

TABLE 1. Acreage Summary, Eddy County, Carlsbad Basin area, Projected 2005.

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 2005.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$6.80
General & Irrigators		\$/hour	\$6.35
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Nitrogen (N)		\$/pound	\$0.40
Phosphate (P <sub>2</sub> O <sub>5</sub> )		\$/pound	\$0.31
Canal water	3 AC. FT.	\$/acre	\$43.00
Wire		\$/lb.	\$0.50
<b>Seed:</b>			
Alfalfa		\$/pound	\$2.88
Cotton			
Picker		\$/pound	\$0.72
Stripper		\$/pound	\$0.72
Barley		\$/pound	\$0.19
Sudan		\$/pound	\$0.34
Diesel fuel		\$/gallon	\$2.10
Gasoline		\$/gallon	\$2.00
Electricity		cents/KwHr	\$6.24
Natural Gas		\$/MCF	\$10.00
LP Gas		\$/gallon	\$1.65
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	7.00%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	7.00%
Real Interest Rate		percent	3.00%
Land Taxes		\$250.00 /acre (full value)	\$1.46
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$17.51
- R			\$19.99
<b>Supervision Factors</b>			
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
<b>Management Rate</b>			
Field Crops		percent/GR	7.00%
Vegetable Crops		percent/TOE	10.00%

TABLE 3. Overhead cost information for the Carlsbad Basin, Eddy County, Projected 2005.

Item			
Electricity (Domestic & Shop)		\$215.00 per month	\$2,580
Telephone		\$115.00 per month	\$1,380
Accounting & Legal			\$1,525
Misc. Supplies & Hand Tools			\$1,430
Pickup and Auto			
miles	20,001	@ \$0.365 per mile	\$7,300
<b>Insurance</b>			
- general liability (non-employee)			\$1,710
- fire/theft			\$1,525
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$6,010
Fixed Costs: Pump			\$1,610
Building repairs and maintenance			\$1,290
Dues, fees, publications			\$405
Farmstead Equipment			\$185
Total			\$26,950
Total Per Planted Acre			\$149.72

TABLE 4. Pumping costs and data for irrigation wells, Carlsbad Basin, Eddy County,  
Projected 2005.

INPUT DATA	
DELIVERY PSI:	
SPRINKLER.....	0
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	6.2 cents/KwHr
NATURAL GAS	\$10.00 \$/MCF
LP GAS	\$1.65 \$/GAL
DIESEL	\$2.10 \$/GAL

FUEL PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR	\$3.78
COST PER ACRE INCH	\$1.43
NATURAL GAS WELL:	
COST PER HOUR	\$8.84
COST PER ACRE INCH	\$3.33
LP GAS WELL:	
COST PER HOUR	\$14.46
COST PER ACRE INCH	\$5.45
DIESEL WELL:	
COST PER HOUR	\$8.96
COST PER ACRE INCH	\$3.38

TABLE 5. Equipment summary for a 200 acre flood-irrigated farm with above average management, Carlsbad Basin  
Projected 2005.

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	\$7,609	\$694	\$100	\$7.48	\$1.08	\$359	\$52	\$4.44
TRACTOR	96 HP	169	1	\$9,473	\$2,057	\$350	\$12.18	\$2.07	\$1,152	\$101	\$7.42
TRACTOR	145 HP	254	1	\$19,725	\$4,393	\$777	\$17.32	\$3.06	\$2,043	\$149	\$8.64
SWATHER	14 FT SP	80	1	\$3,900	\$629	\$46	\$7.86	\$0.58	\$1,450	\$85	\$19.18
BORDER DISC	6 DISC	33	1	\$300		\$12		\$0.37	\$40	\$2	\$1.26
DISC	12 FT	51	1	\$2,250		\$141		\$2.79	\$300	\$13	\$6.20
PLOW	3-16 IN	69	1	\$3,350		\$288		\$4.15	\$447	\$20	\$6.72
CULTIVATOR	4 ROW	54	1	\$5,000		\$336		\$6.20	\$667	\$29	\$12.84
DRILL	12 FT	8	1	\$2,200		\$9		\$1.06	\$440	\$13	\$54.94
PLANTER	4 ROW	17	1	\$3,400		\$28		\$1.63	\$680	\$20	\$40.94
DRAG	12 FT	18	1	\$250		\$0		\$0.01	\$33	\$1	\$1.95
LISTER	4 ROW	12	1	\$1,600		\$23		\$1.98	\$213	\$9	\$18.81
SHREDDER	2 ROW	19	1	\$1,250		\$4		\$0.20	\$167	\$7	\$9.12
BALER PTO	2 WIRE	126	1	\$3,900		\$28		\$0.22	\$550	\$32	\$4.62
RIPPER	7 SHANK	7	1	\$2,950		\$6		\$0.92	\$767	\$34	\$118.55
COTTON TRAILER		30	3	\$2,100		\$1		\$0.03	\$210	\$12	\$7.32
VEGETABLE TRAILER		5	1	\$700		\$0		\$0.03	\$70	\$4	\$14.82
HAY RAKE	1 REEL	48	1	\$1,550		\$21		\$0.43	\$155	\$9	\$3.42
ROLLING CULTIVATOR	4 ROW	13	1	\$2,000		\$32		\$2.48	\$267	\$12	\$21.82
ELECTRIC WELL		91	1	\$13,200	\$342	\$0	\$3.78	\$0.00	\$1,056	\$77	\$12.52
TOTAL				\$86,706	\$8,115	\$2,202			\$11,065	\$681	

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2005.  
Planting dates: August 20 - September 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<b>PURCHASED INPUTS</b>								
SEED	2.88	25.00 LBS		\$72.00				\$72.00
CANAL WATER	43.00	8.00 AC. IN.		\$344.00				
PUMP WATER		0.00 AC. IN.						
SUBTOTAL				\$416.00				\$72.00
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.16	\$2.94	\$1.00	\$2.52	\$7.62
PLOW	145 HP	0.67 HR		\$4.56	\$11.61	\$4.84	\$10.29	\$31.29
DISC (3X)	145 HP	0.51 HR		\$3.47	\$8.83	\$2.99	\$7.57	\$22.86
LASER (CUSTOM)			\$73.33					\$73.33
RIPPER	145 HP	0.27 HR		\$1.84	\$4.68	\$1.08	\$34.34	\$41.93
DISC	145 HP	0.17 HR		\$1.16	\$2.94	\$1.00	\$2.52	\$7.62
DRAG	96 HP	0.17 HR		\$1.16	\$2.07	\$0.35	\$1.59	\$5.17
BORDER DISC (2X)	27 HP	0.10 HR		\$0.68	\$0.75	\$0.15	\$0.57	\$2.14
DRILL	96 HP	0.21 HR		\$1.43	\$2.56	\$0.66	\$13.09	\$17.74
IRRIGATE (2X)		1.00 HR		\$6.35	\$0.00	\$0.00	\$0.00	\$6.35
SUBTOTAL		3.27 HR	\$73.33	\$21.79	\$36.38	\$12.04	\$72.51	\$216.05
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.57 HR		\$3.86				\$3.86
EMPLOYEE BENEFITS				\$3.92				\$3.92
INSURANCE			\$0.44					\$0.44
SUPERVISION AND MANAGEMENT				\$22.30				\$22.30
SUBTOTAL		0.57 HR	\$0.44	\$30.08				\$30.51
<b>TOTAL OPERATING EXPENSES</b>		3.84 HR	\$489.77	\$51.87	\$36.38	\$12.04	\$72.51	\$318.57

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin  
 Projected 2005.  
 Harvesting dates: May 20 - October 15

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
ALFALFA HAY	\$130.00	6.0 TONS (STACKED)	\$780.00
GRAZING	\$10.00	1.0 ACRE	\$10.00
<b>TOTAL</b>			<b>\$790.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	\$0.40	36 LBS	\$14.40		\$14.40
PHOSPHATE (P205)	\$0.31	92 LBS	\$28.52		\$28.52
INSECTICIDE (CUSTOM)	\$27.53	1 X/ACRE	\$27.53		\$27.53
HERBICIDE (CUSTOM)	\$26.23	1 X/ACRE	\$26.23		\$26.23
WIRE	\$0.50	51 LBS	\$25.50		\$25.50
ESTABLISHMENT: Principal		4 YEARS		\$79.64	\$79.64
: Interest				\$11.13	\$11.13
CANAL WATER		48 AC. IN.	\$43.00		\$43.00
PUMP WATER*		0 AC. IN.			\$0.00
<b>SUBTOTAL</b>			<b>\$165.18</b>	<b>\$90.77</b>	<b>\$255.95</b>

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	\$2.24	\$0.44	\$1.71	\$6.43
FERTILIZE	DEALER APPLIED							
IRRIGATE (8X)		4.00 HR		\$25.40	\$0.00	\$0.00	\$0.00	\$25.40
<b>SUBTOTAL</b>		<b>4.30 HR</b>		<b>\$27.44</b>	<b>\$2.24</b>	<b>\$0.44</b>	<b>\$1.71</b>	<b>\$31.83</b>

**HARVEST OPERATIONS**

SWATHER (6X)	14 FT SP	0.80 HR		\$5.44	\$6.29	\$0.46	\$15.35	\$27.54
RAKE (4X)	96 HP	0.48 HR		\$3.26	\$5.85	\$1.20	\$5.20	\$15.51
BALER (6X)	145 HP	1.26 HR		\$8.57	\$21.83	\$4.14	\$16.71	\$51.24
BALEWAGON			\$57.60					\$57.60
<b>SUBTOTAL</b>		<b>2.54 HR</b>	<b>\$57.60</b>	<b>\$17.27</b>	<b>\$33.96</b>	<b>\$5.81</b>	<b>\$37.26</b>	<b>\$151.90</b>

**OVERHEAD EXPENSES**

DOWNTIME		0.71 HR		\$4.83				\$4.83
EMPLOYEE BENEFITS				\$8.05				\$8.05
INSURANCE			\$0.89					\$0.89
LAND TAXES							\$1.46	\$1.46
SUPERVISION AND MANGEMENT				\$60.72				\$60.72
OTHER EXPENSES			\$149.72					\$149.72
<b>SUBTOTAL</b>		<b>0.71 HR</b>	<b>\$150.62</b>	<b>\$73.60</b>			<b>\$1.46</b>	<b>\$225.67</b>

TOTAL OPERATING EXPENSES 7.55 HR \$373.40 \$118.31 \$36.21 \$6.24 \$131.20 \$665.35

NET OPERATING PROFIT \$124.65

INTEREST ON OPERATING CAPITAL ( \$86.57 @ 7.00% ) \$6.06  
 INTEREST ON EQUIPMENT INVESTMENT \$29.63

RETURN TO LAND AND RISK \$88.96

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

**BUDGET SUMMARY**

GROSS RETURN		\$790.00	
VARIABLE OPERATING EXPENSES	\$415.85		
RETURN OVER VARIABLE EXPENSES	\$374.15	(GROSS MARGIN)	
FIXED EXPENSES	\$131.20		
NET FARM INCOME	\$242.96	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$118.31		
NET OPERATING PROFIT	\$124.65	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$35.69		
RETURN TO LAND AND RISK	\$88.96		

TABLE 8. Barley, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2005.  
Planting dates: August 20 - September 30  
Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
BARLEY	\$3.50	25.0 CWT		\$87.50
DIRECT PAYMENT	\$0.00	25.0 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$40.00	1.0 ACRE		\$40.00
<b>TOTAL</b>				<b>\$127.50</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.19	110 LBS	\$20.90		\$20.90
NITROGEN (N)	\$0.40	40 LBS	\$16.00		\$16.00
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
<b>SUBTOTAL</b>			<b>\$105.77</b>		<b>\$105.77</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$4.56	\$11.61	\$4.84	\$10.29	\$31.29
DISC (2X)	145 HP	0.34 HR		\$2.31	\$5.89	\$1.99	\$5.05	\$15.24
DRAG	96 HP	0.17 HR		\$1.16	\$2.07	\$0.35	\$1.59	\$5.17
BORDER DISC	27 HP	0.05 HR		\$0.34	\$0.37	\$0.07	\$0.28	\$1.07
DRILL	96 HP	0.21 HR		\$1.43	\$2.56	\$0.66	\$13.09	\$17.74
IRRIGATE (5X)		2.50 HR		\$15.88	\$0.00	\$0.00	\$0.00	\$15.88
<b>SUBTOTAL</b>		<b>3.94 HR</b>		<b>\$25.67</b>	<b>\$22.50</b>	<b>\$7.91</b>	<b>\$30.31</b>	<b>\$86.39</b>

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$14.68					\$14.68
HAUL (CUSTOM)			\$7.80					\$7.80
<b>SUBTOTAL</b>			<b>\$22.48</b>					<b>\$22.48</b>

OVERHEAD EXPENSES								
DOWNTIME		0.36 HR		\$2.45				\$2.45
EMPLOYEE BENEFITS				\$4.62				\$4.62
INSURANCE			\$0.51					\$0.51
LAND TAXES						\$1.46		\$1.46
SUPERVISION AND MANGEMENT				\$9.35				\$9.35
OTHER EXPENSES			\$149.72					\$149.72
<b>SUBTOTAL</b>		<b>0.36 HR</b>	<b>\$150.24</b>	<b>\$16.41</b>			<b>\$1.46</b>	<b>\$168.11</b>

TOTAL OPERATING EXPENSES 4.30 HR \$278.49 \$42.08 \$22.50 \$7.91 \$31.77 \$382.75

NET OPERATING PROFIT (\$255.25)

INTEREST ON OPERATING CAPITAL ( \$62.36 @ 7.00% ) \$4.37  
INTEREST ON EQUIPMENT INVESTMENT \$17.63

RETURN TO LAND AND RISK (\$277.24)

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

BUDGET SUMMARY

GROSS RETURN		\$127.50	
VARIABLE OPERATING EXPENSES	\$308.90		
RETURN OVER VARIABLE EXPENSES		(\$181.40)	(GROSS MARGIN)
FIXED EXPENSES	\$31.77		
NET FARM INCOME		(\$213.17)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$42.08		
NET OPERATING PROFIT		(\$255.25)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$21.99		
RETURN TO LAND AND RISK		(\$277.24)	

TABLE 9. Sudan, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin  
 Projected 2005.  
 Planting Dates: August 20 - September 30  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
GRAZING	\$110.00	0 TON (STACKED)	\$0.00
TOTAL			\$0.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.34	25 LBS	\$8.50		\$8.50
NITROGEN (N)	\$0.40	250 LBS	\$100.00		\$100.00
PHOSPHATE (P2O5)	\$0.31	60 LBS	\$18.60		\$18.60
CANAL WATER		24 AC. IN.	\$43.00		\$43.00
PUMP WATER*		0 AC. IN.			\$0.00
SUBTOTAL			\$170.10		\$170.10

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$4.56	\$11.61	\$4.84	\$10.29	\$31.29
DISC (2X)	145 HP	0.28 HR		\$1.90	\$4.85	\$1.64	\$4.16	\$12.55
DRAG	96 HP	0.17 HR		\$1.16	\$2.07	\$0.35	\$1.59	\$5.17
BORDER DISC	27 HP	0.05 HR		\$0.34	\$0.37	\$0.07	\$0.28	\$1.07
DRILL	96 HP	0.21 HR		\$1.43	\$2.56	\$0.66	\$13.09	\$17.74
IRRIGATE (6X)		3.00 HR		\$19.05	\$0.00	\$0.00	\$0.00	\$19.05
SUBTOTAL		4.38 HR		\$28.43	\$21.46	\$7.56	\$29.42	\$86.87

OVERHEAD EXPENSES

DOWNTIME		0.35 HR		\$2.35				\$2.35
EMPLOYEE BENEFITS				\$5.12				\$5.12
INSURANCE			\$0.57					\$0.57
LAND TAXES							\$1.46	\$1.46
SUPERVISION AND MANGEMENT				\$3.69				\$3.69
OTHER EXPENSES			\$149.72					\$149.72
SUBTOTAL		0.35 HR	\$150.29	\$11.15			\$1.46	\$162.91

TOTAL OPERATING EXPENSES		4.73 HR	\$320.39	\$39.59	\$21.46	\$7.56	\$30.88	\$419.88
--------------------------	--	---------	----------	---------	---------	--------	---------	----------

NET OPERATING PROFIT								(\$419.88)
----------------------	--	--	--	--	--	--	--	------------

INTEREST ON OPERATING CAPITAL	(	\$92.30	@	7.00%	)			\$6.46
INTEREST ON EQUIPMENT INVESTMENT								\$17.02

RETURN TO LAND AND RISK								(\$443.35)
-------------------------	--	--	--	--	--	--	--	------------

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

BUDGET SUMMARY

GROSS RETURN		\$0.00						
VARIABLE OPERATING EXPENSES	\$349.41							
RETURN OVER VARIABLE EXPENSES		(\$349.41)	(GROSS MARGIN)					
FIXED EXPENSES	\$30.88							
NET FARM INCOME		(\$380.29)	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$39.59							
NET OPERATING PROFIT		(\$419.88)	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$23.48							
RETURN TO LAND AND RISK		(\$443.35)						

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 2005.  
Planting dates: April 15 - May 15  
Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE					TOTAL	
<b>GROSS RETURNS</b>									
COTTON LINT	\$0.60	675 LBS						\$405.00	
COTTON SEED	\$0.07	1,080 LBS						\$70.20	
DIRECT PAYMENT	\$0.0000	675 LBS	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.1373	675 LBS	0.85					\$78.78	
<b>TOTAL</b>								<b>\$553.98</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.72	20 LBS	\$14.40					\$14.40	
NITROGEN (N)	\$0.40	20 LBS	\$8.00					\$8.00	
PHOSPHATE (P205)	\$0.31	40 LBS	\$12.40					\$12.40	
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	
<b>SUBTOTAL</b>			<b>\$146.63</b>					<b>\$146.63</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	145 HP	0.67 HR		\$4.56	\$11.61	\$4.84	\$10.29	\$31.29	
DISC	145 HP	0.17 HR		\$1.16	\$2.94	\$1.00	\$2.52	\$7.62	
DRAG	96 HP	0.17 HR		\$1.16	\$2.07	\$0.35	\$1.59	\$5.17	
DISC & SPRAY	145 HP	0.20 HR		\$1.36	\$3.46	\$1.17	\$2.97	\$8.96	
LISTER	96 HP	0.18 HR		\$1.22	\$2.19	\$0.73	\$4.72	\$8.87	
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	\$2.56	\$0.96	\$6.14	\$11.08	
PLANTER	96 HP	0.26 HR		\$1.77	\$3.17	\$0.96	\$12.57	\$18.47	
CULTIVATOR (4X)	27 HP	0.84 HR		\$5.71	\$6.28	\$6.11	\$14.52	\$32.63	
HOEING			\$20.00					\$20.00	
IRRIGATE (3X)		1.50 HR		\$9.53	\$0.00	\$0.00	\$0.00	\$9.53	
<b>SUBTOTAL</b>		<b>4.95 HR</b>	<b>\$20.00</b>	<b>\$32.65</b>	<b>\$34.29</b>	<b>\$16.12</b>	<b>\$55.33</b>	<b>\$158.38</b>	
<b>HARVEST OPERATIONS</b>									
COTTON PICKER (CUSTOM)			\$101.05					\$101.05	
HAUL	80 HP	0.50 HR		\$3.40	\$6.09	\$1.05	\$7.37	\$17.91	
GIN COTTON (CUSTOM)			\$101.05					\$101.05	
<b>SUBTOTAL</b>		<b>0.50 HR</b>	<b>\$202.10</b>	<b>\$3.40</b>	<b>\$6.09</b>	<b>\$1.05</b>	<b>\$7.37</b>	<b>\$220.00</b>	
<b>POSTHARVEST OPERATIONS</b>									
SHREDDER	80 HP	0.29 HR		\$1.97	\$3.53	\$0.66	\$4.80	\$10.96	
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$1.97</b>	<b>\$3.53</b>	<b>\$0.66</b>	<b>\$4.80</b>	<b>\$10.96</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.83 HR		\$5.64				\$5.64	
EMPLOYEE BENEFITS				\$6.84				\$6.84	
INSURANCE			\$0.76					\$0.76	
LAND TAXES						\$1.46		\$1.46	
SUPERVISION AND MANGEMENT				\$42.69				\$42.69	
OTHER EXPENSES			\$149.72					\$149.72	
<b>SUBTOTAL</b>		<b>0.83 HR</b>	<b>\$150.48</b>	<b>\$55.18</b>			<b>\$1.46</b>	<b>\$207.12</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>6.57 HR</b>	<b>\$519.21</b>	<b>\$93.20</b>	<b>\$43.91</b>	<b>\$17.83</b>	<b>\$68.95</b>	<b>\$743.09</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$189.11)</b>	
INTEREST ON OPERATING CAPITAL		( \$87.56 @ 7.00% )						\$6.13	
INTEREST ON EQUIPMENT INVESTMENT								\$43.33	
<b>RETURN TO LAND AND RISK</b>								<b>(\$238.57)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$553.98	
VARIABLE OPERATING EXPENSES	\$580.95		
RETURN OVER VARIABLE EXPENSES		(\$26.97)	(GROSS MARGIN)
FIXED EXPENSES	\$68.95		
NET FARM INCOME		(\$95.92)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$93.20		
NET OPERATING PROFIT		(\$189.11)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$49.46		
RETURN TO LAND AND RISK		(\$238.57)	

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 2005.  
Planting dates: April 15 - May 15  
Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.55	675 LBS		\$371.25
COTTON SEED	\$0.07	1,080 LBS		\$70.20
DIRECT PAYMENT	\$0.0000	675 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	675 LBS	0.85	\$78.78
<b>TOTAL</b>				<b>\$520.23</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.72	20 LBS	\$14.40		\$14.40
NITROGEN (N)	\$0.40	20 LBS	\$8.00		\$8.00
PHOSPHATE (P205)	\$0.31	40 LBS	\$12.40		\$12.40
HERBICIDE	\$13.22	1 X/ACRE	\$13.22		\$13.22
INSECTICIDE (CUSTOM)	\$25.95	2 X/ACRE	\$51.89		\$51.89
CROP INSURANCE		FCIC	\$8.69		\$8.69
CANAL WATER		22 AC. IN.	\$43.00		\$43.00
PUMP WATER*		0 AC. IN.			\$0.00
<b>SUBTOTAL</b>			<b>\$151.60</b>		<b>\$151.60</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$4.56	\$11.61	\$4.84	\$10.29	\$31.29
DISC	145 HP	0.17 HR		\$1.16	\$2.94	\$1.00	\$2.52	\$7.62
DRAG	96 HP	0.17 HR		\$1.16	\$2.07	\$0.35	\$1.59	\$5.17
DISC & SPRAY	145 HP	0.20 HR		\$1.36	\$3.46	\$1.17	\$2.97	\$8.96
LISTER	96 HP	0.18 HR		\$1.22	\$2.19	\$0.73	\$4.72	\$8.87
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	\$2.56	\$0.96	\$6.14	\$11.08
PLANTER	96 HP	0.26 HR		\$1.77	\$3.17	\$0.96	\$12.57	\$18.47
CULTIVATOR (4X)	27 HP	0.84 HR		\$5.71	\$6.28	\$6.11	\$14.52	\$32.63
IRRIGATE (2X)		1.00 HR		\$6.35	\$0.00	\$0.00	\$0.00	\$6.35
<b>SUBTOTAL</b>		<b>4.45 HR</b>		<b>\$29.47</b>	<b>\$34.29</b>	<b>\$16.12</b>	<b>\$55.33</b>	<b>\$135.20</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER (CUSTOM)			\$121.10					\$121.10
HAUL	96 HP	0.75 HR		\$5.10	\$9.13	\$1.58	\$11.05	\$26.86
GIN COTTON (CUSTOM)			\$121.10					\$121.10
<b>SUBTOTAL</b>		<b>0.75 HR</b>	<b>\$242.19</b>	<b>\$5.10</b>	<b>\$9.13</b>	<b>\$1.58</b>	<b>\$11.05</b>	<b>\$269.05</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	80 HP	0.29 HR		\$1.97	\$3.53	\$0.66	\$4.80	\$10.96
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$1.97</b>	<b>\$3.53</b>	<b>\$0.66</b>	<b>\$4.80</b>	<b>\$10.96</b>

OVERHEAD EXPENSES	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						\$1.46	\$1.46
SUPERVISION AND MANGEMENT			\$39.70				\$39.70
OTHER EXPENSES		\$149.72					\$149.72
<b>SUBTOTAL</b>	<b>0.94 HR</b>	<b>\$150.46</b>	<b>\$52.64</b>			<b>\$1.46</b>	<b>\$204.55</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>6.43 HR</b>	<b>\$544.25</b>	<b>\$89.18</b>	<b>\$46.95</b>	<b>\$18.35</b>	<b>\$72.63</b>	<b>\$771.37</b>
---------------------------------	----------------	-----------------	----------------	----------------	----------------	----------------	-----------------

NET OPERATING PROFIT (\$251.14)

INTEREST ON OPERATING CAPITAL ( \$90.34 @ 7.00% ) \$6.32  
INTEREST ON EQUIPMENT INVESTMENT \$45.52

**RETURN TO LAND AND RISK (\$302.99)**

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

**BUDGET SUMMARY**

GROSS RETURN		\$520.23	
VARIABLE OPERATING EXPENSES	\$609.55		
RETURN OVER VARIABLE EXPENSES		(\$89.33)	(GROSS MARGIN)
FIXED EXPENSES	\$72.63		
NET FARM INCOME		(\$161.96)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$89.18		
NET OPERATING PROFIT		(\$251.14)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$51.85		
RETURN TO LAND AND RISK		(\$302.99)	



TABLE 12. Red chile, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2005.  
Planting dates: April 1 - April 15  
Harvesting dates: September 1 - October 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
RED CHILE	\$0.72	3,200 LBS						\$2,304.00
TOTAL								\$2,304.00

  

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	16	8 LBS	\$128.00		\$128.00
NITROGEN (N)	0.4	200 LBS	\$80.00		\$80.00
PHOSPHATE (P205)	0.31	60 LBS	\$18.60		\$18.60
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			\$385.16		\$385.16

  

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.16	\$2.94	\$1.00	\$2.52	\$7.62
PLOW	145 HP	0.48 HR		\$3.26	\$8.32	\$3.46	\$7.37	\$22.42
DISC (2X)	145 HP	0.34 HR		\$2.31	\$5.89	\$1.99	\$5.05	\$15.24
FLOAT	96 HP	0.16 HR		\$1.09	\$1.95	\$0.33	\$1.50	\$4.87
FERTILIZE (CUSTOM)	DEALER APPLIED							
LISTER	145 HP	0.18 HR		\$1.22	\$3.12	\$0.91	\$4.94	\$10.19
PRE-IRRIGATE		0.05 HR		\$0.32	\$0.00	\$0.00	\$28.33	\$28.64
CULTIVATOR	96 HP	0.21 HR		\$1.43	\$2.56	\$1.74	\$4.25	\$9.98
PLANTER	96 HP	0.26 HR		\$1.77	\$3.17	\$0.96	\$12.57	\$18.47
CULTIVATOR (2X)	27 HP	0.42 HR		\$2.86	\$3.14	\$3.06	\$7.26	\$16.31
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	\$31.08	\$13.45	\$73.80	\$235.97

  

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
HAND PICK			\$640.00					\$640.00
FIELD HAUL	96 HP	1.00 HR		\$6.80	\$12.18	\$2.10	\$22.23	\$43.31
HAUL (CUSTOM)			\$96.00					\$96.00
SUBTOTAL		1.00 HR	\$736.00	\$6.80	\$12.18	\$2.10	\$22.23	\$779.31

  

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	27 HP	0.29 HR		\$1.97	\$2.17	\$0.37	\$3.93	\$8.44

  

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.88 HR		\$5.97				\$5.97
EMPLOYEE BENEFITS			\$6.77				\$6.77
INSURANCE		\$0.75					\$0.75
LAND TAXES						\$1.46	\$1.46
SUPERVISION AND MANGEMENT			\$96.72				\$96.72
OTHER EXPENSES		\$149.72					\$149.72
SUBTOTAL	0.88 HR	\$150.48	\$109.46			\$1.46	\$261.39

  

TOTAL OPERATING EXPENSES	7.77 HR	\$1,351.64	\$155.87	\$45.43	\$15.92	\$101.42	\$1,670.28
NET OPERATING PROFIT							\$633.72
INTEREST ON OPERATING CAPITAL	(	\$268.66	@	7.00%	)		\$18.81
INTEREST ON EQUIPMENT INVESTMENT							\$240.20
RETURN TO LAND AND RISK							\$374.71

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

BUDGET SUMMARY

GROSS RETURN		\$2,304.00	
VARIABLE OPERATING EXPENSES	\$1,412.99		
RETURN OVER VARIABLE EXPENSES		\$891.01	(GROSS MARGIN)
FIXED EXPENSES	\$101.42		
NET FARM INCOME		\$789.59	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$155.87		
NET OPERATING PROFIT		\$633.72	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$259.01		
RETURN TO LAND AND RISK		\$374.71	

TABLE 13. Summary of per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Eddy County  
Projected 2005.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	SUDAN	PICKER COTTON	STRIPPER COTTON	RED CHILE
		TONS	CWT	ACRE	LBS	LBS	CWT
PRIMARY YIELD		6.00	25.00	0.00	675.00	0.00	3,200.00
PRIMARY PRICE		\$130.00	\$3.50	\$110.00	\$0.60	\$0.00	\$0.72
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$78.78	\$0.00	\$0.00
SECOND INCOME		\$10.00	\$40.00	\$0.00	\$70.20	\$0.00	\$0.00
GROSS RETURN		\$790.00	\$127.50	\$0.00	\$553.98	\$0.00	\$2,304.00
CASH OPERATING EXPENSES							
SEED	\$72.00		\$20.90	\$8.50	\$14.40	\$0.00	\$128.00
FERTILIZER		\$42.92	\$16.00	\$118.60	\$20.40	\$0.00	\$98.60
CHEMICALS		\$53.76	\$14.11		\$68.01	\$0.00	\$75.56
CROP INSURANCE			\$11.76		\$0.82	\$0.00	\$40.00
OTHER PURCHASED INPUTS		\$25.50					
CANAL WATER	\$344.00	\$43.00	\$43.00	\$43.00	\$43.00	\$0.00	\$43.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$36.38	\$36.21	\$22.50	\$21.46	\$43.91	\$0.00	\$45.43
FUEL-IRRIGATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REPAIRS	\$12.04	\$6.24	\$7.91	\$7.56	\$17.83	\$0.00	\$15.92
CUSTOM CHARGES	\$73.33	\$57.60	\$22.48		\$222.10	\$0.00	\$816.00
LAND TAXES		\$1.46	\$1.46	\$1.46	\$1.46	\$0.00	\$1.46
OTHER EXPENSES	\$0.44	\$150.62	\$150.24	\$150.29	\$150.48	\$0.00	\$150.48
TOTAL CASH EXPENSES	\$538.19	\$417.30	\$310.36	\$350.87	\$582.41	\$0.00	\$1,414.45
RETURN OVER CASH EXPENSES	(\$538.19)	\$372.70	(\$182.86)	(\$350.87)	(\$28.43)	\$0.00	\$889.55
FIXED EXPENSES	\$72.51	\$129.74	\$30.31	\$29.42	\$67.49	\$0.00	\$99.96
TOTAL EXPENSES	\$610.70	\$547.04	\$340.67	\$380.29	\$649.90	\$0.00	\$1,514.41
NET FARM INCOME	(\$610.70)	\$242.96	(\$213.17)	(\$380.29)	(\$95.92)	\$0.00	\$789.59
LABOR AND MANAGEMENT COSTS	\$51.87	\$118.31	\$42.08	\$39.59	\$93.20	\$0.00	\$155.87
NET OPERATING PROFIT	(\$662.57)	\$124.65	(\$255.25)	(\$419.88)	(\$189.11)	\$0.00	\$633.72
CAPITAL COSTS							
INTEREST ON OPERATING CAPITAL		\$6.06	\$4.37	\$6.46	\$6.13	\$0.00	\$18.81
INTEREST ON EQUIPMENT INVESTMENT		\$29.63	\$17.63	\$17.02	\$43.33	\$0.00	\$240.20
TOTAL CAPITAL COSTS	\$0.00	\$35.69	\$21.99	\$23.48	\$49.46	\$0.00	\$259.01
RETURN TO LAND AND RISK	(\$662.57)	\$88.96	(\$277.24)	(\$443.35)	(\$238.57)	\$0.00	\$374.71

TABLE 14. Whole farm budget summary, Carlsbad Basin, Eddy County,  
Projected 2005.

GROSS RETURNS		
ALFALFA HAY	100 ACRES	
CROP		\$78,000
GRAZING		\$1,000
BARLEY	4.25 ACRES	
CROP		\$372
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$170
UPLAND COTTON	60.75 ACRES	
COTTON LINT		\$24,604
COTTON SEED		\$4,265
DIRECT PAYMENT		\$0
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		\$0
RED CHILE	5 ACRES	
CROP		\$11,520
GROSS RETURN		<u>\$124,716</u>
CASH OPERATING EXPENSES		
SEED		\$3,489
FERTILIZER		\$7,278
CHEMICALS		\$9,945
CROP INSURANCE		\$300
OTHER PURCHASED INPUTS		\$2,550
CANAL WATER		\$16,340
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,735
FUEL-IRRIGATION		\$0
REPAIRS		\$2,197
CUSTOM CHARGES		\$25,261
LAND TAXES		\$263
OTHER EXPENSES		\$27,109
TOTAL CASH EXPENSES		<u>\$102,466</u>
RETURN OVER CASH EXPENSES		\$22,250
FIXED EXPENSES		\$11,845
TOTAL EXPENSES		\$114,311
NET FARM INCOME		\$10,404
LABOR AND MANAGEMENT COSTS		\$20,143
NET OPERATING PROFIT		(\$9,739)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,156
INTEREST ON EQUIPMENT INVESTMENT		\$7,041
TOTAL CAPITAL COSTS		<u>\$8,197</u>
RETURN TO LAND AND RISK		<u>(\$17,935)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$750 /ACRE	(\$22,435)	-4.11%
\$1,500 /ACRE	(\$26,935)	-2.52%
\$2,250 /ACRE	(\$31,435)	-1.81%
\$3,000 /ACRE	(\$35,935)	-1.42%

\* 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)