

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... VIRDEN AREA, HIDALGO COUNTYProjected 2009.
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 2009.

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		
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 2009.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$8.55
General & Irrigators	\$/hour		\$7.25
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.62
Phosphate (P205)	\$/pound		\$0.58
Seed:			
Alfalfa	\$/pound		\$4.00
Upland Cotton (picker)	\$/pound		\$1.86
Corn for Silage	\$/bag		\$220.00
Grain Sorghum	\$/pound		\$1.69
Canal Water	\$/acre		\$24.50
Wire:	\$/lb.		\$0.55
Energy:			
Diesel fuel	\$/gallon		\$2.80
Gasoline	\$/gallon		\$2.50
Electricity	cents/KwHr		7.62
LP Gas	\$/gallon		\$2.60
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		7.50%
Land Interest Rate	percent		7.25%
Equipment Interest Rate	percent		7.50%
Real Interest Rate	percent		3.00%
Land Taxes	\$348.00 /acre (full value)		\$2.55
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$22.01
	- R		\$22.20
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 2009.

Item			
Electricity (Domestic & Shop)		\$174.00 per month	\$2,088
Telephone		\$92.80 per month	\$1,114
Accounting & Legal			\$1,148
Misc. Supplies & Hand Tools			\$1,647
Pickup and Auto			
miles	17,400	@ \$0.415 per mile	\$7,221
Insurance			
- general liability (non-employee)			\$1,392
- fire/theft			\$1,067
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$940
Dues, fees, publications			\$336
Farmstead Equipment			\$174
Total			\$23,137
Total per planted acre			\$121.78

TABLE 4 - Pumping costs and data for irrigation wells, Valton area, Hidalgo County

PUMPING COSTS	
DEPTHO CHARACTERISTICS	
DEPTH	50
DIAMETER	10
TOTAL LEAD	75
CASING	100
GALLONS PER MINUTE (GPM)	1.00
WORK HOURS/DAY	24
EFFECTIVENESS FACTOR	0.94
SP. COST	0.16
DESL	0.16
FUEL COST PER UNIT	7.02 GONTERW
SP. COST	0.08
DESL	\$2.80 81/4
WELL PUMPING COSTS	
ELECTRIC WELL	\$3.00
COEF PER ACRE INCH	\$3.91
LP GAS WELL	\$10.00
COEF PER ACRE INCH	\$4.00
DESL	\$8.96
COEF PER ACRE INCH	\$6.70

TABLE 5 - Equipment inventory for a 200 acre flood irrigated farm with above average maintenance, Valton area, Hidalgo County

EQUIPMENT	QUANTITY	ANNUAL HOURS OF USE	TOTAL VALUE	USABLE COSTS			FIXED COSTS			TOTAL VALUE
				DEPRECIATION	REPAIR	OPERATION	TAXES	INTEREST		
TRACTOR	850P	1000	1,000.00	240.00	250.00	12.00	1.20	500.00	76.11	2.10
TRACTOR	1050P	1000	1,200.00	288.00	300.00	12.00	1.20	500.00	92.19	2.10
TRACTOR	12 TON	1000	1,500.00	360.00	375.00	12.00	1.20	500.00	109.19	2.10
TRACTOR	14 FT 3P	1000	1,800.00	432.00	450.00	12.00	1.20	500.00	130.19	2.10
TRACTOR	2 TRAC	1000	2,000.00	480.00	500.00	12.00	1.20	500.00	145.19	2.10
TRACTOR	450W	1000	1,500.00	360.00	375.00	12.00	1.20	500.00	109.19	2.10
TRACTOR	12 FT	1000	1,200.00	288.00	300.00	12.00	1.20	500.00	92.19	2.10
TRACTOR	14 FT 3P	1000	1,800.00	432.00	450.00	12.00	1.20	500.00	130.19	2.10
TRACTOR	16 FT	1000	2,000.00	480.00	500.00	12.00	1.20	500.00	145.19	2.10
TRACTOR	18 FT	1000	2,200.00	528.00	550.00	12.00	1.20	500.00	156.19	2.10
TRACTOR	20 FT	1000	2,400.00	576.00	600.00	12.00	1.20	500.00	167.19	2.10
TRACTOR	22 FT	1000	2,600.00	624.00	650.00	12.00	1.20	500.00	178.19	2.10
TRACTOR	24 FT	1000	2,800.00	672.00	700.00	12.00	1.20	500.00	189.19	2.10
TRACTOR	26 FT	1000	3,000.00	720.00	750.00	12.00	1.20	500.00	200.19	2.10
TRACTOR	28 FT	1000	3,200.00	768.00	800.00	12.00	1.20	500.00	211.19	2.10
TRACTOR	30 FT	1000	3,400.00	816.00	850.00	12.00	1.20	500.00	222.19	2.10
TRACTOR	32 FT	1000	3,600.00	864.00	900.00	12.00	1.20	500.00	233.19	2.10
TRACTOR	34 FT	1000	3,800.00	912.00	950.00	12.00	1.20	500.00	244.19	2.10
TRACTOR	36 FT	1000	4,000.00	960.00	1,000.00	12.00	1.20	500.00	255.19	2.10
TRACTOR	38 FT	1000	4,200.00	1,008.00	1,050.00	12.00	1.20	500.00	266.19	2.10
TRACTOR	40 FT	1000	4,400.00	1,056.00	1,100.00	12.00	1.20	500.00	277.19	2.10
TRACTOR	42 FT	1000	4,600.00	1,104.00	1,150.00	12.00	1.20	500.00	288.19	2.10
TRACTOR	44 FT	1000	4,800.00	1,152.00	1,200.00	12.00	1.20	500.00	299.19	2.10
TRACTOR	46 FT	1000	5,000.00	1,200.00	1,250.00	12.00	1.20	500.00	310.19	2.10
TRACTOR	48 FT	1000	5,200.00	1,248.00	1,300.00	12.00	1.20	500.00	321.19	2.10
TRACTOR	50 FT	1000	5,400.00	1,296.00	1,350.00	12.00	1.20	500.00	332.19	2.10
TRACTOR	52 FT	1000	5,600.00	1,344.00	1,400.00	12.00	1.20	500.00	343.19	2.10
TRACTOR	54 FT	1000	5,800.00	1,392.00	1,450.00	12.00	1.20	500.00	354.19	2.10
TRACTOR	56 FT	1000	6,000.00	1,440.00	1,500.00	12.00	1.20	500.00	365.19	2.10
TRACTOR	58 FT	1000	6,200.00	1,488.00	1,550.00	12.00	1.20	500.00	376.19	2.10
TRACTOR	60 FT	1000	6,400.00	1,536.00	1,600.00	12.00	1.20	500.00	387.19	2.10
TRACTOR	62 FT	1000	6,600.00	1,584.00	1,650.00	12.00	1.20	500.00	398.19	2.10
TRACTOR	64 FT	1000	6,800.00	1,632.00	1,700.00	12.00	1.20	500.00	409.19	2.10
TRACTOR	66 FT	1000	7,000.00	1,680.00	1,750.00	12.00	1.20	500.00	420.19	2.10
TRACTOR	68 FT	1000	7,200.00	1,728.00	1,800.00	12.00	1.20	500.00	431.19	2.10
TRACTOR	70 FT	1000	7,400.00	1,776.00	1,850.00	12.00	1.20	500.00	442.19	2.10
TRACTOR	72 FT	1000	7,600.00	1,824.00	1,900.00	12.00	1.20	500.00	453.19	2.10
TRACTOR	74 FT	1000	7,800.00	1,872.00	1,950.00	12.00	1.20	500.00	464.19	2.10
TRACTOR	76 FT	1000	8,000.00	1,920.00	2,000.00	12.00	1.20	500.00	475.19	2.10
TRACTOR	78 FT	1000	8,200.00	1,968.00	2,050.00	12.00	1.20	500.00	486.19	2.10
TRACTOR	80 FT	1000	8,400.00	2,016.00	2,100.00	12.00	1.20	500.00	497.19	2.10
TRACTOR	82 FT	1000	8,600.00	2,064.00	2,150.00	12.00	1.20	500.00	508.19	2.10
TRACTOR	84 FT	1000	8,800.00	2,112.00	2,200.00	12.00	1.20	500.00	519.19	2.10
TRACTOR	86 FT	1000	9,000.00	2,160.00	2,250.00	12.00	1.20	500.00	530.19	2.10
TRACTOR	88 FT	1000	9,200.00	2,208.00	2,300.00	12.00	1.20	500.00	541.19	2.10
TRACTOR	90 FT	1000	9,400.00	2,256.00	2,350.00	12.00	1.20	500.00	552.19	2.10
TRACTOR	92 FT	1000	9,600.00	2,304.00	2,400.00	12.00	1.20	500.00	563.19	2.10
TRACTOR	94 FT	1000	9,800.00	2,352.00	2,450.00	12.00	1.20	500.00	574.19	2.10
TRACTOR	96 FT	1000	10,000.00	2,400.00	2,500.00	12.00	1.20	500.00	585.19	2.10
TRACTOR	98 FT	1000	10,200.00	2,448.00	2,550.00	12.00	1.20	500.00	596.19	2.10
TRACTOR	100 FT	1000	10,400.00	2,496.00	2,600.00	12.00	1.20	500.00	607.19	2.10
TRACTOR	102 FT	1000	10,600.00	2,544.00	2,650.00	12.00	1.20	500.00	618.19	2.10
TRACTOR	104 FT	1000	10,800.00	2,592.00	2,700.00	12.00	1.20	500.00	629.19	2.10
TRACTOR	106 FT	1000	11,000.00	2,640.00	2,750.00	12.00	1.20	500.00	640.19	2.10
TRACTOR	108 FT	1000	11,200.00	2,688.00	2,800.00	12.00	1.20	500.00	651.19	2.10
TRACTOR	110 FT	1000	11,400.00	2,736.00	2,850.00	12.00	1.20	500.00	662.19	2.10
TRACTOR	112 FT	1000	11,600.00	2,784.00	2,900.00	12.00	1.20	500.00	673.19	2.10
TRACTOR	114 FT	1000	11,800.00	2,832.00	2,950.00	12.00	1.20	500.00	684.19	2.10
TRACTOR	116 FT	1000	12,000.00	2,880.00	3,000.00	12.00	1.20	500.00	695.19	2.10
TRACTOR	118 FT	1000	12,200.00	2,928.00	3,050.00	12.00	1.20	500.00	706.19	2.10
TRACTOR	120 FT	1000	12,400.00	2,976.00	3,100.00	12.00	1.20	500.00	717.19	2.10
TRACTOR	122 FT	1000	12,600.00	3,024.00	3,150.00	12.00	1.20	500.00	728.19	2.10
TRACTOR	124 FT	1000	12,800.00	3,072.00	3,200.00	12.00	1.20	500.00	739.19	2.10
TRACTOR	126 FT	1000	13,000.00	3,120.00	3,250.00	12.00	1.20	500.00	750.19	2.10
TRACTOR	128 FT	1000	13,200.00	3,168.00	3,300.00	12.00	1.20	500.00	761.19	2.10
TRACTOR	130 FT	1000	13,400.00	3,216.00	3,350.00	12.00	1.20	500.00	772.19	2.10
TRACTOR	132 FT	1000	13,600.00	3,264.00	3,400.00	12.00	1.20	500.00	783.19	2.10
TRACTOR	134 FT	1000	13,800.00	3,312.00	3,450.00	12.00	1.20	500.00	794.19	2.10
TRACTOR	136 FT	1000	14,000.00	3,360.00	3,500.00	12.00	1.20	500.00	805.19	2.10
TRACTOR	138 FT	1000	14,200.00	3,408.00	3,550.00	12.00	1.20	500.00	816.19	2.10
TRACTOR	140 FT	1000	14,400.00	3,456.00	3,600.00	12.00	1.20	500.00	827.19	2.10
TRACTOR	142 FT	1000	14,600.00	3,504.00	3,650.00	12.00	1.20	500.00	838.19	2.10
TRACTOR	144 FT	1000	14,800.00	3,552.00	3,700.00	12.00	1.20	500.00	849.19	2.10
TRACTOR	146 FT	1000	15,000.00	3,600.00	3,750.00	12.00	1.20	500.00	860.19	2.10
TRACTOR	148 FT	1000	15,200.00	3,648.00	3,800.00	12.00	1.20	500.00	871.19	2.10
TRACTOR	150 FT	1000	15,400.00	3,696.00	3,850.00	12.00	1.20	500.00	882.19	2.10
TRACTOR	152 FT	1000	15,600.00	3,744.00	3,900.00	12.00	1.20	500.00	893.19	2.10
TRACTOR	154 FT	1000	15,800.00	3,792.00	3,950.00	12.00	1.20	500.00	904.19	2.10
TRACTOR	156 FT	1000	16,000.00	3,840.00	4,000.00	12.00	1.20	500.00	915.19	2.10
TRACTOR	158 FT	1000	16,200.00	3,888.00	4,050.00	12.00	1.20	500.00	926.19	2.10
TRACTOR	160 FT	1000	16,400.00	3,936.00	4,100.00	12.00	1.20	500.00	937.19	2.10
TRACTOR	162 FT	1000	16,600.00	3,984.00	4,150.00	12.00	1.20	500.00	948.19	2.10
TRACTOR	164 FT	1000	16,800.00	4,032.00	4,200.00	12.00	1.20	500.00	959.19	2.10
TRACTOR	166 FT	1000	17,000.00	4,080.00	4,250.00	12.00	1.20	500.00	970.19	2.10
TRACTOR	168 FT	1000	17,200.00	4,128.00	4,300.00	12.00	1.20	500.00	981.19	2.10
TRACTOR	170 FT	1000	17,400.00	4,176.00	4,350.00	12.00	1.20	500.00	992.19	2.10
TRACTOR	172 FT	1000	17,600.00	4,224.00	4,400.00	12.00	1.20	500.00	1,003.19	2.10
TRACTOR	174 FT	1000	17,800.00	4,272.00	4,45					

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 2009.

Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL
PURCHASED INPUTS				
SEED	\$4.00	25 LBS	\$100.00	\$100.00
NITROGEN (N)	\$0.62	20 LBS	\$12.40	\$12.40
PHOSPHATE (P2O5)	\$0.58	50 LBS	\$29.00	\$29.00
PUMP WATER*		5 AC. IN.		
CANAL WATER		15 AC. IN.		\$0.00
SUBTOTAL			\$141.40	\$141.40

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
PLOW	145 HP	0.67 HR		\$5.73	\$15.48	\$5.44	\$12.51	\$39.16
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
FLOAT	145 HP	0.24 HR		\$2.05	\$5.54	\$0.96	\$2.75	\$11.30
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.61	\$0.11	\$1.49	\$2.63
LISTER	65 HP	0.18 HR		\$1.54	\$2.19	\$0.59	\$1.52	\$5.84
MULCHER	145 HP	0.15 HR		\$1.28	\$3.46	\$1.29	\$4.43	\$10.47
SEEDER	65 HP	0.05 HR		\$0.43	\$0.61	\$0.11	\$1.49	\$2.63
MULCHER	145 HP	0.15 HR		\$1.28	\$3.46	\$1.29	\$4.43	\$10.47
LISTER	65 HP	0.18 HR		\$1.54	\$2.19	\$0.59	\$1.52	\$5.84
IRRIGATE (4X)		2.00 HR		\$14.50	\$4.56	\$0.00	\$1.93	\$20.99
SUBTOTAL		4.01 HR		\$31.69	\$45.95	\$12.69	\$37.49	\$127.81
OVERHEAD EXPENSES								
DOWNTIME		0.50 HR		\$4.30				\$4.30
EMPLOYEE BENEFITS				\$5.70				\$5.70
INSURANCE			\$0.63					\$0.63
SUPERVISION AND MANAGEMENT				\$21.56				\$21.56
SUBTOTAL		0.50 HR	\$0.63	\$31.56				\$32.19
TOTAL OPERATING EXPENSES		4.51 HR	\$142.03	\$63.24	\$45.95	\$12.69	\$37.49	\$301.40

* 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 2009.

Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$130.00	6.50 TONS (IN FIELD)	\$845.00
GRAZING	\$15.00	1.00 ACRE	\$15.00
TOTAL			\$860.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
WIRE	0.55	56 LBS	\$30.64		\$30.64
ESTABLISHMENT: Principal		3 YEARS		\$100.47	\$100.47
: Interest				\$13.51	\$13.51
CANAL WATER		36 AC. IN.		\$24.50	\$24.50
PUMP WATER*		18 AC. IN.			
SUBTOTAL			\$30.64	\$138.48	\$169.12

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (9X)		4.50 HR		\$32.63	\$16.41	\$0.00	\$6.96	\$56.00
SUBTOTAL		4.50 HR		\$32.63	\$16.41	\$0.00	\$6.96	\$56.00

HARVEST OPERATIONS

SWATHER (5X)	14 FT	0.80 HR		\$6.84	\$8.39	\$0.46	\$34.59	\$50.28
BALER, PTO (5X)	145 HP	1.05 HR		\$8.98	\$24.25	\$4.33	\$19.89	\$57.45
SUBTOTAL		1.85 HR		\$15.82	\$32.64	\$4.80	\$54.47	\$107.72

OVERHEAD EXPENSES

DOWNTIME		0.46 HR		\$3.95				\$3.95
EMPLOYEE BENEFITS				\$8.72				\$8.72
INSURANCE			\$0.97					\$0.97
LAND TAXES							\$2.55	\$2.55
SUPERVISION AND MANAGEMENT				\$65.63				\$65.63
OTHER EXPENSES			\$121.78					\$121.78
SUBTOTAL		0.46 HR	\$122.74	\$78.30			\$2.55	\$203.60

TOTAL OPERATING EXPENSES 6.81 HR \$153.38 \$126.74 \$49.05 \$4.80 \$202.47 \$536.44

NET OPERATING PROFIT \$323.56

INTEREST ON OPERATING CAPITAL (\$22.54 @ 7.50%) \$1.69
 INTEREST ON EQUIPMENT INVESTMENT \$26.87

RETURN TO LAND AND RISK \$295.00

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

BUDGET SUMMARY

GROSS RETURN		\$860.00	
VARIABLE OPERATING EXPENSES	\$207.23		
RETURN OVER VARIABLE EXPENSES	\$652.77	(GROSS MARGIN)	
FIXED EXPENSES	\$202.47		
NET FARM INCOME	\$450.31	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$126.74		
NET OPERATING PROFIT	\$323.56	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$28.56		
RETURN TO LAND AND RISK	\$295.00		

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 2009.

Planting dates: April 15 - May 31

Harvest dates: August 15 - October 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
CORN SILAGE	\$24.00	25.00 TONS (STANDING)	\$600.00
TOTAL			\$600.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.75	30 000	\$82.50		\$82.50
NITROGEN (N)	\$0.62	32 LBS	\$19.84		\$19.84
PHOSPHATE (P205)	\$0.58	40 LBS	\$23.20		\$23.20
CANAL WATER		36 AC. IN.		\$24.50	\$24.50
PUMP WATER*		14 AC. IN.			
SUBTOTAL			\$125.54	\$24.50	\$150.04

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.61	\$0.11	\$1.49	\$2.63
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
CHISEL	145 HP	0.20 HR		\$1.71	\$4.62	\$1.09	\$3.56	\$10.98
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
FLOAT	65 HP	0.24 HR		\$2.05	\$2.92	\$0.31	\$1.06	\$6.34
LISTER	65 HP	0.18 HR		\$1.54	\$2.19	\$0.59	\$1.52	\$5.84
PRE-IRRIGATE		0.75 HR		\$5.44	\$1.60	\$0.00	\$0.68	\$7.71
MULCHER	145 HP	0.15 HR		\$1.28	\$3.46	\$1.29	\$4.43	\$10.47
PLANTER	145 HP	0.26 HR		\$2.22	\$6.01	\$1.46	\$7.56	\$17.24
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.59	\$5.11	\$1.32	\$2.24	\$12.26
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.77	\$2.08	\$0.36	\$1.80	\$5.01
IRRIGATE (7X)		3.50 HR		\$25.38	\$11.17	\$0.00	\$4.74	\$41.28
SUBTOTAL		6.18 HR		\$47.31	\$47.60	\$8.84	\$34.48	\$138.23

OVERHEAD EXPENSES

DOWNTIME		0.46 HR		\$3.93				\$3.93
EMPLOYEE BENEFITS				\$8.52				\$8.52
INSURANCE			\$0.95					\$0.95
LAND TAXES							\$2.55	\$2.55
SUPERVISION AND MANAGEMENT				\$47.17				\$47.17
OTHER EXPENSES			\$121.78					\$121.78
SUBTOTAL		0.46 HR	\$122.72	\$59.62			\$2.55	\$184.89

TOTAL OPERATING EXPENSES		6.64 HR	\$248.26	\$106.93	\$47.60	\$8.84	\$61.53	\$473.17
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NET OPERATING PROFIT								\$126.83
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INTEREST ON OPERATING CAPITAL	(\$76.88	@	7.50%)			\$5.77
INTEREST ON EQUIPMENT INVESTMENT								\$24.91

RETURN TO LAND AND RISK								\$96.16
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* Pump water costs are shown under irrigation in the preharvest operation section.

BUDGET SUMMARY

GROSS RETURN		\$600.00	
VARIABLE OPERATING EXPENSES	\$304.71		
RETURN OVER VARIABLE EXPENSES		\$295.29	(GROSS MARGIN)
FIXED EXPENSES	\$61.53		
NET FARM INCOME		\$233.76	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$106.93		
NET OPERATING PROFIT		\$126.83	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.68		
RETURN TO LAND AND RISK		\$96.16	

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 2009.

Planting dates: April 10 - April 30

Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
LINT	\$0.80	600.00 LBS		\$480.00
SEED	\$0.07	960.00 LBS		\$67.20
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				\$670.91

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.86	17 LBS	\$31.62		\$31.62
NITROGEN (N)	\$0.62	80 LBS	\$49.60		\$49.60
PHOSPHATE (P205)	\$0.58	60 LBS	\$34.80		\$34.80
HERBICIDE	\$14.08	1 ACRE	\$14.08		\$14.08
CANAL WATER		24 AC. IN.	\$0.00	\$24.50	\$24.50
PUMP WATER*		12 AC. IN.			
CROP INSURANCE	\$0.74		\$0.74		\$0.74
SUBTOTAL			\$130.84	\$24.50	\$155.34

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.61	\$0.11	\$1.49	\$2.63
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
PLOW	145 HP	0.67 HR		\$5.73	\$15.48	\$5.44	\$12.51	\$39.16
DISC & SPRAY	145 HP	0.15 HR		\$1.28	\$3.46	\$1.11	\$3.61	\$9.47
FLOAT	65 HP	0.24 HR		\$2.05	\$2.92	\$0.31	\$1.06	\$6.34
LISTER	145 HP	0.18 HR		\$1.54	\$4.16	\$1.07	\$2.79	\$9.56
PRE-IRRIGATE		0.75 HR		\$5.44	\$1.22	\$0.00	\$0.52	\$7.17
MULCHER	145 HP	0.14 HR		\$1.20	\$3.23	\$1.21	\$4.14	\$9.77
PLANTER	145 HP	0.26 HR		\$2.22	\$6.01	\$1.46	\$7.56	\$17.24
CULTIVATOR (4X)	65 HP	0.84 HR		\$7.18	\$10.21	\$2.65	\$4.48	\$24.52
HOEING (CUSTOM)			\$24.00					\$24.00
ROTOBUCK (3X)	145 HP	0.03 HR		\$0.26	\$0.69	\$0.12	\$0.60	\$1.67
IRRIGATE (8X)		4.00 HR		\$29.00	\$9.73	\$0.00	\$4.12	\$42.85
SUBTOTAL		7.48 HR	\$24.00	\$57.78	\$61.63	\$14.64	\$45.57	\$203.62

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$21.00	\$8.87	\$92.47	\$132.94
COTTON TRAILER (2X)	HALF TON	2.50 HR		\$21.38	\$39.38	\$1.72	\$18.06	\$80.53
GIN COTTON (CUSTOM)			\$68.52					\$68.52
SUBTOTAL		3.74 HR	\$68.52	\$31.98	\$60.37	\$10.59	\$110.53	\$281.99

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	65 HP	0.29 HR		\$2.48	\$3.52	\$0.43	\$3.49	\$9.93
SUBTOTAL		0.29 HR		\$2.48	\$3.52	\$0.43	\$3.49	\$9.93

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	1.56 HR		\$13.32				\$13.32
EMPLOYEE BENEFITS			\$16.60				\$16.60
INSURANCE		\$1.84					\$1.84
LAND TAXES						\$2.55	\$2.55
SUPERVISION AND MANAGEMENT			\$54.08				\$54.08
OTHER EXPENSES		\$121.78					\$121.78
SUBTOTAL	1.56 HR	\$123.62	\$84.00			\$2.55	\$210.17

TOTAL OPERATING EXPENSES	13.07 HR	\$346.98	\$176.23	\$125.53	\$25.66	\$186.65	\$861.04
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NET OPERATING PROFIT							(\$190.14)
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INTEREST ON OPERATING CAPITAL	(\$97.10	@	7.50%)		\$7.28
INTEREST ON EQUIPMENT INVESTMENT							\$103.85

RETURN TO LAND AND RISK							(\$301.27)
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* Pump water costs are shown under irrigation in the preharvest operation section.

BUDGET SUMMARY

GROSS RETURN		\$670.91		
VARIABLE OPERATING EXPENSES	\$498.16			
RETURN OVER VARIABLE EXPENSES		\$172.74	(GROSS MARGIN)	
FIXED EXPENSES	\$186.65			
NET FARM INCOME		(\$13.90)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$176.23			
NET OPERATING PROFIT		(\$190.14)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$111.13			
RETURN TO LAND AND RISK		(\$301.27)		

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 2009.

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$7.70	60.00 CWT		\$462.00
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				\$472.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.69	8 LBS	\$13.52		\$13.52
NITROGEN (N)	\$0.62	32 LBS	\$19.84		\$19.84
PHOSPHATE (P205)	\$0.58	40 LBS	\$23.20		\$23.20
HERBICIDE	\$14.08	1 ACRE	\$14.08		\$14.08
INSECTICIDE	\$11.30	1 ACRE	\$11.30		\$11.30
CANAL WATER		28 AC. IN.		\$24.50	\$24.50
PUMP WATER*		12 AC. IN.			
CROP INSURANCE	\$1.47		\$1.47		\$1.47
SUBTOTAL			\$83.41	\$24.50	\$107.91

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZER	65 HP	0.15 HR		\$1.28	\$1.82	\$0.33	\$4.46	\$7.90
DISC	145 HP	0.20 HR		\$1.71	\$4.62	\$1.35	\$3.19	\$10.87
CHISEL	145 HP	0.40 HR		\$3.42	\$9.24	\$2.18	\$7.12	\$21.96
DISC	145 HP	0.20 HR		\$1.71	\$4.62	\$1.35	\$3.19	\$10.87
FLOAT	145 HP	0.25 HR		\$2.14	\$5.77	\$1.00	\$2.87	\$11.77
SPRAYER	65 HP	0.20 HR		\$1.71	\$2.43	\$0.39	\$2.25	\$6.78
LISTER	65 HP	0.50 HR		\$4.28	\$6.08	\$1.64	\$4.22	\$16.21
PRE-IRRIGATE		0.75 HR		\$5.44	\$1.82	\$0.00	\$0.77	\$8.03
MULCHER	145 HP	0.20 HR		\$1.71	\$4.62	\$1.72	\$5.91	\$13.96
PLANTER	145 HP	0.25 HR		\$2.14	\$5.77	\$1.40	\$7.27	\$16.58
SPRAYER	65 HP	0.20 HR		\$1.71	\$2.43	\$0.39	\$2.25	\$6.78
CULTIVATOR (2X)	65 HP	0.60 HR		\$5.13	\$7.29	\$1.89	\$3.20	\$17.51
ROTOBUCK (3X)	145 HP	0.25 HR		\$2.14	\$5.77	\$1.00	\$4.99	\$13.90
IRRIGATE (5X)		2.50 HR		\$18.13	\$9.12	\$0.00	\$3.87	\$31.11
SUBTOTAL		6.65 HR		\$52.63	\$71.42	\$14.66	\$55.54	\$194.25

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		\$5.24				\$5.24
EMPLOYEE BENEFITS				\$9.47				\$9.47
INSURANCE				\$1.05				\$1.05
LAND TAXES							\$2.55	\$2.55
SUPERVISION AND MANAGEMENT				\$35.07				\$35.07
OTHER EXPENSES				\$121.78				\$121.78
SUBTOTAL		0.61 HR		\$122.83	\$49.78		\$2.55	\$175.16

TOTAL OPERATING EXPENSES		7.26 HR		\$242.84	\$102.41	\$71.42	\$14.66	\$82.60	\$513.92
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NET OPERATING PROFIT									(\$41.92)
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INTEREST ON OPERATING CAPITAL	(\$66.28	@	7.50%)				\$4.97
INTEREST ON EQUIPMENT INVESTMENT									\$40.12

RETURN TO LAND AND RISK									(\$87.01)
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* Pump water costs are shown under irrigation in the preharvest operation section.

BUDGET SUMMARY

GROSS RETURN		\$472.00		
VARIABLE OPERATING EXPENSES	\$328.92			
RETURN OVER VARIABLE EXPENSES		\$143.08	(GROSS MARGIN)	
FIXED EXPENSES	\$82.60			
NET FARM INCOME		\$60.49	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$102.41			
NET OPERATING PROFIT		(\$41.92)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$45.09			
RETURN TO LAND AND RISK		(\$87.01)		

TABLE 11. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2009.

	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		\$130.00	\$24.00	\$0.80	\$7.70
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$123.71	\$0.00
SECOND INCOME		\$15.00	\$0.00	\$67.20	\$10.00
GROSS RETURN		\$860.00	\$600.00	\$670.91	\$472.00
CASH OPERATING EXPENSES					
SEED	\$100.00		\$82.50	\$31.62	\$13.52
FERTILIZER	\$41.40		\$43.04	\$84.40	\$43.04
CHEMICALS				\$14.08	\$25.38
CROP INSURANCE				\$0.74	\$1.47
OTHER PURCHASED INPUTS		\$30.64			
CANAL WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$41.39	\$32.64	\$34.84	\$114.59	\$60.48
FUEL-IRRIGATION	\$4.56	\$16.41	\$12.76	\$10.94	\$10.94
REPAIRS	\$12.69	\$4.80	\$8.84	\$25.66	\$14.66
CUSTOM CHARGES				\$92.52	\$36.60
LAND TAXES		\$2.55	\$2.55	\$2.55	\$2.55
OTHER EXPENSES	\$0.63	\$122.74	\$122.72	\$123.62	\$122.83
TOTAL CASH EXPENSES	\$200.67	\$209.78	\$307.26	\$500.72	\$331.47
RETURN OVER CASH EXPENSES	(\$200.67)	\$650.22	\$292.74	\$170.19	\$140.53
FIXED EXPENSES	\$37.49	\$199.91	\$58.98	\$184.09	\$80.04
TOTAL EXPENSES	\$238.16	\$409.69	\$366.24	\$684.81	\$411.51
NET FARM INCOME	(\$238.16)	\$450.31	\$233.76	(\$13.90)	\$60.49
LABOR AND MANAGEMENT COSTS	\$63.24	\$126.74	\$106.93	\$176.23	\$102.41
NET OPERATING PROFIT	(\$301.40)	\$323.56	\$126.83	(\$190.14)	(\$41.92)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.69	\$5.77	\$7.28	\$4.97
INTEREST ON EQUIPMENT INVESTMENT		\$26.87	\$24.91	\$103.85	\$40.12
TOTAL CAPITAL COSTS	\$0.00	\$28.56	\$30.68	\$111.13	\$45.09
RETURN TO LAND AND RISK	(\$301.40)	\$295.00	\$96.16	(\$301.27)	(\$87.01)

TABLE 12. Whole farm summary, Virden area, Hidalgo County,
Projected 2009.

GROSS RETURNS		
ALFALFA HAY	45.00 ACRES	
CROP		\$38,025
GRAZING		\$675
CORN SILAGE	43.00 ACRES	
CROP		\$25,800
UPLAND COTTON	68.00 ACRES	
LINT		\$32,640
SEED		\$4,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$8,412
GRAIN SORGHUM	34.00 ACRES	
CROP		\$15,708
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$340
GROSS RETURN		<u>\$125,830</u>
CASH OPERATING EXPENSES		
SEED		\$7,657
FERTILIZER		\$9,674
CHEMICALS		\$1,820
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$1,379
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$13,436
FUEL-IRRIGATION		\$2,472
REPAIRS		\$3,029
CUSTOM CHARGES		\$7,536
LAND TAXES		\$485
OTHER EXPENSES		\$23,392
TOTAL CASH EXPENSES		<u>\$70,981</u>
RETURN OVER CASH EXPENSES		\$54,848
FIXED EXPENSES		\$22,813
TOTAL EXPENSES		\$93,794
NET FARM INCOME		\$32,035
LABOR AND MANAGEMENT COSTS		\$26,716
NET OPERATING PROFIT		\$5,319
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$988
INTEREST ON EQUIPMENT INVESTMENT		\$10,706
TOTAL CAPITAL COSTS		<u>\$11,694</u>
RETURN TO LAND AND RISK		<u>(\$6,375)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$10,575)	2.10%
\$900 /ACRE	(\$11,775)	1.82%
\$1,100 /ACRE	(\$12,975)	1.60%
\$1,300 /ACRE	(\$14,175)	1.43%
\$1,500 /ACRE	(\$15,375)	1.29%
\$1,700 /ACRE	(\$16,575)	1.17%
\$1,900 /ACRE	(\$17,775)	1.08%

* 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)