

TABLE 1. Acreage Summary, Hidalgo County, Projected 2005.

BUDGET AREA..... VIRDEN AREA, HIDALGO COUNTY			
FARM SIZE.....	200 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS..	4		
	WATER USE		
ACREAGE SUMMARY:	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		
	<b>TOTAL</b>		<b>8,436</b>
			<b>ACRE FEET PER ACRE OF WATER RIGHTS 3.52</b>

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Virden area, Hidalgo County Projected 2005.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$7.45
General & Irrigators	\$/hour	\$6.60
<b>Purchased Inputs:</b>		
<b>Fertilizer:</b>		
Nitrogen (N)	\$/pound	\$0.40
Phosphate (P205)	\$/pound	\$0.31
<b>Seed:</b>		
Alfalfa	\$/pound	\$2.88
Upland Cotton (picker)	\$/pound	\$0.72
Corn for Silage	\$/bag	\$85.00
Grain Sorghum	\$/pound	\$1.23
Canal Water	\$/acre	\$23.00
Wire:	\$/lb.	\$0.50
<b>Energy:</b>		
Diesel fuel	\$/gallon	\$2.10
Gasoline	\$/gallon	\$2.00
Electricity	cents/KwHr	7.39
LP Gas	\$/gallon	\$1.75
Employee Liability Insurance	\$\$1000 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	\$348.00 /acre (full value)	\$2.63
Personal Property Tax Rate	- NR	\$/1,000 (Assessed Value) \$22.71
	- R	\$21.20
<b>Supervision Factors</b>		
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 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	20,006	@ \$0.365 per mile	\$7,302
<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
Building repairs and maintenance			\$1,290
Dues, fees, publications			\$405
Farmstead Equipment			\$185
		<b>Total</b>	<b>\$25,342</b>
		<b>Total per planted acre</b>	<b>\$133.38</b>

TABLE 4. Pumping costs and data for irrigation wells, Virden area, Hidalgo County, Projected 2005.

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	7.39	CENTS/KwHr	
LP GAS	\$1.75	\$/GAL	
DIESEL	\$2.10	\$/GAL	
FUEL PUMPING COSTS:			
ELECTRIC WELL:			
		COST PER HOUR	\$2.93
		COST PER ACRE INCH	\$0.88
LP GAS WELL:			
		COST PER HOUR	\$8.97
		COST PER ACRE INCH	\$2.71
DIESEL WELL:			
		COST PER HOUR	\$6.73
		COST PER ACRE INCH	\$2.03

TABLE 5. Equipment summary for a 200 acre flood-irrigated farm with above average management, Virden area, Hidalgo County, 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	65 HP	197.83	1	4,700.50	1,923.70	255.97	9.72	1.29	539.13	81.62	3.14
TRACTOR	126 HP	283.52	1	19,724.50	4,911.46	868.68	17.32	3.06	2,042.60	193.28	7.89
PICKUP HALF	1/2 TON	170.00	1	15,000.00	2,142.00	102.00	12.60	0.60	3,000.00	113.55	4.65
COTTON PICKER	2 ROW*	84.32	1	9,430.00	1,070.93	603.06	12.70	7.15	5,960.00	338.38	74.70
SWATHER	14 FT SP*	36.00	1	3,900.00	283.05	20.88	7.86	0.58	1,450.00	109.77	43.33
BALER, PTO	2 WIRE	47.25	1	1,600.00		7.28		0.15	385.00	29.14	8.76
PLANTER	4 ROW	37.36	1	3,400.00		60.97		1.63	680.00	25.74	18.89
CHISEL	7 PT	22.20	1	1,200.00		33.03		1.49	160.00	9.08	7.62
DISC	12 FT	55.08	1	2,250.00		153.67		2.79	300.00	17.03	5.76
CULTIVATOR	4 ROW	95.58	1	1,500.00		177.78		1.86	200.00	11.36	2.21
FLOAT	10 FT	38.74	1	450.00		0.54		0.01	46.67	2.65	1.27
ROTOBUCK		14.41	1	1,000.00		0.58		0.04	133.33	7.57	9.78
MULCHER	13 FT	27.27	1	3,750.00		126.81		4.65	500.00	28.39	19.38
LISTER	4 ROW	42.38	1	1,600.00		84.08		1.98	213.33	12.11	5.32
PLOW	3-14 IN	55.61	1	3,350.00		231.00		4.15	446.67	25.36	8.49
SHREDDER	2 ROW	19.72	1	1,250.00		3.94		0.20	166.67	9.46	8.93
COTTON TRAILER	8 BALE	170.00	3	3,600.00		8.16		0.05	360.00	27.25	2.28
FERTILIZER/SEEDER		12.15	1	2,300.00		11.18		0.92	306.67	17.41	26.67
SPRAYER	12 FT	23.80	1	1,375.00		15.71		0.66	183.33	10.41	8.14
ELECTRIC WELL		817.94	1	12,000.00	2,397.97		2.93		960.00	90.84	1.28
				93,380	12,729	2,765			18,033	1,160	

\* 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 2005.  
Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<b>PURCHASED INPUTS</b>								
SEED	\$2.88	25 LBS	\$72.00					\$72.00
NITROGEN (N)	\$0.40	20 LBS	\$8.00					\$8.00
PHOSPHATE (P2O5)	\$0.31	50 LBS	\$15.50					\$15.50
PUMP WATER*		5 AC. IN.						
CANAL WATER		15 AC. IN.						\$0.00
SUBTOTAL			\$95.50					\$95.50
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.27	\$2.94	\$1.00	\$2.32	\$7.53
PLOW	145 HP	0.67 HR		\$4.99	\$11.61	\$4.84	\$10.97	\$32.40
DISC	145 HP	0.17 HR		\$1.27	\$2.94	\$1.00	\$2.32	\$7.53
FLOAT	145 HP	0.24 HR		\$1.79	\$4.16	\$0.74	\$2.20	\$8.88
FERTILIZE	65 HP	0.05 HR		\$0.37	\$0.49	\$0.11	\$1.49	\$2.46
LISTER	65 HP	0.18 HR		\$1.34	\$1.75	\$0.59	\$1.52	\$5.20
MULCHER	145 HP	0.15 HR		\$1.12	\$2.60	\$1.16	\$4.09	\$8.96
SEEDER	65 HP	0.05 HR		\$0.37	\$0.49	\$0.11	\$1.49	\$2.46
MULCHER	145 HP	0.15 HR		\$1.12	\$2.60	\$1.16	\$4.09	\$8.96
LISTER	65 HP	0.18 HR		\$1.34	\$1.75	\$0.59	\$1.52	\$5.20
IRRIGATE (4X)		2.00 HR		\$13.20	\$4.42	\$0.00	\$1.94	\$19.56
SUBTOTAL		4.01 HR		\$28.17	\$35.75	\$11.28	\$33.95	\$109.15
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.50 HR		\$3.74				\$3.74
EMPLOYEE BENEFITS				\$5.07				\$5.07
INSURANCE			\$0.56					\$0.56
SUPERVISION AND MANAGEMENT				\$17.04				\$17.04
SUBTOTAL		0.50 HR	\$0.56	\$25.86				\$26.42
<b>TOTAL OPERATING EXPENSES</b>		4.51 HR	\$96.06	\$54.03	\$35.75	\$11.28	\$33.95	\$231.07

\* 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 2005.

Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
ALFALFA HAY	\$120.00	6.50 TONS (IN FIELD)	\$780.00
GRAZING	\$15.00	1.00 ACRE	\$15.00
<b>TOTAL</b>			<b>\$795.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	0.50	56 LBS	\$27.85		\$27.85
: Interest		3 YEARS		\$77.02	\$77.02
CANAL WATER		36 AC. IN.		\$9.41	\$9.41
PUMP WATER*		18 AC. IN.		\$23.00	\$23.00
<b>SUBTOTAL</b>			<b>\$27.85</b>	<b>\$109.43</b>	<b>\$137.28</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (9X)		4.50 HR		\$29.70	\$15.92	\$0.00	\$6.98	\$52.60
<b>SUBTOTAL</b>		<b>4.50 HR</b>		<b>\$29.70</b>	<b>\$15.92</b>	<b>\$0.00</b>	<b>\$6.98</b>	<b>\$52.60</b>

<b>HARVEST OPERATIONS</b>								
SWATHER (5X)	14 FT	0.80 HR		\$5.96	\$6.29	\$0.46	\$34.66	\$47.38
BALER, PTO (5X)	145 HP	1.05 HR		\$7.82	\$18.19	\$3.38	\$17.48	\$46.87
<b>SUBTOTAL</b>		<b>1.85 HR</b>		<b>\$13.78</b>	<b>\$24.48</b>	<b>\$3.84</b>	<b>\$52.15</b>	<b>\$94.25</b>

<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.46 HR		\$3.45				\$3.45
EMPLOYEE BENEFITS				\$7.83				\$7.83
INSURANCE			\$0.87					\$0.87
LAND TAXES						\$2.63		\$2.63
SUPERVISION AND MANAGEMENT				\$61.08				\$61.08
OTHER EXPENSES			\$133.38					\$133.38
<b>SUBTOTAL</b>		<b>0.46 HR</b>		<b>\$134.25</b>	<b>\$72.35</b>		<b>\$2.63</b>	<b>\$209.23</b>

TOTAL OPERATING EXPENSES 6.81 HR \$162.10 \$115.83 \$40.40 \$3.84 \$171.19 \$493.36

NET OPERATING PROFIT \$301.64

INTEREST ON OPERATING CAPITAL ( \$20.27 @ 7.00% ) \$1.42

INTEREST ON EQUIPMENT INVESTMENT \$22.19

RETURN TO LAND AND RISK \$278.03

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

BUDGET SUMMARY

GROSS RETURN		\$795.00	
VARIABLE OPERATING EXPENSES	\$206.35		
RETURN OVER VARIABLE EXPENSES		\$588.65	(GROSS MARGIN)
FIXED EXPENSES	\$171.19		
NET FARM INCOME		\$417.47	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$115.83		
NET OPERATING PROFIT		\$301.64	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$23.61		
RETURN TO LAND AND RISK		\$278.03	

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 2005.

Planting dates: April 15 - May 31

Harvest dates: August 15 - October 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
CORN SILAGE	\$16.00	25.00 TONS (STANDING)	\$400.00
TOTAL			\$400.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.06	30 000	\$31.88		\$31.88
NITROGEN (N)	\$0.40	32 LBS	\$12.80		\$12.80
PHOSPHATE (P205)	\$0.31	40 LBS	\$12.40		\$12.40
CANAL WATER		36 AC. IN.		\$23.00	\$23.00
PUMP WATER*		14 AC. IN.			
SUBTOTAL			\$57.08	\$23.00	\$80.08

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.37	\$0.49	\$0.11	\$1.49	\$2.46
DISC	145 HP	0.17 HR		\$1.27	\$2.94	\$1.00	\$2.32	\$7.53
CHISEL	145 HP	0.20 HR		\$1.49	\$3.46	\$0.91	\$3.10	\$8.97
DISC	145 HP	0.17 HR		\$1.27	\$2.94	\$1.00	\$2.32	\$7.53
FLOAT	65 HP	0.24 HR		\$1.79	\$2.33	\$0.31	\$1.06	\$5.49
LISTER	65 HP	0.18 HR		\$1.34	\$1.75	\$0.59	\$1.52	\$5.20
PRE-IRRIGATE		0.75 HR		\$4.95	\$1.55	\$0.00	\$0.68	\$7.18
MULCHER	145 HP	0.15 HR		\$1.12	\$2.60	\$1.16	\$4.09	\$8.96
PLANTER	145 HP	0.26 HR		\$1.94	\$4.50	\$1.22	\$6.96	\$14.62
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.13	\$4.08	\$1.32	\$2.25	\$10.78
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.67	\$1.56	\$0.28	\$1.59	\$4.10
IRRIGATE (7X)		3.50 HR		\$23.10	\$10.84	\$0.00	\$4.75	\$38.68
SUBTOTAL		6.18 HR		\$42.43	\$39.05	\$7.90	\$32.12	\$121.50

OVERHEAD EXPENSES

DOWNTIME		0.46 HR		\$3.43				\$3.43
EMPLOYEE BENEFITS				\$7.64				\$7.64
INSURANCE			\$0.85					\$0.85
LAND TAXES							\$2.63	\$2.63
SUPERVISION AND MANAGEMENT				\$33.17				\$33.17
OTHER EXPENSES			\$133.38					\$133.38
SUBTOTAL		0.46 HR		\$134.23	\$44.23		\$2.63	\$181.10

TOTAL OPERATING EXPENSES 6.64 HR \$191.30 \$86.66 \$39.05 \$7.90 \$57.76 \$382.68

NET OPERATING PROFIT \$17.32

INTEREST ON OPERATING CAPITAL ( \$40.28 @ 7.00% ) \$2.82  
 INTEREST ON EQUIPMENT INVESTMENT \$21.31

RETURN TO LAND AND RISK (\$6.80)

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

BUDGET SUMMARY

GROSS RETURN		\$400.00	
VARIABLE OPERATING EXPENSES	\$238.25		
RETURN OVER VARIABLE EXPENSES		\$161.75	(GROSS MARGIN)
FIXED EXPENSES	\$57.76		
NET FARM INCOME		\$103.99	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$86.66		
NET OPERATING PROFIT		\$17.32	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$24.13		
RETURN TO LAND AND RISK		(\$6.80)	

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 2005.  
 Planting dates: April 10 - April 30  
 Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
LINT	\$0.60	600.00 LBS		\$360.00
SEED	\$0.07	960.00 LBS		\$62.40
DIRECT PAYMENT	\$0.0000	600.00 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	1,060.00 LBS	0.85	\$123.71
<b>TOTAL</b>				<b>\$546.11</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.72	17 LBS	\$12.24		\$12.24
NITROGEN (N)	\$0.40	80 LBS	\$32.00		\$32.00
PHOSPHATE (P205)	\$0.31	60 LBS	\$18.60		\$18.60
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
<b>SUBTOTAL</b>			<b>\$77.66</b>	<b>\$23.00</b>	<b>\$100.66</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.37	\$0.49	\$0.11	\$1.49	\$2.46
DISC	145 HP	0.17 HR		\$1.27	\$2.94	\$1.00	\$2.32	\$7.53
PLOW	145 HP	0.67 HR		\$4.99	\$11.61	\$4.84	\$10.97	\$32.40
DISC & SPRAY	145 HP	0.15 HR		\$1.12	\$2.60	\$0.98	\$3.27	\$7.96
FLOAT	65 HP	0.24 HR		\$1.79	\$2.33	\$0.31	\$1.06	\$5.49
LISTER	145 HP	0.18 HR		\$1.34	\$3.12	\$0.91	\$2.38	\$7.74
PRE-IRRIGATE		0.75 HR		\$4.95	\$1.18	\$0.00	\$0.52	\$6.65
MULCHER	145 HP	0.14 HR		\$1.04	\$2.43	\$1.08	\$3.82	\$8.36
PLANTER	145 HP	0.26 HR		\$1.94	\$4.50	\$1.22	\$6.96	\$14.62
CULTIVATOR (4X)	65 HP	0.84 HR		\$6.26	\$8.17	\$2.65	\$4.49	\$21.57
HOEING (CUSTOM)			\$24.00					\$24.00
ROTOBUCK (3X)	145 HP	0.03 HR		\$0.22	\$0.52	\$0.09	\$0.53	\$1.37
IRRIGATE (8X)		4.00 HR		\$26.40	\$9.44	\$0.00	\$4.13	\$39.97
<b>SUBTOTAL</b>		<b>7.48 HR</b>	<b>\$24.00</b>	<b>\$51.69</b>	<b>\$49.32</b>	<b>\$13.18</b>	<b>\$41.94</b>	<b>\$180.13</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON PICKER (2X)	2 ROW	1.24 HR		\$9.24	\$15.75	\$8.87	\$92.62	\$126.48
COTTON TRAILER (2X)	HALF TON	2.50 HR		\$18.63	\$31.50	\$1.62	\$17.31	\$69.06
GIN COTTON (CUSTOM)			\$68.52					\$68.52
<b>SUBTOTAL</b>		<b>3.74 HR</b>	<b>\$68.52</b>	<b>\$27.86</b>	<b>\$47.25</b>	<b>\$10.49</b>	<b>\$109.94</b>	<b>\$264.06</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	65 HP	0.29 HR		\$2.16	\$2.82	\$0.43	\$3.50	\$8.91
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$2.16</b>	<b>\$2.82</b>	<b>\$0.43</b>	<b>\$3.50</b>	<b>\$8.91</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	1.56 HR		\$11.60				\$11.60
EMPLOYEE BENEFITS			\$14.71				\$14.71
INSURANCE		\$1.63					\$1.63
LAND TAXES						\$2.63	\$2.63
SUPERVISION AND MANAGEMENT			\$45.34				\$45.34
OTHER EXPENSES		\$133.38					\$133.38
<b>SUBTOTAL</b>	<b>1.56 HR</b>	<b>\$135.01</b>	<b>\$71.65</b>			<b>\$2.63</b>	<b>\$209.30</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>13.07 HR</b>	<b>\$305.19</b>	<b>\$153.37</b>	<b>\$99.39</b>	<b>\$24.11</b>	<b>\$181.01</b>	<b>\$763.06</b>
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<b>NET OPERATING PROFIT</b>							<b>(\$216.95)</b>
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INTEREST ON OPERATING CAPITAL	(	\$65.79	@	7.00%	)		\$4.61
INTEREST ON EQUIPMENT INVESTMENT							\$92.91

<b>RETURN TO LAND AND RISK</b>							<b>(\$314.46)</b>
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\* Pump water costs are shown under irrigation in the preharvest operation section

**BUDGET SUMMARY**

GROSS RETURN		\$546.11	
VARIABLE OPERATING EXPENSES	\$428.68		
RETURN OVER VARIABLE EXPENSES	\$117.42	(GROSS MARGIN)	
FIXED EXPENSES	\$181.01		
NET FARM INCOME		(\$63.58)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$153.37		
NET OPERATING PROFIT		(\$216.95)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$97.51		
RETURN TO LAND AND RISK		(\$314.46)	

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 2005.

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
GRAIN SORGHUM	\$3.70	60.00 CWT		\$221.79
DIRECT PAYMENT	\$0.00	60.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$10.00	1.00 ACRE		\$10.00
<b>TOTAL</b>				<b>\$231.79</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.23	8 LBS	\$9.84		\$9.84
NITROGEN (N)	\$0.40	32 LBS	\$12.80		\$12.80
PHOSPHATE (P205)	\$0.31	40 LBS	\$12.40		\$12.40
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
<b>SUBTOTAL</b>			<b>\$61.89</b>	<b>\$23.00</b>	<b>\$84.89</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZER	65 HP	0.15 HR		\$1.12	\$1.46	\$0.33	\$4.47	\$7.38
DISC	145 HP	0.20 HR		\$1.49	\$3.46	\$1.17	\$2.73	\$8.85
CHISEL	145 HP	0.40 HR		\$2.98	\$6.93	\$1.82	\$6.20	\$17.93
DISC	145 HP	0.20 HR		\$1.49	\$3.46	\$1.17	\$2.73	\$8.85
FLOAT	145 HP	0.25 HR		\$1.86	\$4.33	\$0.77	\$2.29	\$9.25
SPRAYER	65 HP	0.20 HR		\$1.49	\$1.94	\$0.39	\$2.26	\$6.08
LISTER	65 HP	0.50 HR		\$3.73	\$4.86	\$1.64	\$4.23	\$14.45
PRE-IRRIGATE		0.75 HR		\$4.95	\$1.77	\$0.00	\$0.78	\$7.49
MULCHER	145 HP	0.20 HR		\$1.49	\$3.46	\$1.54	\$5.45	\$11.95
PLANTER	145 HP	0.25 HR		\$1.86	\$4.33	\$1.17	\$6.69	\$14.06
SPRAYER	65 HP	0.20 HR		\$1.49	\$1.94	\$0.39	\$2.26	\$6.08
CULTIVATOR (2X)	65 HP	0.60 HR		\$4.47	\$5.83	\$1.89	\$3.21	\$15.41
ROTOBUCK (3X)	145 HP	0.25 HR		\$1.86	\$4.33	\$0.78	\$4.42	\$11.39
IRRIGATE (5X)		2.50 HR		\$16.50	\$8.85	\$0.00	\$3.88	\$29.22
<b>SUBTOTAL</b>		<b>6.65 HR</b>		<b>\$46.78</b>	<b>\$56.97</b>	<b>\$13.07</b>	<b>\$51.58</b>	<b>\$168.41</b>

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$25.20				\$25.20
HAUL (CUSTOM)				\$11.40				\$11.40
<b>SUBTOTAL</b>		<b>0.00 HR</b>		<b>\$36.60</b>				<b>\$36.60</b>

OVERHEAD EXPENSES								
DOWNTIME		0.61 HR		\$4.56				\$4.56
EMPLOYEE BENEFITS				\$8.42				\$8.42
INSURANCE			\$0.94					\$0.94
LAND TAXES						\$2.63		\$2.63
SUPERVISION AND MANAGEMENT				\$18.25				\$18.25
OTHER EXPENSES			\$133.38					\$133.38
<b>SUBTOTAL</b>		<b>0.61 HR</b>		<b>\$134.32</b>	<b>\$31.23</b>		<b>\$2.63</b>	<b>\$168.18</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>7.26 HR</b>		<b>\$232.81</b>	<b>\$78.01</b>	<b>\$56.97</b>	<b>\$13.07</b>	<b>\$77.22</b>	<b>\$458.08</b>
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<b>NET OPERATING PROFIT</b>									<b>(\$226.30)</b>
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INTEREST ON OPERATING CAPITAL	(	\$51.51	@	7.00%	)				\$3.61
INTEREST ON EQUIPMENT INVESTMENT									\$34.18

<b>RETURN TO LAND AND RISK</b>									<b>(\$264.08)</b>
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\* Pump water costs are shown under irrigation in the preharvest operation section  
BUDGET SUMMARY

GROSS RETURN		\$231.79		
VARIABLE OPERATING EXPENSES	\$302.85			
RETURN OVER VARIABLE EXPENSES		(\$71.07)	(GROSS MARGIN)	
FIXED EXPENSES	\$77.22			
NET FARM INCOME		(\$148.28)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$78.01			
NET OPERATING PROFIT		(\$226.30)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$37.78			
RETURN TO LAND AND RISK		(\$264.08)		

TABLE 11. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County  
Projected 2005.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN SILAGE	PICKER COTTON	GRAIN SORGHUM
		TONS	TONS	LBS	CWT
PRIMARY YIELD		6.50	25.00	600.00	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	\$62.40	\$10.00
GROSS RETURN		\$795.00	\$400.00	\$546.11	\$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		\$27.85			
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				\$92.52	\$36.60
LAND TAXES		\$2.63	\$2.63	\$2.63	\$2.63
OTHER EXPENSES	\$0.56	\$134.25	\$134.23	\$135.01	\$134.32
TOTAL CASH EXPENSES	\$143.09	\$208.98	\$240.89	\$431.32	\$305.49
RETURN OVER CASH EXPENSES	(\$143.09)	\$586.02	\$159.11	\$114.79	(\$73.70)
FIXED EXPENSES	\$33.95	\$168.55	\$55.12	\$178.37	\$74.58
TOTAL EXPENSES	\$177.04	\$377.53	\$296.01	\$609.69	\$380.07
NET FARM INCOME	(\$177.04)	\$417.47	\$103.99	(\$63.58)	(\$148.28)
LABOR AND MANAGEMENT COSTS	\$54.03	\$115.83	\$86.66	\$153.37	\$78.01
NET OPERATING PROFIT	(\$231.07)	\$301.64	\$17.32	(\$216.95)	(\$226.30)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.42	\$2.82	\$4.61	\$3.61
INTEREST ON EQUIPMENT INVESTMENT		\$22.19	\$21.31	\$92.91	\$34.18
TOTAL CAPITAL COSTS	\$0.00	\$23.61	\$24.13	\$97.51	\$37.78
RETURN TO LAND AND RISK	(\$231.07)	\$278.03	(\$6.80)	(\$314.46)	(\$264.08)



TABLE 12. Whole farm summary, Virden area, Hidalgo County,  
Projected 2005.

GROSS RETURNS		
ALFALFA HAY	45.00 ACRES	
CROP		\$35,100
GRAZING		\$675
CORN SILAGE	43.00 ACRES	
CROP		\$17,200
UPLAND COTTON	68.00 ACRES	
LINT		\$24,480
SEED		\$4,243
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>\$97,651</u>
CASH OPERATING EXPENSES		
SEED		\$3,618
FERTILIZER		\$5,734
CHEMICALS		\$1,820
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$1,253
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$10,331
FUEL-IRRIGATION		\$2,398
REPAIRS		\$2,765
CUSTOM CHARGES		\$7,536
LAND TAXES		\$501
OTHER EXPENSES		\$25,569
TOTAL CASH EXPENSES		<u>\$61,625</u>
RETURN OVER CASH EXPENSES		\$36,026
FIXED EXPENSES		\$21,664
TOTAL EXPENSES		<u>\$83,288</u>
NET FARM INCOME		\$14,363
LABOR AND MANAGEMENT COSTS		\$22,831
NET OPERATING PROFIT		<u>(\$8,468)</u>
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$621
INTEREST ON EQUIPMENT INVESTMENT		\$9,395
TOTAL CAPITAL COSTS		<u>\$10,015</u>
RETURN TO LAND AND RISK		<u>(\$18,484)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$22,684)	-3.63%
\$900 /ACRE	(\$23,884)	-3.10%
\$1,100 /ACRE	(\$25,084)	-2.70%
\$1,300 /ACRE	(\$26,284)	-2.40%
\$1,500 /ACRE	(\$27,484)	-2.15%
\$1,700 /ACRE	(\$28,684)	-1.95%
\$1,900 /ACRE	(\$29,884)	-1.79%

\* 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)