

TABLE 1. Acreage Summary, Otero County, Projected 2007.

BUDGET AREA..... DELL CITY AREA, OTERO COUNTY			
FARM SIZE.....	640 ACRES		
IRRIGATION TYPE.....	PIVOT/FLOOD		
NUMBER OF CROPS...	5		
		WATER USE	
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	55.00 *	6	330
ALFALFA	280.00	40	11,200
WHEAT	170.00	25	4,250
ARP	0.00		
FLEX IN COTTON	30.00	30	900
WHITE CORN	50.00	48	2,400
COTTON	42.50	30	1,275
ARP	0.00		
FLEX IN COTTON	7.50	30	225
GRAIN SORGHUM	25.50	36	918
ARP	0.00		
FLEX IN COTTON	4.50	30	135
ROADS, CORNERS, DITCHES, HOMESTEAD	30.00		
TOTAL	640.00		21,633
	ACRE FEET PER ACRE OF WATER RIGHTS		2.82

* DOUBLE-CROPPED

TABLE 2. Basic cost information for Dell City area, Otero County, Projected 2007.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.45
General & Irrigators	\$/hour		\$6.65
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.52
Phosphate (P205)	\$/pound		\$0.40
Anhydrous Ammonia (NH3)	\$/ton		\$525.00
Seed:			
Alfalfa	\$/pound		\$3.05
Wheat	\$/pound		\$0.22
White Corn	\$/bag		\$83.50
Cotton	\$/pound		\$2.00
Diesel fuel	\$/gallon		\$2.70
Gasoline	\$/gallon		\$2.50
Electricity (Rio Grande Elec)	cents/KwHr		9.50
LP Gas	\$/gallon		\$1.95
Baling Wire	\$/pound		\$0.55
Employee Liability Insurance	\$/\$1,000 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	\$300.00 /acre (full value)		\$2.93
Personal Property Tax Rate	- NR - R	\$/\$1,000 (Assessed Value)	\$29.30
			\$23.05
Supervision Factors			
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 Dell City area, Otero County, Projected 2007.

Item			
Electricity (Domestic & Shop)		\$218.00 per month	\$2,616
Telephone		\$212.55 per month	\$2,551
Accounting & Legal			\$1,597
Misc. Supplies & Hand Tools			\$4,949
Pickup and Auto			
miles	56,135 @	\$0.415 per mile	\$23,296
Insurance			
- general liability (non-employee)			\$1,722
- fire/theft			\$1,363
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,308
Dues, fees, publications			\$392
Farmstead Equipment			\$174
		Total	\$45,978
		Total per planted acre	\$75.37

TABLE 6. Property taxes and other charges under 1981 County

Item	Rate	1981 Rate	1982 Rate	1983 Rate	1984 Rate	1985 Rate	1986 Rate	1987 Rate	1988 Rate	1989 Rate	1990 Rate
AD VALOREM
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TABLE 7. Data and information for a 1981 year estimate (based on 1980 census and other available information, Ohio County)

POPULATION	TAXES AND CHARGES				PROPERTY TAXES			
	AD VALOREM	SALES	INCOME	OTHER	AD VALOREM	SALES	INCOME	OTHER
TOTAL
...

TABLE 8. Equipment list

Equip. No.	Make	Model	Year	Cost	Value	Useful Life	Current Value	Residual Value
1001	John Deere	4200	1978	\$12,000	\$8,000	10	\$8,000	\$4,000
1002	Case	825	1975	\$15,000	\$10,000	10	\$10,000	\$5,000
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TABLE 9. Assets list

Asset No.	Asset Description	Cost	Value	Useful Life	Current Value	Residual Value
2001	Land 100 acres	\$1,000,000	\$1,000,000	...	\$1,000,000	...
2002	Buildings	\$500,000	\$400,000	20	\$400,000	\$200,000
...

TABLE 10. Assets by production

Production	Asset No.	Asset Description	Cost	Value
...

TABLE 11. Assets by establishment

Establishment	Asset No.	Asset Description	Cost	Value
...

TABLE 12. Assets by farm

Farm	Asset No.	Asset Description	Cost	Value
...

TABLE 13. Assets by county

County	Asset No.	Asset Description	Cost	Value
...

TABLE 14. Assets by district

District	Asset No.	Asset Description	Cost	Value
...

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Year	1	2	3	4	5	6	7	8	9	10
...

1. Based on information for U.S. Dept. of Agriculture
 2. Based on information for U.S. Dept. of Agriculture
 3. Based on information for U.S. Dept. of Agriculture
 4. Based on information for U.S. Dept. of Agriculture
 5. Based on information for U.S. Dept. of Agriculture
 6. Based on information for U.S. Dept. of Agriculture
 7. Based on information for U.S. Dept. of Agriculture
 8. Based on information for U.S. Dept. of Agriculture
 9. Based on information for U.S. Dept. of Agriculture
 10. Based on information for U.S. Dept. of Agriculture

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2007.
Planting dates: August 1 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED PUMP WATER*	\$3.05	30 LBS 6 AC. IN.	\$91.50					\$91.50
SUBTOTAL			\$91.50					\$91.50
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.04	\$3.39	\$1.27	\$3.20	\$8.91
CHISEL	155 HP	0.20 HR		\$1.49	\$4.84	\$1.37	\$5.24	\$12.94
FLOW	155 HP	0.48 HR		\$3.58	\$11.62	\$4.97	\$13.51	\$33.68
DISC (2X)	155 HP	0.28 HR		\$2.09	\$6.78	\$2.55	\$6.41	\$17.82
DRAG (2X)	155 HP	0.30 HR		\$2.24	\$7.26	\$1.62	\$6.06	\$17.18
DRILL	93 HP	0.12 HR		\$0.89	\$1.83	\$0.46	\$3.68	\$6.86
IRRIGATE (3X)		0.30 HR		\$2.00	\$19.65	\$0.00	\$2.09	\$23.73
SUBTOTAL		1.82 HR		\$13.32	\$55.37	\$12.24	\$40.19	\$121.12
OVERHEAD EXPENSES								
DOWNTIME		0.12 HR		\$0.86				\$0.86
EMPLOYEE BENEFITS				\$2.40				\$2.40
INSURANCE			\$0.27					\$0.27
SUPERVISION AND MANAGEMENT				\$15.41				\$15.41
SUBTOTAL		0.12	\$0.27	\$18.67				\$18.93
TOTAL OPERATING EXPENSES		1.94 HR	\$91.77	\$31.99	\$55.37	\$12.24	\$40.19	\$231.55

TABLE 7. Alfalfa hay, pivot sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2007.
Harvesting dates: June 1 - October 10

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
ALFALFA HAY	\$140.00	6.50 TONS (STACKED)							\$910.00
GRAZING	\$15.00	1.00 ACRE							\$15.00
TOTAL								\$925.00	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
NITROGEN (N)	\$0.52	75 LBS	\$39.00					\$39.00	
PHOSPHATE (P2O5)	\$0.40	200 LBS	\$80.00					\$80.00	
INSECTICIDE	\$16.03	2 X/ACRE	\$32.05					\$32.05	
ESTABLISHMENT: Principal		5 YEARS					\$46.31	\$46.31	
: Interest							\$9.66	\$9.66	
BALING TWINE	\$0.55	56 LBS	\$0.31					\$0.31	
PUMP WATER*		40 AC. IN.						\$0.31	
SUBTOTAL			\$151.36				\$55.97	\$207.32	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DRAG	93 HP	0.15 HR		\$1.12	\$2.28	\$0.31	\$0.50	\$4.21	
IRRIGATE (11X)		1.10 HR		\$7.32	\$130.98	\$0.00	\$13.92	\$152.21	
SUBTOTAL		1.25 HR		\$8.43	\$133.26	\$0.31	\$14.42	\$156.42	
HARVEST OPERATIONS									
SWATHER (5X)	16 FT	0.55 HR		\$4.10	\$5.56	\$0.80	\$14.19	\$24.65	
BALER (5X)	93 HP	0.85 HR		\$6.33	\$12.94	\$1.95	\$4.45	\$25.67	
LOAD (5X)	93 HP	1.00 HR		\$7.45	\$15.22	\$24.76	\$11.52	\$58.95	
SUBTOTAL		2.40 HR		\$17.88	\$33.72	\$27.51	\$30.16	\$109.27	
OVERHEAD EXPENSES									
DOWNTIME		0.60 HR		\$4.47				\$4.47	
EMPLOYEE BENEFITS				\$4.74				\$4.74	
INSURANCE			\$0.53					\$0.53	
LAND TAXES							\$2.93	\$2.93	
SUPERVISION AND MANAGEMENT				\$67.05				\$67.05	
OTHER EXPENSES			\$75.37					\$75.37	
SUBTOTAL		0.60 HR	\$75.90	\$76.26				\$2.93	\$155.09
TOTAL OPERATING EXPENSES		4.25 HR	\$227.26	\$102.57	\$166.99	\$27.82	\$103.47	\$628.10	
NET OPERATING PROFIT								\$296.90	
INTEREST ON OPERATING CAPITAL		(\$114.17 @	8.00%)				\$9.13	
INTEREST ON EQUIPMENT INVESTMENT								\$28.67	
RETURN TO LAND AND RISK								\$259.10	

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

BUDGET SUMMARY

GROSS RETURN		\$925.00	
VARIABLE OPERATING EXPENSES	\$422.06		
RETURN OVER VARIABLE EXPENSES		\$502.94	(GROSS MARGIN)
FIXED EXPENSES	\$103.47		
NET FARM INCOME		\$399.47	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$102.57		
NET OPERATING PROFIT		\$296.90	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$37.80		
RETURN TO LAND AND RISK		\$259.10	

TABLE 8. Wheat, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Projected 2007.
 Planting dates: August 15 - September 15
 Harvesting dates: July 15 - July 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
WHEAT	\$8.33	35.00 CWT							\$291.67
DIRECT PAYMENT	\$0.00	35.00 CWT	0.85						\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00								\$0.00
GRAZING	\$25.00	1.00 ACRE							\$25.00
TOTAL									\$316.67
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
SEED	\$0.22	150 LBS	\$33.00					\$33.00	
ANHYDROUS (NH3)	\$0.26	125 LBS	\$32.81					\$32.81	
LIVESTOCK FAC & EQUIP							\$5.00	\$5.00	
PUMP WATER*		25 AC. IN.						\$0.00	
CROP INSURANCE	\$0.29		\$0.29					\$0.29	
SUBTOTAL			\$66.11				\$5.00	\$71.11	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	155 HP	0.14 HR		\$1.04	\$3.39	\$1.27	\$3.20	\$8.91	
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.49	\$4.84	\$1.08	\$3.92	\$18.33	
DISC	155 HP	0.14 HR		\$1.04	\$3.39	\$1.27	\$3.20	\$8.91	
DRILL	93 HP	0.12 HR		\$0.89	\$1.83	\$0.46	\$3.68	\$6.86	
IRRIGATE (5X)		2.50 HR		\$16.63	\$81.86	\$0.00	\$4.05	\$102.53	
SUBTOTAL		3.10 HR	\$7.00	\$21.10	\$95.31	\$4.08	\$18.05	\$145.54	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			\$26.00					\$26.00	
SUBTOTAL			\$26.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26.00	
OVERHEAD EXPENSES									
DOWNTIME		0.15 HR		\$1.12				\$1.12	
EMPLOYEE BENEFITS				\$3.80				\$3.80	
INSURANCE			\$0.42					\$0.42	
LAND TAXES							\$2.93	\$2.93	
SUPERVISION AND MANAGEMENT				\$24.97				\$24.97	
OTHER EXPENSES			\$75.37					\$75.37	
SUBTOTAL		0.15 HR	\$75.79	\$29.88			\$2.93	\$108.61	
TOTAL OPERATING EXPENSES		3.25 HR	\$174.90	\$50.98	\$95.31	\$4.08	\$25.98	\$351.25	
NET OPERATING PROFIT								(\$34.59)	
INTEREST ON OPERATING CAPITAL		(\$57.90 @ 8.00%)						\$4.63	
INTEREST ON EQUIPMENT INVESTMENT								\$9.05	
RETURN TO LAND AND RISK								(\$48.27)	

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

BUDGET SUMMARY

GROSS RETURN		\$316.67	
VARIABLE OPERATING EXPENSES	\$274.29		
RETURN OVER VARIABLE EXPENSES	\$42.37	(GROSS MARGIN)	
FIXED EXPENSES	\$25.98		
NET FARM INCOME	\$16.39	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$50.98		
NET OPERATING PROFIT	(\$34.59)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$13.68		
RETURN TO LAND AND RISK		(\$48.27)	

TABLE 9. White corn, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2007.
 Planting dates: April 15 - May 15
 Harvesting dates: October 1 - November 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN	\$7.50	70.00 CWT						\$525.00
GRAZING	\$20.00	1.00 ACRE						\$20.00
TOTAL							\$545.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.84	25 000	\$20.88					\$20.88
NITROGEN (N)	\$0.52	30 LBS	\$15.60					\$15.60
PHOSPHATE (P2O5)	\$0.40	70 LBS	\$28.00					\$28.00
TRACE ELEMENTS	\$0.15	65 LBS	\$9.75					\$9.75
ANHYDROUS (NH3)	\$0.26	175 LBS	\$45.94					\$45.94
INSECTICIDE (CUSTOM)	\$16.03	3 ACRE	\$48.08					\$48.08
HERBICIDE	\$9.45	1 ACRE	\$9.45					\$9.45
LIVESTOCK FAC & EQUIP							\$5.00	\$5.00
PUMP WATER*		48 AC. IN.						\$0.00
SUBTOTAL			\$177.69				\$5.00	\$182.69
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.04	\$3.39	\$1.27	\$3.20	\$8.91
CHISEL	155 HP	0.20 HR		\$1.49	\$4.84	\$1.37	\$5.24	\$12.94
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.49	\$4.84	\$1.08	\$3.92	\$18.33
DISC & SPRAY	155 HP	0.19 HR		\$1.42	\$4.60	\$1.87	\$7.19	\$15.07
LISTER	155 HP	0.12 HR		\$0.89	\$2.91	\$0.88	\$3.78	\$8.47
PLANTER	93 HP	0.17 HR		\$1.27	\$2.59	\$0.70	\$6.03	\$10.58
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.91	\$5.94	\$2.26	\$3.33	\$14.44
IRRIGATE (8X)		4.00 HR		\$26.60	\$157.17	\$0.00	\$7.77	\$191.54
SUBTOTAL		5.41 HR	\$7.00	\$37.10	\$186.28	\$9.44	\$40.47	\$280.28
HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$23.25					\$23.25
HAUL (CUSTOM)			\$14.00					\$14.00
SUBTOTAL			\$37.25	\$0.00	\$0.00	\$0.00	\$0.00	\$37.25
OVERHEAD EXPENSES								
DOWNTIME		0.27 HR		\$2.03				\$2.03
EMPLOYEE BENEFITS				\$6.68				\$6.68
INSURANCE			\$0.74					\$0.74
LAND TAXES								\$2.93
SUPERVISION AND MANAGEMENT				\$44.27				\$44.27
OTHER EXPENSES			\$75.37					\$75.37
SUBTOTAL		0.27 HR	\$76.12	\$52.97			\$2.93	\$132.02
TOTAL OPERATING EXPENSES		5.68 HR	\$298.05	\$90.08	\$186.28	\$9.44	\$48.40	\$632.24
NET OPERATING PROFIT							(\$87.24)	
INTEREST ON OPERATING CAPITAL		(\$137.77 @	8.00%)			\$11.02	
INTEREST ON EQUIPMENT INVESTMENT							\$20.07	
RETURN TO LAND AND RISK							(\$118.33)	

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

BUDGET SUMMARY

GROSS RETURN		\$545.00	
VARIABLE OPERATING EXPENSES	\$493.76		
RETURN OVER VARIABLE EXPENSES	\$51.24	(GROSS MARGIN)	
FIXED EXPENSES	\$48.40		
NET FARM INCOME	\$2.84	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$90.08		
NET OPERATING PROFIT	(\$87.24)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$31.09		
RETURN TO LAND AND RISK		(\$118.33)	

TABLE 10. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2007.
 Planting dates: April 15 - May 15
 Harvesting dates: November 1 - January 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
COTTON LINT	\$0.61	1,000.00 LBS						\$610.00	
COTTON SEED	\$0.07	1,600.00 LBS						\$112.00	
DIRECT PAYMENT	\$0.0000	1,000.00 LBS	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.1373	720.00 LBS	0.85					\$84.03	
TOTAL								\$806.03	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$2.00	25 LBS	\$50.00					\$50.00	
NITROGEN (N)	\$0.52	72 LBS	\$37.44					\$37.44	
PHOSPHATE (P2O5)	\$0.40	184 LBS	\$73.60					\$73.60	
HERBICIDE (CUSTOM)	\$19.93	1 X/ACRE	\$19.93					\$19.93	
INSECTICIDE (CUSTOM)	\$18.91	1 X/ACRE	\$18.91					\$18.91	
CROP INSURANCE	\$0.59	FCIC	\$0.59					\$0.59	
PUMP WATER*		30 AC. IN.							
SUBTOTAL			\$200.47						\$200.47
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	155 HP	0.14 HR		\$1.04	\$3.39	\$1.27	\$3.20	\$8.91	
FLOW	155 HP	0.48 HR		\$3.58	\$11.62	\$4.97	\$13.51	\$33.68	
DISC (2X)	155 HP	0.28 HR		\$2.09	\$6.78	\$2.55	\$6.41	\$17.82	
FLOAT (2X)	93 HP	0.32 HR		\$2.38	\$4.87	\$0.67	\$1.62	\$9.55	
LISTER	155 HP	0.12 HR		\$0.89	\$2.91	\$0.88	\$3.78	\$8.47	
PLANTER	155 HP	0.17 HR		\$1.27	\$4.12	\$1.26	\$8.90	\$15.55	
ROLLING CULT. (4X)	93 HP	0.52 HR		\$3.87	\$7.92	\$3.01	\$4.44	\$19.25	
HAND HOE (CUSTOM)			\$25.00					\$25.00	
IRRIGATE (6X)		3.00 HR		\$19.95	\$98.23	\$0.00	\$4.85	\$123.04	
SUBTOTAL			\$25.00	\$35.07	\$139.83	\$14.62	\$46.73	\$261.26	
HARVEST OPERATIONS									
COTTON STRIPPER	93 HP	0.62 HR		\$4.62	\$9.44	\$4.19	\$51.21	\$69.45	
HAUL	93 HP	1.00 HR		\$7.45	\$15.22	\$2.12	\$8.93	\$33.73	
GIN COTTON (CUSTOM)			\$204.40					\$204.40	
SUBTOTAL			\$204.40	\$12.07	\$24.66	\$6.31	\$60.14	\$307.58	
POST HARVEST OPERATIONS									
SHREDDER	93 HP	0.29 HR		\$2.16	\$4.41	\$0.66	\$2.90	\$10.13	
OVERHEAD EXPENSES									
DOWNTIME		0.91 HR		\$6.74				\$6.74	
EMPLOYEE BENEFITS				\$8.49				\$8.49	
INSURANCE			\$0.94				\$2.93	\$0.94	
LAND TAXES							\$2.93	\$2.93	
SUPERVISION AND MANAGEMENT				\$62.51				\$62.51	
OTHER EXPENSES			\$75.37					\$75.37	
SUBTOTAL			\$76.32	\$77.73			\$2.93	\$156.98	
TOTAL OPERATING EXPENSES			\$506.18	\$127.04	\$168.91	\$21.59	\$112.70	\$936.42	
NET OPERATING PROFIT								(\$130.39)	
INTEREST ON OPERATING CAPITAL		(\$141.43 @ 8.00%)						\$11.31	
INTEREST ON EQUIPMENT INVESTMENT								\$57.03	
RETURN TO LAND AND RISK								(\$198.73)	

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

GROSS RETURN		\$806.03	
VARIABLE OPERATING EXPENSES	\$696.68		
RETURN OVER VARIABLE EXPENSES		\$109.35	(GROSS MARGIN)
FIXED EXPENSES	\$112.70		
NET FARM INCOME		(\$3.35)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$127.04		
NET OPERATING PROFIT		(\$130.39)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$68.34		
RETURN TO LAND AND RISK		(\$198.73)	

TABLE 11. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2007.
 Planting dates: May 1 - June 15
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
GRAIN SORGHUM	\$5.75	50.00 CWT							\$287.50
DIRECT PAYMENT	\$0.00	50.00 CWT	0.85						\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT							\$0.00
GRAZING	\$10.00	1 ACRE							\$10.00
TOTAL									\$297.50
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
SEED	\$1.04	12 LBS	\$12.48					\$12.48	
ANHYDROUS (NH3)	\$0.26	150 LBS	\$39.38					\$39.38	
NITROGEN (N)	\$0.52	18 LBS	\$9.36					\$9.36	
PHOSPHATE (P2O5)	\$0.40	46 LBS	\$18.40					\$18.40	
INSECTICIDE	\$14.17	1 ACRE	\$14.17					\$14.17	
HERBICIDE	\$12.26	1 ACRE	\$12.26					\$12.26	
LIVESTOCK FAC & EQUIP							\$5.00	\$5.00	
PUMP WATER		36 AC. IN.	\$0.00					\$0.00	
CROP INSURANCE	\$1.96							\$1.96	
SUBTOTAL			\$106.05				\$5.00	\$113.01	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	155 HP	0.14 HR		\$1.04	\$3.39	\$1.27	\$3.20	\$8.91	
CHISEL	155 HP	0.20 HR		\$1.49	\$4.84	\$1.37	\$5.24	\$12.94	
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.49	\$4.84	\$1.08	\$3.92	\$18.33	
DISC & SPRAY	155 HP	0.19 HR		\$1.42	\$4.60	\$1.87	\$7.19	\$15.07	
LISTER	155 HP	0.12 HR		\$0.89	\$2.91	\$0.88	\$3.78	\$8.47	
PLANTER	155 HP	0.17 HR		\$1.27	\$4.12	\$1.26	\$8.90	\$15.55	
ROLLING CULT (3X)	93 HP	0.39 HR		\$2.91	\$5.94	\$2.26	\$3.33	\$14.44	
IRRIGATE (6X)		3.00 HR		\$22.35	\$117.88	\$0.00	\$5.83	\$146.06	
SUBTOTAL		4.41 HR	\$7.00	\$32.85	\$148.51	\$10.00	\$41.40	\$239.76	
HARVEST OPERATIONS									
COMBINE (CUSTOM)	14 FT SP		\$15.00					\$15.00	
SUBTOTAL		0.00 HR	\$15.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15.00	
OVERHEAD EXPENSES									
DOWNTIME		1.10 HR		\$8.21				\$8.21	
EMPLOYEE BENEFITS				\$5.91				\$5.91	
INSURANCE			\$0.66					\$0.66	
LAND TAXES							\$2.93	\$2.93	
SUPERVISION AND MANAGEMENT				\$23.03				\$23.03	
OTHER EXPENSES			\$75.37					\$75.37	
SUBTOTAL		1.10 HR	\$76.03	\$37.16				\$2.93	\$116.12
TOTAL OPERATING EXPENSES		5.51 HR	\$204.08	\$70.01	\$148.51	\$10.00	\$49.33	\$483.89	
NET OPERATING PROFIT								(\$186.39)	
INTEREST ON OPERATING CAPITAL		(\$96.13	@	8.00%)		\$7.69	
INTEREST ON EQUIPMENT INVESTMENT								\$20.80	
RETURN TO LAND AND RISK								(\$214.87)	

BUDGET SUMMARY

GROSS RETURN		\$297.50	
VARIABLE OPERATING EXPENSES	\$362.59		
RETURN OVER VARIABLE EXPENSES		(\$65.09)	(GROSS MARGIN)
FIXED EXPENSES	\$49.33		
NET FARM INCOME		(\$114.42)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$70.01		
NET OPERATING PROFIT		(\$184.43)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.49		
RETURN TO LAND AND RISK		(\$212.91)	

TABLE 12. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County
Projected 2007.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	WHITE CORN	STRIPPER COTTON	GRAIN SORGHUM
		TONS	CWT	CWT	LBS	CWT
PRIMARY YIELD		6.50	35.00	70.00	1,000.00	50.00
PRIMARY PRICE		\$140.00	\$8.33	\$27.50	\$0.61	\$5.75
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$84.03	\$0.00
SECOND INCOME		\$15.00	\$25.00	\$20.00	\$112.00	\$10.00
GROSS RETURN		\$925.00	\$316.67	\$545.00	\$806.03	\$297.50
CASH OPERATING EXPENSES						
SEED	\$91.50		\$33.00	\$20.88	\$50.00	\$12.48
FERTILIZER		\$151.05	\$32.81	\$99.29	\$37.44	\$67.14
CHEMICALS				\$57.52	\$38.84	\$26.43
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.31			\$73.60	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$35.72	\$36.01	\$13.45	\$29.10	\$70.68	\$30.63
FUEL-IRRIGATION	\$19.65	\$130.98	\$81.86	\$157.17	\$98.23	\$117.88
REPAIRS	\$12.24	\$27.82	\$4.08	\$9.44	\$21.59	\$10.00
CUSTOM CHARGES			\$33.00	\$44.25	\$229.40	\$22.00
LAND TAXES		\$2.93	\$2.93	\$2.93	\$2.93	\$2.93
OTHER EXPENSES	\$0.27	\$75.90	\$75.79	\$76.12	\$76.32	\$76.03
TOTAL CASH EXPENSES	\$159.37	\$424.99	\$277.22	\$496.69	\$699.61	\$367.48
RETURN OVER CASH EXPENSES	(\$159.37)	\$500.01	\$39.44	\$48.31	\$106.42	(\$69.98)
FIXED EXPENSES	\$40.19	\$100.54	\$23.05	\$45.47	\$109.77	\$46.40
TOTAL EXPENSES	\$199.57	\$525.53	\$300.28	\$542.16	\$809.38	\$413.88
NET FARM INCOME	(\$199.57)	\$399.47	\$16.39	\$2.84	(\$3.35)	(\$116.38)
LABOR AND MANAGEMENT COSTS	\$31.99	\$102.57	\$50.98	\$90.08	\$127.04	\$70.01
NET OPERATING PROFIT	(\$231.55)	\$296.90	(\$34.59)	(\$87.24)	(\$130.39)	(\$186.39)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$9.13	\$4.63	\$11.02	\$11.31	\$7.69
INTEREST ON EQUIPMENT INVESTMENT		\$28.67	\$9.05	\$20.07	\$57.03	\$20.80
TOTAL CAPITAL COSTS	\$0.00	\$37.80	\$13.68	\$31.09	\$68.34	\$28.49
RETURN TO LAND AND RISK	(\$231.55)	\$259.10	(\$48.27)	(\$118.33)	(\$198.73)	(\$214.87)

TABLE 13. Whole farm summary, Dell City area, Otero County,
Projected 2007.

GROSS RETURNS		
ALFALFA HAY	280.00 ACRES	
CROP		\$259,000
WHEAT	170.00 ACRES	
CROP		\$49,583
GRAZING		\$4,250
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHITE CORN	50.00 ACRES	
CROP		\$26,250
GRAZING		\$1,000
COTTON	84.50 ACRES	
LINT		\$51,545
SEED		\$9,464
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$7,100
GRAIN SORGHUM	25.50 ACRES	
CROP		\$7,331
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$255
GROSS RETURN		<u>\$415,779</u>
CASH OPERATING EXPENSES		
SEED		\$16,229
FERTILIZER		\$57,712
CHEMICALS		\$6,832
CROP INSURANCE		\$266
OTHER PURCHASED INPUTS		\$6,305
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$22,541
FUEL-IRRIGATION		\$70,836
REPAIRS		\$11,707
CUSTOM CHARGES		\$27,768
LAND TAXES		\$1,787
OTHER EXPENSES		\$46,345
TOTAL CASH EXPENSES		<u>\$268,329</u>
RETURN OVER CASH EXPENSES		\$147,450
FIXED EXPENSES		\$34,046
TOTAL EXPENSES		\$302,375
NET FARM INCOME		\$113,404
LABOR AND MANAGEMENT COSTS		\$56,168
NET OPERATING PROFIT		\$57,236
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$5,048
INTEREST ON EQUIPMENT INVESTMENT		\$15,918
TOTAL CAPITAL COSTS		<u>\$20,966</u>
RETURN TO LAND AND RISK		<u>\$36,270</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$26,670	11.16%
\$750 /ACRE	\$21,870	8.50%
\$1,000 /ACRE	\$17,070	6.87%
\$1,250 /ACRE	\$12,270	5.76%
\$1,500 /ACRE	\$7,470	4.96%

* 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)