ) \$4.47  
 INTEREST ON EQUIPMENT INVESTMENT \$18.01

RETURN TO LAND AND RISK (\$42.01)

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

BUDGET SUMMARY

GROSS RETURN	\$535.55	
VARIABLE OPERATING EXPENSES	\$397.14	
RETURN OVER VARIABLE EXPENSES	\$138.41	(GROSS MARGIN)
FIXED EXPENSES	\$82.32	
NET FARM INCOME	\$56.08	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$75.61	
NET OPERATING PROFIT	(\$19.52)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$22.48	
RETURN TO LAND AND RISK	(\$42.01)	

TABLE 10. Summary of per acre costs and returns for a 480 acre farm with above average management, Lea County, Projected 2004.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	STRIPPER COTTON
		TONS	BU	LBS
PRIMARY YIELD		5.25	21.00	675.00
PRIMARY PRICE		\$130.00	\$3.75	\$0.50
GOVERNMENT PAYMENTS		\$0.00	\$9.28	\$117.05
SECOND INCOME		\$0.00	\$50.00	\$81.00
GROSS RETURN		\$682.50	\$138.03	\$535.55
CASH OPERATING EXPENSES				
SEED	\$84.00		\$16.20	\$13.60
FERTILIZER	\$43.95	\$18.00	\$44.00	\$17.28
CHEMICALS		\$26.88		\$30.27
CROP INSURANCE			\$0.47	\$0.35
OTHER PURCHASED INPUTS		\$16.71		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$14.84	\$33.20	\$10.27	\$33.30
FUEL-IRRIGATION	\$17.48	\$122.36	\$58.26	\$58.26
REPAIRS	\$15.15	\$36.06	\$13.78	\$40.08
CUSTOM CHARGES			\$10.90	\$147.04
LAND TAXES		\$0.85	\$0.85	\$0.85
OTHER EXPENSES	\$0.22	\$57.09	\$56.72	\$56.96
TOTAL CASH EXPENSES	\$175.63	\$311.15	\$211.46	\$397.99
RETURN OVER CASH EXPENSES	(\$175.63)	\$371.35	(\$73.43)	\$137.55
FIXED EXPENSES	\$28.64	\$162.90	\$42.03	\$81.47
TOTAL EXPENSES	\$204.28	\$474.05	\$253.49	\$479.46
RETURNS TO CAPITAL, LABOR, LAND & RISK	(\$204.28)	\$208.45	(\$115.46)	\$56.08
LABOR AND MANAGEMENT COSTS	\$31.07	\$95.35	\$29.80	\$75.61
RETURNS TO CAPITAL, LAND & RISK	(\$235.34)	\$113.10	(\$145.26)	(\$19.52)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$4.47	\$3.37	\$4.47
INTEREST ON EQUIPMENT INVESTMENT		\$26.89	\$6.72	\$18.01
TOTAL CAPITAL COSTS	\$0.00	\$31.36	\$10.08	\$22.48
RETURN TO LAND AND RISK	(\$235.34)	\$81.74	(\$155.34)	(\$42.01)

TABLE 11. Whole farm summary, Lea County,  
Projected 2004.

GROSS RETURNS		
ALFALFA HAY	125.00 ACRES	
CROP		\$85,313
WHEAT	106.25 ACRES	
CROP		\$8,367
GRAZING		\$5,313
DIRECT PAYMENT		\$638
COUNTER CYCLICAL PAYMENT		\$0
COTTON	143.75 ACRES	
LINT		\$48,516
SEED		\$11,644
DIRECT PAYMENT		\$5,501
COUNTER CYCLICAL PAYMENT		\$11,324
GROSS RETURN		<u>\$176,615</u>
CASH OPERATING EXPENSES		
SEED		\$5,440
FERTILIZER		\$10,332
CHEMICALS		\$7,712
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,089
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$10,340
FUEL-IRRIGATION		\$30,228
REPAIRS		\$12,051
CUSTOM CHARGES		\$22,294
LAND TAXES		\$320
OTHER EXPENSES		\$21,356
TOTAL CASH EXPENSES		<u>\$122,262</u>
RETURN OVER CASH EXPENSES		\$54,353
FIXED EXPENSES		\$32,237
TOTAL EXPENSES		\$154,499
NET FARM INCOME		\$22,116
LABOR AND MANAGEMENT COSTS		\$26,605
NET OPERATING PROFIT		(\$4,489)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,560
INTEREST ON EQUIPMENT INVESTMENT		\$6,664
TOTAL CAPITAL COSTS		<u>\$8,224</u>
RETURN TO LAND AND RISK		<u>(\$12,713)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$22,313)	-0.96%
\$700 /ACRE	(\$26,153)	-0.80%
\$900 /ACRE	(\$29,993)	-0.68%
\$1,100 /ACRE	(\$33,833)	-0.60%
\$1,300 /ACRE	(\$37,673)	-0.53%
\$1,500 /ACRE	(\$41,513)	-0.47%

\* 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)