

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... VIRDEN AREA, HIDALGO COUNT' Projected 200t
FARM SIZE..... 200.00 ACRES
IRRIGATION TYPE..... FLOOD
NUMBER OF CROPS..... 4

VERSION 1.0

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TABLE 1. Acreage Summary, Hidalgo County,
Projected 2006.

BUDGET AREA..... VIRIDEN 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		
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 2006.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.45
General & Irrigators	\$/hour		\$6.60
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.52
Phosphate (P205)	\$/pound		\$0.40
Seed:			
Alfalfa	\$/pound		\$3.20
Upland Cotton (picker)	\$/pound		\$2.00
Corn for Silage	\$/bag		\$100.00
Grain Sorghum	\$/pound		\$1.22
Canal Water	\$/acre		\$23.00
Wire:	\$/lb.		\$0.50
Energy:			
Diesel fuel	\$/gallon		\$2.10
Gasoline	\$/gallon		\$2.00
Electricity	cents/KwHR		7.39
LP Gas	\$/gallon		\$2.10
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		8.00%
Land Interest Rate	percent		8.00%
Equipment Interest Rate	percent		8.00%
Real Interest Rate	percent		3.00%
Land Taxes	\$348.00 /acre (full value)		\$2.58
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$22.26
	- R		\$21.95
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 2006.

Item			
Electricity (Domestic & Shop)		\$159.00 per month	\$1,908
Telephone		\$84.80 per month	\$1,018
Accounting & Legal			\$1,049
Misc. Supplies & Hand Tools			\$1,505
Pickup and Auto			
miles	15,900	@ \$0.415 per mile	\$6,599
Insurance			
- general liability (non-employee)			\$1,272
- fire/theft			\$975
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$859
Dues, fees, publications			\$307
Farmstead Equipment			\$159
		Total	\$21,661
		Total per planted acre	\$114.00

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 2006.

Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	\$3.20	25 LBS	\$80.00					\$80.00
NITROGEN (N)	\$0.52	20 LBS	\$10.40					\$10.40
PHOSPHATE (P2O5)	\$0.40	50 LBS	\$20.00					\$20.00
PUMP WATER*		5 AC. IN.						
CANAL WATER		15 AC. IN.						\$0.00
SUBTOTAL			\$110.40					\$110.40
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.27	\$2.94	\$1.15	\$2.71	\$8.07
PLOW	145 HP	0.67 HR		\$4.99	\$11.61	\$5.44	\$12.52	\$34.56
DISC	145 HP	0.17 HR		\$1.27	\$2.94	\$1.15	\$2.71	\$8.07
FLOAT	145 HP	0.24 HR		\$1.79	\$4.16	\$0.96	\$2.75	\$9.66
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	\$1.29	\$4.43	\$9.44
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	\$1.29	\$4.43	\$9.44
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	\$1.93	\$19.56
SUBTOTAL		4.01 HR		\$28.17	\$35.75	\$12.69	\$37.52	\$114.12
OVERHEAD EXPENSES								
DOWNTIME		0.50 HR		\$3.74				\$3.74
EMPLOYEE BENEFITS				\$5.07				\$5.07
INSURANCE			\$0.56					\$0.56
SUPERVISION AND MANAGEMENT				\$18.43				\$18.43
SUBTOTAL		0.50 HR	\$0.56	\$27.25				\$27.81
TOTAL OPERATING EXPENSES		4.51 HR	\$110.96	\$55.42	\$35.75	\$12.69	\$37.52	\$252.33

* 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 2006.

Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$120.00	6.50 TONS (IN FIELD)						\$780.00
GRAZING	\$15.00	1.00 ACRE						\$15.00
TOTAL							\$795.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE	0.50	56 LBS	\$27.85					\$27.85
ESTABLISHMENT: Principal		3 YEARS					\$84.11	\$84.11
: Interest							\$11.75	\$11.75
CANAL WATER		36 AC. IN.					\$23.00	\$23.00
PUMP WATER*		18 AC. IN.						
SUBTOTAL			\$27.85				\$118.86	\$146.71
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	\$6.97	\$52.59
SUBTOTAL				\$29.70	\$15.92	\$0.00	\$6.97	\$52.59
HARVEST OPERATIONS								
SWATHER (5X)	14 FT	0.80 HR		\$5.96	\$6.29	\$0.46	\$34.61	\$47.33
BALER, PTO (5X)	145 HP	1.05 HR		\$7.82	\$18.19	\$4.33	\$19.90	\$50.25
SUBTOTAL				\$13.78	\$24.48	\$4.80	\$54.52	\$97.57
OVERHEAD EXPENSES								
DOWNTIME		0.46 HR		\$3.45				\$3.45
EMPLOYEE BENEFITS				\$7.83				\$7.83
INSURANCE			\$0.87					\$0.87
LAND TAXES							\$2.58	\$2.58
SUPERVISION AND MANAGEMENT				\$61.08				\$61.08
OTHER EXPENSES			\$114.00					\$114.00
SUBTOTAL				\$72.35			\$2.58	\$189.80
TOTAL OPERATING EXPENSES				\$115.83	\$40.40	\$4.80	\$182.93	\$486.68
NET OPERATING PROFIT								\$308.32
INTEREST ON OPERATING CAPITAL		(\$20.35 @ 8.00%)						\$1.63
INTEREST ON EQUIPMENT INVESTMENT								\$28.67
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	\$187.92		
RETURN OVER VARIABLE EXPENSES		\$607.08	(GROSS MARGIN)
FIXED EXPENSES	\$182.93		
NET FARM INCOME		\$424.15	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$115.83		
NET OPERATING PROFIT		\$308.32	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.29		
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 2006.

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	\$1.25	30 000	\$37.50		\$37.50
NITROGEN (N)	\$0.52	32 LBS	\$16.64		\$16.64
PHOSPHATE (P205)	\$0.40	40 LBS	\$16.00		\$16.00
CANAL WATER		36 AC. IN.		\$23.00	\$23.00
PUMP WATER*		14 AC. IN.			
SUBTOTAL			\$70.14	\$23.00	\$93.14

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	\$1.15	\$2.71	\$8.07
CHISEL	145 HP	0.20 HR		\$1.49	\$3.46	\$1.09	\$3.56	\$9.61
DISC	145 HP	0.17 HR		\$1.27	\$2.94	\$1.15	\$2.71	\$8.07
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	\$1.29	\$4.43	\$9.44
PLANTER	145 HP	0.26 HR		\$1.94	\$4.50	\$1.46	\$7.56	\$15.46
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.13	\$4.08	\$1.32	\$2.24	\$10.78
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.67	\$1.56	\$0.36	\$1.80	\$4.39
IRRIGATE (7X)		3.50 HR		\$23.10	\$10.84	\$0.00	\$4.74	\$38.68
SUBTOTAL		6.18 HR		\$42.43	\$39.05	\$8.84	\$34.50	\$124.83

OVERHEAD EXPENSES

DOWNTIME	0.46 HR		\$3.43					\$3.43
EMPLOYEE BENEFITS			\$7.64					\$7.64
INSURANCE			\$0.85					\$0.85
LAND TAXES						\$2.58		\$2.58
SUPERVISION AND MANAGEMENT				\$33.17				\$33.17
OTHER EXPENSES			\$114.00					\$114.00
SUBTOTAL	0.46 HR		\$114.85	\$44.23			\$2.58	\$161.67

TOTAL OPERATING EXPENSES 6.64 HR \$184.99 \$86.66 \$39.05 \$8.84 \$60.09 \$379.64

NET OPERATING PROFIT \$20.36

INTEREST ON OPERATING CAPITAL (\$47.04 @ 8.00%) \$3.76
 INTEREST ON EQUIPMENT INVESTMENT \$26.57

RETURN TO LAND AND RISK (\$9.97)

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

BUDGET SUMMARY

GROSS RETURN		\$400.00	
VARIABLE OPERATING EXPENSES	\$232.89		
RETURN OVER VARIABLE EXPENSES	\$167.11		(GROSS MARGIN)
FIXED EXPENSES	\$60.09		
NET FARM INCOME	\$107.03		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$86.66		
NET OPERATING PROFIT	\$20.36		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.33		
RETURN TO LAND AND RISK		(\$9.97)	

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 2006.

Planting dates: April 10 - April 30

Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
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
TOTAL				\$546.11

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.00	17 LBS	\$34.00		\$34.00
NITROGEN (N)	\$0.52	80 LBS	\$41.60		\$41.60
PHOSPHATE (P205)	\$0.40	60 LBS	\$24.00		\$24.00
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			\$114.42	\$23.00	\$137.42

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	\$1.15	\$2.71	\$6.07
PLOW	145 HP	0.67 HR		\$4.99	\$11.61	\$5.44	\$12.52	\$34.56
DISC & SPRAY	145 HP	0.15 HR		\$1.12	\$2.60	\$1.11	\$3.61	\$8.44
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	\$1.07	\$2.79	\$8.32
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	\$1.21	\$4.14	\$8.81
PLANTER	145 HP	0.26 HR		\$1.94	\$4.50	\$1.46	\$7.56	\$15.46
CULTIVATOR (4X)	65 HP	0.84 HR		\$6.26	\$8.17	\$2.65	\$4.48	\$21.56
HOEING (CUSTOM)			\$24.00					\$24.00
ROTOBUCK (3X)	145 HP	0.03 HR		\$0.22	\$0.52	\$0.12	\$0.60	\$1.46
IRRIGATE (8X)		4.00 HR		\$26.40	\$9.44	\$0.00	\$4.13	\$39.96
SUBTOTAL		7.48 HR	\$24.00	\$51.69	\$49.32	\$14.64	\$45.61	\$185.25

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	\$92.52	\$126.38
COTTON TRAILER (2X)	HALF TON	2.50 HR		\$18.63	\$31.50	\$1.62	\$17.30	\$69.04
GIN COTTON (CUSTOM)			\$68.52					\$68.52
SUBTOTAL		3.74 HR	\$68.52	\$27.86	\$47.25	\$10.49	\$109.82	\$263.94

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	\$3.49	\$8.91
SUBTOTAL		0.29 HR		\$2.16	\$2.82	\$0.43	\$3.49	\$8.91

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						\$2.58	\$2.58
SUPERVISION AND MANAGEMENT			\$45.34				\$45.34
OTHER EXPENSES		\$114.00					\$114.00
SUBTOTAL	1.56 HR	\$115.64	\$71.65			\$2.58	\$189.88

TOTAL OPERATING EXPENSES	13.07 HR	\$322.57	\$153.37	\$99.39	\$25.56	\$184.51	\$785.39
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NET OPERATING PROFIT							(\$239.28)
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INTEREST ON OPERATING CAPITAL	(\$84.53	@	8.00%)		\$6.76
INTEREST ON EQUIPMENT INVESTMENT							\$109.60

RETURN TO LAND AND RISK							(\$355.64)
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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	\$447.52		
RETURN OVER VARIABLE EXPENSES		\$98.59	(GROSS MARGIN)
FIXED EXPENSES	\$184.51		
NET FARM INCOME		(\$85.92)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$153.37		
NET OPERATING PROFIT		(\$239.28)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$116.36		
RETURN TO LAND AND RISK		(\$355.64)	

TABLE 10. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo Count
 Projected 2006.
 Planting dates: May 1 - June 15
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
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
TOTAL				\$231.79

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.22	8 LBS	\$9.76		\$9.76
NITROGEN (N)	\$0.52	32 LBS	\$16.64		\$16.64
PHOSPHATE (P205)	\$0.40	40 LBS	\$16.00		\$16.00
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			\$69.25	\$23.00	\$92.25

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	\$7.37
DISC	145 HP	0.20 HR		\$1.49	\$3.46	\$1.35	\$3.19	\$9.50
CHISEL	145 HP	0.40 HR		\$2.98	\$6.93	\$2.18	\$7.12	\$19.22
DISC	145 HP	0.20 HR		\$1.49	\$3.46	\$1.35	\$3.19	\$9.50
FLOAT	145 HP	0.25 HR		\$1.86	\$4.33	\$1.00	\$2.87	\$10.06
SPRAYER	65 HP	0.20 HR		\$1.49	\$1.94	\$0.39	\$2.25	\$6.08
LISTER	65 HP	0.50 HR		\$3.73	\$4.86	\$1.64	\$4.22	\$14.45
PRE-IRRIGATE		0.75 HR		\$4.95	\$1.77	\$0.00	\$0.77	\$7.49
MULCHER	145 HP	0.20 HR		\$1.49	\$3.46	\$1.72	\$5.91	\$12.59
PLANTER	145 HP	0.25 HR		\$1.86	\$4.33	\$1.40	\$7.27	\$14.86
SPRAYER	65 HP	0.20 HR		\$1.49	\$1.94	\$0.39	\$2.25	\$6.08
CULTIVATOR (2X)	65 HP	0.60 HR		\$4.47	\$5.83	\$1.89	\$3.20	\$15.40
ROTOBUCK (3X)	145 HP	0.25 HR		\$1.86	\$4.33	\$1.00	\$4.99	\$12.19
IRRIGATE (5X)		2.50 HR		\$16.50	\$8.85	\$0.00	\$3.87	\$29.21
SUBTOTAL		6.65 HR		\$46.78	\$56.97	\$14.66	\$55.59	\$174.00

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$25.20				\$25.20
HAUL (CUSTOM)				\$11.40				\$11.40
SUBTOTAL		0.00 HR		\$36.60				\$36.60

OVERHEAD EXPENSES								
DOWNTIME		0.61 HR		\$4.56				\$4.56
EMPLOYEE BENEFITS				\$8.42				\$8.42
INSURANCE				\$0.94				\$0.94
LAND TAXES							\$2.58	\$2.58
SUPERVISION AND MANAGEMENT				\$18.25				\$18.25
OTHER EXPENSES				\$114.00				\$114.00
SUBTOTAL		0.61 HR		\$114.94	\$31.23		\$2.58	\$148.76

TOTAL OPERATING EXPENSES 7.26 HR \$220.79 \$78.01 \$56.97 \$14.66 \$81.17 \$451.61

NET OPERATING PROFIT (\$219.82)

INTEREST ON OPERATING CAPITAL (\$55.58 @ 8.00%) \$4.45
 INTEREST ON EQUIPMENT INVESTMENT \$42.79

RETURN TO LAND AND RISK (\$267.07)

* Pump water costs are shown under irrigation in the preharvest operation sector
 BUDGET SUMMARY

GROSS RETURN		\$231.79	
VARIABLE OPERATING EXPENSES	\$292.42		
RETURN OVER VARIABLE EXPENSES		(\$60.64)	(GROSS MARGIN)
FIXED EXPENSES	\$81.17		
NET FARM INCOME		(\$141.81)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$78.01		
NET OPERATING PROFIT		(\$219.82)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$47.24		
RETURN TO LAND AND RISK		(\$267.07)	

TABLE 11. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2006.

	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	\$80.00		\$37.50	\$34.00	\$9.76
FERTILIZER	\$30.40		\$32.64	\$65.60	\$32.64
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	\$12.69	\$4.80	\$8.84	\$25.56	\$14.66
CUSTOM CHARGES				\$92.52	\$36.60
LAND TAXES		\$2.58	\$2.58	\$2.58	\$2.58
OTHER EXPENSES	\$0.56	\$114.87	\$114.85	\$115.64	\$114.94
TOTAL CASH EXPENSES	\$159.40	\$190.51	\$235.47	\$450.10	\$295.01
RETURN OVER CASH EXPENSES	(\$159.40)	\$604.49	\$164.53	\$96.00	(\$63.22)
FIXED EXPENSES	\$37.52	\$180.34	\$57.50	\$181.92	\$78.59
TOTAL EXPENSES	\$196.91	\$370.85	\$292.97	\$632.03	\$373.60
NET FARM INCOME	(\$196.91)	\$424.15	\$107.03	(\$85.92)	(\$141.81)
LABOR AND MANAGEMENT COSTS	\$55.42	\$115.83	\$86.66	\$153.37	\$78.01
NET OPERATING PROFIT	(\$252.33)	\$308.32	\$20.36	(\$239.28)	(\$219.82)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.63	\$3.76	\$6.76	\$4.45
INTEREST ON EQUIPMENT INVESTMENT		\$28.67	\$26.57	\$109.60	\$42.79
TOTAL CAPITAL COSTS	\$0.00	\$30.29	\$30.33	\$116.36	\$47.24
RETURN TO LAND AND RISK	(\$252.33)	\$278.03	(\$9.97)	(\$355.64)	(\$267.07)

TABLE 12. Whole farm summary, Virden area, Hidalgo County,
Projected 2006.

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		\$5,456
FERTILIZER		\$7,430
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		\$3,023
CUSTOM CHARGES		\$7,536
LAND TAXES		\$491
OTHER EXPENSES		\$21,888
TOTAL CASH EXPENSES		<u>\$61,726</u>
RETURN OVER CASH EXPENSES		\$35,925
FIXED EXPENSES		\$22,409
TOTAL EXPENSES		\$84,135
NET FARM INCOME		\$13,516
LABOR AND MANAGEMENT COSTS		\$22,852
NET OPERATING PROFIT		(\$9,335)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$846
INTEREST ON EQUIPMENT INVESTMENT		\$11,340
TOTAL CAPITAL COSTS		<u>\$12,186</u>
RETURN TO LAND AND RISK		<u>(\$21,521)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$25,721)	-3.92%
\$900 /ACRE	(\$26,921)	-3.35%
\$1,100 /ACRE	(\$28,121)	-2.93%
\$1,300 /ACRE	(\$29,321)	-2.60%
\$1,500 /ACRE	(\$30,521)	-2.34%
\$1,700 /ACRE	(\$31,721)	-2.13%
\$1,900 /ACRE	(\$32,921)	-1.95%

* 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)