

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... OTERO COUNTY Projected 2009.
FARM SIZE..... 640.00 ACRES
IRRIGATION TYPE..... SPRINKLER
NUMBER OF CROPS..... 4

VERSION 1.0

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TABLE 1. Acreage Summary, Otero County, Projected 2009.

BUDGET AREA..... DELL CITY AREA, OTERO COUNTY			
FARM SIZE..... 640 ACRES			
IRRIGATION TYPE..... PIVOT/FLOOD			
NUMBER OF CROPS.... 5			
ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		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 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
Anhydrous Ammonia (NH3)	\$/ton		\$755.00
Seed:			
Alfalfa	\$/pound		\$4.00
Wheat	\$/pound		\$0.26
White Corn	\$/bag		\$115.50
Cotton	\$/pound		\$1.86
Diesel fuel	\$/gallon		\$2.80
Gasoline	\$/gallon		\$2.50
Electricity (Rio Grande Elec)	cents/KwHr		9.21
LP Gas	\$/gallon		\$2.55
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		7.50%
Land Interest Rate	percent		7.25%
Equipment Interest Rate	percent		7.50%
Real Interest Rate	percent		3.00%
Land Taxes	\$300.00 /acre (full value)		\$2.81
Personal Property Tax Rate	- NR - R	\$/(\$1,000 (Assessed Value)	\$28.13
			\$22.05
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 2009.

Item			
Electricity (Domestic & Shop)		\$232.00 per month	\$2,784
Telephone		\$226.20 per month	\$2,714
Accounting & Legal			\$1,699
Misc. Supplies & Hand Tools			\$5,266
Pickup and Auto			
miles	59,740	@ \$0.415 per mile	\$24,792
Insurance			
- general liability (non-employee)			\$1,833
- fire/theft			\$1,450
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,392
Dues, fees, publications			\$418
Farmstead Equipment			\$186
Total			\$48,544
Total per planted acre			\$79.58

TABLE 8 - Pumping costs and data for irrigation work, Chaco County.

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.
NO.	NO.	NO.	NO.	NO.	NO.	NO.
DEVELOPMENT	86	87	88	89	90	91
DEVELOPMENT	92	93	94	95	96	97
DEVELOPMENT	98	99	100	101	102	103

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.
NO.	NO.	NO.	NO.	NO.	NO.	NO.
DEVELOPMENT	104	105	106	107	108	109
DEVELOPMENT	110	111	112	113	114	115
DEVELOPMENT	116	117	118	119	120	121

TABLE 9 - Equipment Inventory for 1952 and 1953 (continued) - Item with above description management, Chaco County.

ITEM NO.	SECTION	APPLIC.	APPLIC.	APPLIC.	1952		1953		TOTAL	
					AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.
TRACTOR	TRAC	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
TRACTOR	TRAC	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034
COTTON PICKER	COT	89	1	\$5,000	\$5,000					\$5,000
MOWER	MOW	90	1	\$1,000	\$1,000					\$1,000

EQUIPMENT LIST

ITEM	SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.
NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.
TRACTOR	TRAC	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034	
TRACTOR	TRAC	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034	
COTTON PICKER	COT	89	1	\$5,000	\$5,000					\$5,000	

GRAIN LIST

ITEM	SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	
NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	NO.	
GRAIN	GRN	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
GRAIN	GRN	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

REPRESENTATION

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
REPRESENTATION	REP	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
REPRESENTATION	REP	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

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SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

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SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

ALFALFA CUMPLIMENT

SECTION	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.	APPLIC.				
NO.	NO.	NO.	NO.	NO.	NO.	NO.				
ALFALFA	ALF	87	2	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$38,034
ALFALFA	ALF	88	1	\$18,000	\$18,000	\$1,017	\$19,017	\$1,017	\$19,017	\$37,034

Based on additional data of G. H. Department of Agriculture.

Based on "Fertilizer Handbook" of Agriculture.

Based on "Fertilizer Handbook" of Agriculture.

Based on "Fertilizer Handbook" 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 2009.
Planting dates: August 1 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	\$4.00	30 LBS	\$120.00					\$120.00
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$120.00					\$120.00
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$3.51	\$1.27	\$3.19	\$9.18
CHISEL	155 HP	0.20 HR		\$1.71	\$5.02	\$1.37	\$5.22	\$13.33
PLOW	155 HP	0.48 HR		\$4.10	\$12.05	\$4.97	\$13.48	\$34.60
DISC (2X)	155 HP	0.28 HR		\$2.39	\$7.03	\$2.55	\$6.39	\$18.36
DRAG (2X)	155 HP	0.30 HR		\$2.57	\$7.53	\$1.62	\$6.05	\$17.76
DRILL	93 HP	0.12 HR		\$1.03	\$1.83	\$0.46	\$3.67	\$6.98
IRRIGATE (3X)		0.30 HR		\$2.18	\$19.05	\$0.00	\$2.08	\$23.30
SUBTOTAL		1.82 HR		\$15.17	\$56.02	\$12.24	\$40.08	\$123.52
OVERHEAD EXPENSES								
DOWNTIME		0.12 HR		\$0.98				\$0.98
EMPLOYEE BENEFITS				\$2.73				\$2.73
INSURANCE			\$0.30				\$0.30	
SUPERVISION AND MANAGEMENT				\$17.58				\$17.58
SUBTOTAL		0.12	\$0.30	\$21.29				\$21.59
TOTAL OPERATING EXPENSES		1.94 HR	\$120.30	\$36.46	\$56.02	\$12.24	\$40.08	\$265.11

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 2009.
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	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	\$0.62	75 LBS	\$46.50		\$46.50
PHOSPHATE (P2O5)	\$0.58	200 LBS	\$116.00		\$116.00
INSECTICIDE	\$16.03	2 X/ACRE	\$32.05		\$32.05
ESTABLISHMENT: Principal		5 YEARS		\$53.02	\$53.02
: Interest				\$10.61	\$10.61
BALING TWINE	\$0.55	56 LBS	\$0.31		\$0.31
PUMP WATER*		40 AC. IN.			
SUBTOTAL			\$194.86	\$63.64	\$258.49

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DRAG	93 HP	0.15 HR		\$1.28	\$2.28	\$0.31	\$0.49	\$4.37
IRRIGATE (11X)		1.10 HR		\$7.98	\$126.99	\$0.00	\$13.87	\$148.84
SUBTOTAL		1.25 HR		\$9.26	\$129.28	\$0.31	\$14.37	\$153.21

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (5X)	16 FT	0.55 HR		\$4.70	\$5.77	\$0.80	\$14.14	\$25.41
BALER (5X)	93 HP	0.85 HR		\$7.27	\$12.94	\$1.95	\$4.43	\$26.58
LOAD (5X)	93 HP	1.00 HR		\$8.55	\$15.22	\$24.76	\$11.47	\$60.00
SUBTOTAL		2.40 HR		\$20.52	\$33.93	\$27.51	\$30.04	\$112.00

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.60 HR		\$5.13				\$5.13
EMPLOYEE BENEFITS			\$5.36				\$5.36
INSURANCE		\$0.60					\$0.60
LAND TAXES						\$2.81	\$2.81
SUPERVISION AND MANAGEMENT			\$67.05				\$67.05
OTHER EXPENSES		\$79.58					\$79.58
SUBTOTAL	0.60 HR	\$80.18	\$77.54			\$2.81	\$160.53

TOTAL OPERATING EXPENSES	4.25 HR	\$275.03	\$107.32	\$163.21	\$27.82	\$110.85	\$684.23
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NET OPERATING PROFIT							\$240.77
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INTEREST ON OPERATING CAPITAL	(\$134.95	@	7.50%)		\$10.12
INTEREST ON EQUIPMENT INVESTMENT							\$26.88

RETURN TO LAND AND RISK							\$203.77
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$925.00	
VARIABLE OPERATING EXPENSES	\$466.06		
RETURN OVER VARIABLE EXPENSES		\$458.94	(GROSS MARGIN)
FIXED EXPENSES	\$110.85		
NET FARM INCOME		\$348.09	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$107.32		
NET OPERATING PROFIT		\$240.77	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$37.00		
RETURN TO LAND AND RISK		\$203.77	

TABLE 8. Wheat, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area,
 Projected 2009.
 Planting dates: August 15 - September 15
 Harvesting dates: July 15 - July 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
WHEAT	\$10.00	35.00 CWT							\$350.00
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									\$375.00
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.26	150 LBS	\$39.00						\$39.00
ANHYDROUS (NH3)	\$0.38	125 LBS	\$47.19						\$47.19
LIVESTOCK FAC & EQUIP							\$5.00		\$5.00
PUMP WATER*		25 AC. IN.							\$0.00
CROP INSURANCE	\$0.29		\$0.29						\$0.29
SUBTOTAL			\$86.48				\$5.00		\$91.48
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	155 HP	0.14 HR		\$1.20	\$3.51	\$1.27	\$3.19	\$9.18	
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$5.02	\$1.08	\$3.91	\$18.72	
DISC	155 HP	0.14 HR		\$1.20	\$3.51	\$1.27	\$3.19	\$9.18	
DRILL	93 HP	0.12 HR		\$1.03	\$1.83	\$0.46	\$3.67	\$6.98	
IRRIGATE (5X)		2.50 HR		\$18.13	\$79.37	\$0.00	\$4.03	\$101.52	
SUBTOTAL		3.10 HR	\$7.00	\$23.26	\$93.25	\$4.08	\$18.00	\$145.59	
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		\$1.28				\$1.28	
EMPLOYEE BENEFITS				\$4.19				\$4.19	
INSURANCE			\$0.47					\$0.47	
LAND TAXES							\$2.81	\$2.81	
SUPERVISION AND MANAGEMENT				\$29.05				\$29.05	
OTHER EXPENSES			\$79.58					\$79.58	
SUBTOTAL		0.15 HR	\$80.05	\$34.52			\$2.81	\$117.38	
TOTAL OPERATING EXPENSES		3.25 HR	\$199.53	\$57.77	\$93.25	\$4.08	\$25.81	\$380.44	
NET OPERATING PROFIT									(\$5.44)
INTEREST ON OPERATING CAPITAL		(\$67.57	@	7.50%)			\$5.07
INTEREST ON EQUIPMENT INVESTMENT									\$8.48
RETURN TO LAND AND RISK									(\$19.00)

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

BUDGET SUMMARY

GROSS RETURN		\$375.00	
VARIABLE OPERATING EXPENSES	\$296.86		
RETURN OVER VARIABLE EXPENSES	\$78.14	(GROSS MARGIN)	
FIXED EXPENSES	\$25.81		
NET FARM INCOME	\$52.33	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$57.77		
NET OPERATING PROFIT	(\$5.44)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$13.55		
RETURN TO LAND AND RISK		(\$19.00)	

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 2009.
 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	\$1.16	25 000	\$28.88		\$28.88
NITROGEN (N)	\$0.62	30 LBS	\$18.60		\$18.60
PHOSPHATE (P2O5)	\$0.58	70 LBS	\$40.60		\$40.60
TRACE ELEMENTS	\$0.15	65 LBS	\$9.75		\$9.75
ANHYDROUS (NH3)	\$0.38	175 LBS	\$66.06		\$66.06
INSECTICIDE (CUSTOM)	\$16.03	3 ACRE	\$48.08		\$48.08
HERBICIDE	\$9.45	1 ACRE	\$9.45		\$9.45
LIVESTOCK FAC & EQUIP PUMP WATER*		48 AC. IN.		\$5.00	\$5.00
					\$0.00
SUBTOTAL			\$221.41	\$5.00	\$226.41

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$3.51	\$1.27	\$3.19	\$9.18
CHISEL	155 HP	0.20 HR		\$1.71	\$5.02	\$1.37	\$5.22	\$13.33
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$5.02	\$1.08	\$3.91	\$18.72
DISC & SPRAY	155 HP	0.19 HR		\$1.62	\$4.77	\$1.87	\$7.17	\$15.43
LISTER	155 HP	0.12 HR		\$1.03	\$3.01	\$0.88	\$3.77	\$8.70
PLANTER	93 HP	0.17 HR		\$1.45	\$2.59	\$0.70	\$6.02	\$10.76
ROLLING CULT (3X)	93 HP	0.39 HR		\$3.33	\$5.94	\$2.26	\$3.32	\$14.85
IRRIGATE (8X)		4.00 HR		\$29.00	\$152.39	\$0.00	\$7.73	\$189.13
SUBTOTAL		5.41 HR	\$7.00	\$41.06	\$182.26	\$9.44	\$40.34	\$280.09

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		\$2.33				\$2.33
EMPLOYEE BENEFITS				\$7.39				\$7.39
INSURANCE			\$0.82					\$0.82
LAND TAXES						\$2.81		\$2.81
SUPERVISION AND MANAGEMENT				\$44.27				\$44.27
OTHER EXPENSES			\$79.58					\$79.58
SUBTOTAL		0.27 HR	\$80.40	\$53.98		\$2.81		\$137.20

TOTAL OPERATING EXPENSES 5.68 HR \$346.06 \$95.04 \$182.26 \$9.44 \$48.16 \$680.95

NET OPERATING PROFIT (\$135.95)

INTEREST ON OPERATING CAPITAL (\$158.63 @ 7.50%) \$11.90
 INTEREST ON EQUIPMENT INVESTMENT \$18.82

RETURN TO LAND AND RISK (\$166.67)

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

BUDGET SUMMARY

GROSS RETURN		\$545.00	
VARIABLE OPERATING EXPENSES	\$537.76		
RETURN OVER VARIABLE EXPENSES		\$7.24	(GROSS MARGIN)
FIXED EXPENSES	\$48.16		
NET FARM INCOME		(\$40.91)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$95.04		
NET OPERATING PROFIT		(\$135.95)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.72		
RETURN TO LAND AND RISK		(\$166.67)	

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 2009.
 Planting dates: April 15 - May 15
 Harvesting dates: November 1 - January 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
COTTON LINT	\$0.76	1,000.00 LBS						\$760.00	
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								\$956.03	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$1.86	25 LBS	\$46.50						\$46.50
NITROGEN (N)	\$0.62	72 LBS	\$44.64						\$44.64
PHOSPHATE (P2O5)	\$0.58	184 LBS	\$106.72						\$106.72
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			\$237.29						\$237.29
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	155 HP	0.14 HR		\$1.20	\$3.51	\$1.27	\$3.19	\$9.18	
PLOW	155 HP	0.48 HR		\$4.10	\$12.05	\$4.97	\$13.48	\$34.60	
DISC (2X)	155 HP	0.28 HR		\$2.39	\$7.03	\$2.55	\$6.39	\$18.36	
FLOAT (2X)	93 HP	0.32 HR		\$2.74	\$4.87	\$0.67	\$1.62	\$9.89	
LISTER	155 HP	0.12 HR		\$1.03	\$3.01	\$0.88	\$3.77	\$8.70	
PLANTER	155 HP	0.17 HR		\$1.45	\$4.27	\$1.26	\$8.89	\$15.87	
ROLLING CULT. (4X)	93 HP	0.52 HR		\$4.45	\$7.92	\$3.01	\$4.43	\$19.80	
HAND HOE (CUSTOM)			\$25.00					\$25.00	
IRRIGATE (6X)		3.00 HR		\$21.75	\$95.25	\$0.00	\$4.83	\$121.83	
SUBTOTAL		5.03 HR	\$25.00	\$39.11	\$137.91	\$14.62	\$46.60	\$263.23	
HARVEST OPERATIONS									
COTTON STRIPPER	93 HP	0.62 HR		\$5.30	\$9.44	\$4.19	\$51.06	\$69.99	
HAUL	93 HP	1.00 HR		\$8.55	\$15.22	\$2.12	\$8.89	\$34.79	
GIN COTTON (CUSTOM)			\$204.40					\$204.40	
SUBTOTAL		1.62 HR	\$204.40	\$13.85	\$24.66	\$6.31	\$59.96	\$309.18	
POST HARVEST OPERATIONS									
SHREDDER	93 HP	0.29 HR		\$2.48	\$4.41	\$0.66	\$2.89	\$10.44	
OVERHEAD EXPENSES									
DOWNTIME		0.91 HR		\$7.74				\$7.74	
EMPLOYEE BENEFITS				\$9.53				\$9.53	
INSURANCE			\$1.06					\$1.06	
LAND TAXES							\$2.81	\$2.81	
SUPERVISION AND MANAGEMENT				\$73.01				\$73.01	
OTHER EXPENSES			\$79.58					\$79.58	
SUBTOTAL		0.91 HR	\$80.64	\$90.28			\$2.81	\$173.73	
TOTAL OPERATING EXPENSES		7.85 HR	\$547.33	\$145.71	\$166.99	\$21.59	\$112.25	\$993.87	
NET OPERATING PROFIT								(\$37.84)	
INTEREST ON OPERATING CAPITAL		(\$159.36 @ 7.50%)						\$11.95	
INTEREST ON EQUIPMENT INVESTMENT								\$53.47	
RETURN TO LAND AND RISK								(\$103.26)	

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

BUDGET SUMMARY

GROSS RETURN		\$956.03	
VARIABLE OPERATING EXPENSES	\$735.90		
RETURN OVER VARIABLE EXPENSES	\$220.13	(GROSS MARGIN)	
FIXED EXPENSES	\$112.25		
NET FARM INCOME	\$107.87	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$145.71		
NET OPERATING PROFIT	(\$37.84)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$65.42		
RETURN TO LAND AND RISK	(\$103.26)		

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 2009.
 Planting dates: May 1 - June 15
 Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
GRAIN SORGHUM	\$7.70	50.00 CWT		\$385.00
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				\$395.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.04	12 LBS	\$12.48		\$12.48
ANHYDROUS (NH3)	\$0.38	150 LBS	\$56.63		\$56.63
NITROGEN (N)	\$0.62	18 LBS	\$11.16		\$11.16
PHOSPHATE (P2O5)	\$0.58	46 LBS	\$26.68		\$26.68
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			\$133.38	\$5.00	\$140.34

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$3.51	\$1.27	\$3.19	\$9.18
CHISEL	155 HP	0.20 HR		\$1.71	\$5.02	\$1.37	\$5.22	\$13.33
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$5.02	\$1.08	\$3.91	\$18.72
DISC & SPRAY	155 HP	0.19 HR		\$1.62	\$4.77	\$1.87	\$7.17	\$15.43
LISTER	155 HP	0.12 HR		\$1.03	\$3.01	\$0.88	\$3.77	\$8.70
PLANTER	155 HP	0.17 HR		\$1.45	\$4.27	\$1.26	\$8.89	\$15.87
ROLLING CULT (3X)	93 HP	0.39 HR		\$3.33	\$5.94	\$2.26	\$3.32	\$14.85
IRRIGATE (6X)		3.00 HR		\$25.65	\$114.30	\$0.00	\$5.80	\$145.75
SUBTOTAL		4.41 HR	\$7.00	\$37.71	\$145.84	\$10.00	\$41.28	\$241.82

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
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	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		1.10 HR		\$9.43				\$9.43
EMPLOYEE BENEFITS				\$6.79				\$6.79
INSURANCE			\$0.75					\$0.75
LAND TAXES							\$2.81	\$2.81
SUPERVISION AND MANAGEMENT				\$29.86				\$29.86
OTHER EXPENSES			\$79.58					\$79.58
SUBTOTAL		1.10 HR	\$80.33	\$46.07			\$2.81	\$129.22

TOTAL OPERATING EXPENSES		5.51 HR	\$235.71	\$83.77	\$145.84	\$10.00	\$49.09	\$526.38
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NET OPERATING PROFIT								(\$131.38)
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INTEREST ON OPERATING CAPITAL	(\$109.13	@	7.50%)			\$8.18
INTEREST ON EQUIPMENT INVESTMENT								\$19.50

RETURN TO LAND AND RISK								(\$159.06)
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BUDGET SUMMARY

GROSS RETURN		\$395.00		
VARIABLE OPERATING EXPENSES	\$391.55			
RETURN OVER VARIABLE EXPENSES		\$3.45	(GROSS MARGIN)	
FIXED EXPENSES	\$49.09			
NET FARM INCOME		(\$45.64)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$83.77			
NET OPERATING PROFIT		(\$129.42)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$27.68			
RETURN TO LAND AND RISK		(\$157.10)		

TABLE 12. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2009.

	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	\$10.00	\$27.50	\$0.76	\$7.70
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	\$375.00	\$545.00	\$956.03	\$395.00
CASH OPERATING EXPENSES						
SEED	\$120.00		\$39.00	\$28.88	\$46.50	\$12.48
FERTILIZER		\$194.55	\$47.19	\$135.01	\$44.64	\$94.47
CHEMICALS			\$57.52		\$38.84	\$26.43
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.31			\$106.72	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$36.98	\$36.21	\$13.88	\$29.87	\$71.74	\$31.55
FUEL-IRRIGATION	\$19.05	\$126.99	\$79.37	\$152.39	\$95.25	\$114.30
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		\$2.81	\$2.81	\$2.81	\$2.81	\$2.81
OTHER EXPENSES	\$0.30	\$80.18	\$80.05	\$80.40	\$80.64	\$80.33
TOTAL CASH EXPENSES	\$188.57	\$468.87	\$299.67	\$540.57	\$738.71	\$396.33
RETURN OVER CASH EXPENSES	(\$188.57)	\$456.13	\$75.33	\$4.43	\$217.31	(\$1.33)
FIXED EXPENSES	\$40.08	\$108.04	\$23.00	\$45.34	\$109.44	\$46.28
TOTAL EXPENSES	\$228.65	\$576.91	\$322.67	\$585.91	\$848.15	\$442.60
NET FARM INCOME	(\$228.65)	\$348.09	\$52.33	(\$40.91)	\$107.87	(\$47.60)
LABOR AND MANAGEMENT COSTS	\$36.46	\$107.32	\$57.77	\$95.04	\$145.71	\$83.77
NET OPERATING PROFIT	(\$265.11)	\$240.77	(\$5.44)	(\$135.95)	(\$37.84)	(\$131.38)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$10.12	\$5.07	\$11.90	\$11.95	\$8.18
INTEREST ON EQUIPMENT INVESTMENT		\$26.88	\$8.48	\$18.82	\$53.47	\$19.50
TOTAL CAPITAL COSTS	\$0.00	\$37.00	\$13.55	\$30.72	\$65.42	\$27.68
RETURN TO LAND AND RISK	(\$265.11)	\$203.77	(\$19.00)	(\$166.67)	(\$103.26)	(\$159.06)

TABLE 13. Whole farm summary, Dell City area, Otero County,
Projected 2009.

GROSS RETURNS		
ALFALFA HAY	280.00 ACRES	
CROP		\$259,000
WHEAT	170.00 ACRES	
CROP		\$59,500
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		\$64,220
SEED		\$9,464
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$7,100
GRAIN SORGHUM	25.50 ACRES	
CROP		\$9,818
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$255
GROSS RETURN		<u>\$440,857</u>
CASH OPERATING EXPENSES		
SEED		\$18,921
FERTILIZER		\$75,428
CHEMICALS		\$6,832
CROP INSURANCE		\$266
OTHER PURCHASED INPUTS		\$9,104
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$22,893
FUEL-IRRIGATION		\$68,682
REPAIRS		\$11,707
CUSTOM CHARGES		\$27,768
LAND TAXES		\$1,716
OTHER EXPENSES		\$48,957
TOTAL CASH EXPENSES		<u>\$292,272</u>
RETURN OVER CASH EXPENSES		\$148,585
FIXED EXPENSES		\$34,214
TOTAL EXPENSES		\$326,486
NET FARM INCOME		\$114,370
LABOR AND MANAGEMENT COSTS		\$61,077
NET OPERATING PROFIT		\$53,294
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$5,509
INTEREST ON EQUIPMENT INVESTMENT		\$14,924
TOTAL CAPITAL COSTS		<u>\$20,432</u>
RETURN TO LAND AND RISK		<u>\$32,861</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$23,261	10.08%
\$750 /ACRE	\$18,461	7.74%
\$1,000 /ACRE	\$13,661	6.28%
\$1,250 /ACRE	\$8,861	5.28%
\$1,500 /ACRE	\$4,061	4.56%

* 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)