

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2015
Planting dates: September 1 - September 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL				
<u>PURCHASED INPUTS</u>								
SEED	\$6.00	30 LBS	\$180.00	\$180.00				
INSECTICIDE (CUSTOM)	\$8.77	1 ACRE	\$8.77	\$8.77				
PUMP WATER*		16 AC. IN.						
SUBTOTAL			\$188.77	\$188.77				
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$4.91	\$1.89	\$5.54	\$13.79
PLOW	145 HP	0.48 HR		\$4.10	\$13.86	\$4.94	\$13.54	\$36.45
DISC (2X)	145 HP	0.34 HR		\$2.91	\$9.82	\$3.77	\$11.07	\$27.57
DRILL	96 HP	0.21 HR		\$1.80	\$3.20	\$0.41	\$4.96	\$10.37
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.89	\$0.40	\$4.05	\$8.19
IRRIGATE (2X)		0.50 HR		\$3.75	\$63.59	\$0.66	\$5.94	\$73.93
SUBTOTAL		1.80 HR		\$14.87	\$98.26	\$12.08	\$45.10	\$170.29
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.33 HR		\$2.78				\$2.78
EMPLOYEE BENEFITS				\$2.68				\$2.68
INSURANCE			\$0.30					\$0.30
SUPERVISION AND MANAGEMENT				\$26.23				\$26.23
SUBTOTAL		0.33 HR	\$0.30	\$31.69				\$31.99
<u>TOTAL OPERATING EXPENSES</u>		2.13 HR	\$189.07	\$46.55	\$98.26	\$12.08	\$45.10	\$391.05

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2015
Harvesting dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
ALFALFA HAY	\$255.00	6.50 TONS (DELIVERED)						\$1,657.50	
TOTAL								\$1,657.50	
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
FERTILIZER (10-26-10)	\$0.32	200 LBS	\$64.00					\$64.00	
INSECTICIDE (CUSTOM)	\$19.52	2 X/ACRE	\$39.04					\$39.04	
HERBICIDE (CUSTOM)	\$26.09	1 X/ACRE	\$26.09					\$26.09	
PLASTIC TWINE	\$0.72	170 FT/TON	\$0.20					\$0.20	
ESTABLISHMENT: Principal		5 YEARS					\$78.21	\$78.21	
: Interest							\$11.82	\$11.82	
PUMP WATER*		54 AC. IN.							
SUBTOTAL			\$129.33				\$90.03	\$219.36	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (6X)		1.50 HR		\$11.25	\$214.61	\$2.21	\$20.04	\$248.11	
SUBTOTAL		1.50 HR		\$11.25	\$214.61	\$2.21	\$20.04	\$248.11	
HARVEST OPERATIONS									
SWATHER (5X)	16 FT	0.55 HR		\$4.70	\$7.21	\$0.80	\$20.87	\$33.58	
RAKE (5X)	96 HP	0.25 HR		\$2.14	\$3.81	\$0.47	\$2.69	\$9.11	
BALER (5X)	145 HP	0.35 HR		\$2.99	\$10.11	\$2.00	\$39.80	\$54.90	
FRONT END LOADER (5X)	130 HP	0.25 HR		\$2.14	\$7.22	\$1.78	\$9.02	\$20.16	
HAUL	SEMI	0.50 HR		\$4.28	\$9.19	\$1.40	\$16.80	\$31.66	
SUBTOTAL		1.90 HR		\$16.25	\$37.52	\$6.45	\$89.18	\$149.40	
OVERHEAD EXPENSES									
DOWNTIME		0.48 HR		\$4.06				\$4.06	
EMPLOYEE BENEFITS				\$4.95				\$4.95	
INSURANCE			\$0.55					\$0.55	
LAND TAXES							\$1.45	\$1.45	
SUPERVISION AND MANAGEMENT				\$118.48				\$118.48	
OTHER EXPENSES			\$85.99					\$85.99	
SUBTOTAL		0.48 HR	\$86.54	\$127.49				\$1.45	\$215.47
TOTAL OPERATING EXPENSES		3.88 HR	\$215.86	\$154.98	\$252.13	\$8.67	\$200.70	\$832.34	
NET OPERATING PROFIT								\$825.16	
INTEREST ON OPERATING CAPITAL		(\$122.53 @ 5.50%)						\$6.74	
INTEREST ON EQUIPMENT INVESTMENT								\$43.68	
RETURN TO LAND AND RISK								\$774.74	

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

BUDGET SUMMARY

GROSS RETURN	\$1,657.50	
VARIABLE OPERATING EXPENSES	\$476.66	
RETURN OVER VARIABLE EXPENSES	\$1,180.84	(GROSS MARGIN)
FIXED EXPENSES	\$200.70	
NET FARM INCOME	\$980.14	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$154.98	
NET OPERATING PROFIT	\$825.16	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$50.42	
RETURN TO LAND AND RISK	\$774.74	

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area,
 Projected 2015
 Planting dates: August 15 - November 1
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	\$11.67	40.00 CWT		\$466.67
DIRECT PAYMENT	\$0.00	40.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$44.00	1.00 ACRE		\$44.00
TOTAL				\$510.67

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.45	100.00 LBS	\$245.00		\$245.00
NITROGEN (N)	\$0.45	150.00 LBS	\$67.50		\$67.50
PHOSPHATE (P205)	\$0.40	50.00 LBS	\$20.00		\$20.00
INSECTICIDE (CUSTOM)	\$18.62	1.00 ACRE	\$18.62		\$18.62
PUMP WATER*		28.00 AC. IN.			
CROP INSURANCE	\$1.96		\$1.96		\$1.96
SUBTOTAL			\$353.08		\$353.08

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$4.10	\$13.86	\$4.94	\$13.54	\$36.45
DISC (2X)	145 HP	0.28 HR		\$2.39	\$8.08	\$3.11	\$9.12	\$22.71
FERTILIZE	DEALER APPLIED							
DRILL	96 HP	0.21 HR		\$1.80	\$3.20	\$0.41	\$4.96	\$10.37
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.89	\$0.40	\$4.05	\$8.19
IRRIGATE (4X)		1.00 HR		\$7.50	\$111.28	\$1.15	\$10.39	\$130.32
SUBTOTAL		2.07 HR		\$16.65	\$139.31	\$10.01	\$42.06	\$208.03

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$14.18				\$14.18
HAUL (CUSTOM)				\$8.00				\$8.00
COMBINE & HAUL (CUSTOM)				\$22.18				\$22.18

OVERHEAD EXPENSES								
DOWNTIME		0.27 HR		\$2.29				\$2.29
EMPLOYEE BENEFITS				\$3.00				\$3.00
INSURANCE				\$0.33				\$0.33
LAND TAXES							\$1.45	\$1.45
SUPERVISION AND MANAGEMENT				\$37.23				\$37.23
OTHER EXPENSES				\$85.99				\$85.99
SUBTOTAL		0.27 HR		\$86.32	\$42.52		\$1.45	\$130.28

TOTAL OPERATING EXPENSES 2.34 HR \$461.59 \$59.16 \$139.31 \$10.01 \$43.51 \$713.58

NET OPERATING PROFIT (\$202.91)

INTEREST ON OPERATING CAPITAL (\$215.72 @ 5.50%) \$11.86
 INTEREST ON EQUIPMENT INVESTMENT \$18.33

RETURN TO LAND AND RISK (\$233.11)

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

BUDGET SUMMARY

GROSS RETURN		\$510.67	
VARIABLE OPERATING EXPENSES	\$610.90		
RETURN OVER VARIABLE EXPENSES		(\$100.24)	(GROSS MARGIN)
FIXED EXPENSES	\$43.51		
NET FARM INCOME		(\$143.75)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$59.16		
NET OPERATING PROFIT		(\$202.91)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.20		
RETURN TO LAND AND RISK		(\$233.11)	

TABLE 9. Oat hay, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2015
 Planting dates: February 15 - April 1
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	\$195.00	5.0 TONS (DELIVERED)						\$975.00
TOTAL								\$975.00
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.86	80 LBS	\$68.80					\$68.80
NITROGEN (N)	\$0.45	85 LBS	\$38.25					\$38.25
PUMP WATER*		21 AC. IN.						
SUBTOTAL			\$107.05					\$107.05
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	145 HP	0.34 HR		\$2.91	\$9.82	\$3.77	\$11.07	\$27.57
DRILL	96 HP	0.21 HR		\$1.80	\$3.20	\$0.41	\$4.96	\$10.37
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.89	\$0.40	\$4.05	\$8.19
IRRIGATE (4X)		1.00 HR		\$7.50	\$83.46	\$0.86	\$7.79	\$99.61
SUBTOTAL		1.65 HR		\$13.06	\$99.36	\$5.45	\$27.87	\$145.74
HARVEST OPERATIONS								
SWATHER	14 FT	0.16 HR		\$1.37	\$2.10	\$0.23	\$6.07	\$9.77
RAKE	96 HP	0.05 HR		\$0.43	\$0.76	\$0.09	\$0.54	\$1.82
BALER	145 HP	0.05 HR		\$0.43	\$1.44	\$0.29	\$5.69	\$7.84
FRONT END LOADER	130 HP	0.05 HR		\$0.43	\$1.44	\$0.36	\$1.80	\$4.03
HAUL	SEMI	0.50 HR		\$4.28	\$9.19	\$1.40	\$16.80	\$31.66
SUBTOTAL		0.81 HR		\$6.93	\$14.93	\$2.37	\$30.90	\$55.12
OVERHEAD EXPENSES								
DOWNTIME		0.37 HR		\$3.12				\$3.12
EMPLOYEE BENEFITS				\$3.60				\$3.60
INSURANCE			\$0.40					\$0.40
LAND TAXES						\$1.45		\$1.45
SUPERVISION AND MANAGEMENT				\$69.93				\$69.93
OTHER EXPENSES			\$85.99					\$85.99
SUBTOTAL		0.37 HR	\$86.39	\$76.65		\$1.45		\$164.48
TOTAL OPERATING EXPENSES		2.83 HR	\$193.44	\$96.63	\$114.29	\$7.82	\$60.22	\$472.40
NET OPERATING PROFIT								\$502.60
INTEREST ON OPERATING CAPITAL		(\$81.17 @ 5.50%)						\$4.46
INTEREST ON EQUIPMENT INVESTMENT								\$22.33
RETURN TO LAND AND RISK								\$475.81

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

BUDGET SUMMARY

GROSS RETURN		\$975.00	
VARIABLE OPERATING EXPENSES	\$315.55		
RETURN OVER VARIABLE EXPENSES		\$659.45	(GROSS MARGIN)
FIXED EXPENSES	\$60.22		
NET FARM INCOME		\$599.23	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$96.63		
NET OPERATING PROFIT		\$502.60	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$26.79		
RETURN TO LAND AND RISK		\$475.81	

TABLE 10. Upland cotton (picker), sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2015
 Planting dates: April 15 - June 1
 Harvesting dates: October 1 - December 31

ITEM	PRICE	YIELD	BASE						TOTAL	
GROSS RETURNS										
COTTON LINT	\$0.90	750 LBS							\$675.00	
COTTON SEED	\$0.09	1,200 LBS							\$108.00	
DIRECT PAYMENT	\$0.0000	750 LBS	0.85						\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.1373	750 LBS	0.85						\$87.53	
TOTAL									\$870.53	
PURCHASED INPUTS										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL	
SEED	\$7.55	20 LBS	\$151.00						\$151.00	
NITROGEN (N)	\$0.45	32 LBS	\$14.40						\$14.40	
PHOSPHATE (P205)	\$0.40	40 LBS	\$16.00						\$16.00	
HERBICIDE	\$15.41	1 ACRE	\$15.41						\$15.41	
HERBICIDE (CUSTOM)	\$15.68	1 ACRE	\$15.68						\$15.68	
INSECTICIDE (CUSTOM)	\$19.52	2 X/ACRE	\$39.04						\$39.04	
CROP INSURANCE			\$1.47						\$1.47	
PUMP WATER*		28 AC. IN.								
SUBTOTAL			\$253.00						\$253.00	
PREHARVEST OPERATIONS										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
DISC	145 HP	0.17 HR		\$1.45	\$4.91	\$1.89	\$5.54	\$13.79		
PLOW	145 HP	0.48 HR		\$4.10	\$13.86	\$4.94	\$13.54	\$36.45		
FLOAT	130 HP	0.16 HR		\$1.37	\$4.62	\$0.64	\$5.75	\$12.37		
FERTILIZE	DEALER APPLIED									
LISTER	130 HP	0.18 HR		\$1.54	\$5.20	\$1.07	\$8.74	\$16.54		
PRE-IRRIGATE		0.25 HR		\$1.88	\$27.82	\$0.29	\$2.60	\$32.58		
CULT & SPRAY	96 HP	0.26 HR		\$2.22	\$3.96	\$1.06	\$4.78	\$12.03		
PLANTER	130 HP	0.26 HR		\$2.22	\$7.51	\$1.46	\$18.21	\$29.40		
CULTIVATOR (3X)	96 HP	0.63 HR		\$5.39	\$9.59	\$2.16	\$4.67	\$21.81		
HAND HOE (CUSTOM)			\$20.00					\$20.00		
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.89	\$0.40	\$4.05	\$8.19		
IRRIGATE (3X)		0.75 HR		\$5.63	\$83.46	\$0.86	\$7.79	\$97.74		
SUBTOTAL		3.24 HR	\$20.00	\$26.65	\$163.80	\$14.76	\$75.67	\$300.89		
HARVEST OPERATIONS										
COTTON PICKER (2X)	2-ROW	1.24 HR		\$10.60	\$26.25	\$8.87	\$185.59	\$231.31		
HAUL (2X)	65 HP	1.00 HR		\$8.55	\$15.22	\$0.99	\$8.84	\$33.61		
GIN COTTON (CUSTOM)			\$123.60					\$123.60		
SUBTOTAL		2.24 HR	\$123.60	\$19.15	\$41.47	\$9.86	\$194.43	\$388.52		
POSTHARVEST OPERATIONS										
SHREDDER	96 HP	0.14 HR		\$1.20	\$4.04	\$0.61	\$9.40	\$15.25		
SUBTOTAL		0.14 HR		\$1.20	\$4.04	\$0.61	\$9.40	\$15.25		
OVERHEAD EXPENSES										
DOWNTIME		1.16 HR		\$9.88				\$9.88		
EMPLOYEE BENEFITS				\$8.46				\$8.46		
INSURANCE			\$0.94					\$0.94		
LAND TAXES							\$1.45	\$1.45		
SUPERVISION AND MANAGEMENT				\$64.20				\$64.20		
OTHER EXPENSES			\$85.99					\$85.99		
SUBTOTAL		1.16 HR	\$86.93	\$82.53				\$1.45	\$170.91	
TOTAL OPERATING EXPENSES		6.78 HR	\$483.53	\$129.53	\$209.32	\$25.24	\$280.95	\$1,128.57		
NET OPERATING PROFIT									(\$258.04)	
INTEREST ON OPERATING CAPITAL		(\$176.58	@	5.50%)		\$9.71		
INTEREST ON EQUIPMENT INVESTMENT								\$22.33		
RETURN TO LAND AND RISK									(\$290.08)	

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

BUDGET SUMMARY

GROSS RETURN		\$870.53	
VARIABLE OPERATING EXPENSES	\$718.08		
RETURN OVER VARIABLE EXPENSES		\$152.44	(GROSS MARGIN)
FIXED EXPENSES	\$280.95		
NET FARM INCOME		(\$128.51)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$129.53		
NET OPERATING PROFIT		(\$258.04)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$32.04		
RETURN TO LAND AND RISK		(\$290.08)	

TABLE 11. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2015
 Planting dates: April 15 - June 1
 Harvesting dates: October 1 - December 31

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.85	750 LBS		\$637.50
COTTON SEED	\$0.09	1,200 LBS		\$108.00
DIRECT PAYMENT	\$0.0000	750 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	750 LBS	0.85	\$87.53
TOTAL				\$833.03

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	25 LBS	\$188.75		\$188.75
NITROGEN (N)	\$0.45	32 LBS	\$14.40		\$14.40
PHOSPHORUS (P205)	\$0.40	40 LBS	\$16.00		\$16.00
HERBICIDE	\$15.41	1 ACRE	\$15.41		\$15.41
HERBICIDE (CUSTOM)	\$15.68	1 ACRE	\$15.68		\$15.68
INSECTICIDE (CUSTOM)	\$14.86	2 X/ACRE	\$29.72		\$29.72
CROP INSURANCE			\$1.47		\$1.47
PUMP WATER*		28 AC. IN.			
SUBTOTAL			\$281.43		\$281.43

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$4.91	\$1.89	\$5.54	\$13.79
PLOW	145 HP	0.48 HR		\$4.10	\$13.86	\$4.94	\$13.54	\$36.45
FLOAT	130 HP	0.16 HR		\$1.37	\$4.62	\$0.64	\$5.75	\$12.37
FERTILIZE	DEALER APPLIED							
LISTER	130 HP	0.18 HR		\$1.54	\$5.20	\$1.07	\$8.74	\$16.54
PRE-IRRIGATE		0.25 HR		\$1.88	\$27.82	\$0.29	\$2.60	\$32.58
CULT & SPRAY	96 HP	0.26 HR		\$2.22	\$3.96	\$1.06	\$4.78	\$12.03
PLANTER	130 HP	0.26 HR		\$2.22	\$7.51	\$1.46	\$18.21	\$29.40
CULTIVATOR (3X)	96 HP	0.63 HR		\$5.39	\$9.59	\$2.16	\$4.67	\$21.81
HAND HOE (CUSTOM)			\$20.00					\$20.00
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.89	\$0.40	\$4.05	\$8.19
IRRIGATE (3X)		0.75 HR		\$5.63	\$83.46	\$0.86	\$7.79	\$97.74
SUBTOTAL		3.24 HR	\$20.00	\$26.65	\$163.80	\$14.76	\$75.67	\$300.89

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	130 HP	1.24 HR		\$10.60	\$35.80	\$6.06	\$61.17	\$113.64
HAUL	96 HP	1.50 HR		\$12.83	\$22.84	\$1.49	\$13.27	\$50.42
GIN COTTON (CUSTOM)			\$159.08					\$159.08
SUBTOTAL		2.74 HR	\$159.08	\$23.43	\$58.64	\$7.55	\$74.44	\$323.13

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	96 HP	0.14 HR		\$1.20	\$4.04	\$0.61	\$9.40	\$15.25
SUBTOTAL		0.14 HR		\$1.20	\$4.04	\$0.61	\$9.40	\$15.25

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	1.28 HR		\$10.94				\$10.94
EMPLOYEE BENEFITS			\$9.23				\$9.23
INSURANCE		\$1.03					\$1.03
LAND TAXES						\$1.45	\$1.45
SUPERVISION AND MANAGEMENT			\$61.82				\$61.82
OTHER EXPENSES		\$85.99					\$85.99
SUBTOTAL	1.28 HR	\$87.01	\$82.00			\$1.45	\$170.46

TOTAL OPERATING EXPENSES	7.40 HR	\$547.52	\$133.27	\$226.48	\$22.93	\$160.96	\$1,091.16
NET OPERATING PROFIT							(\$258.13)
INTEREST ON OPERATING CAPITAL	(\$192.04	@	5.50%)		\$10.56
INTEREST ON EQUIPMENT INVESTMENT							\$62.61
RETURN TO LAND AND RISK							(\$331.31)

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

BUDGET SUMMARY

GROSS RETURN	\$833.03	
VARIABLE OPERATING EXPENSES	\$796.93	
RETURN OVER VARIABLE EXPENSES	\$36.10	(GROSS MARGIN)
FIXED EXPENSES	\$160.96	
NET FARM INCOME	(\$124.86)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$133.27	
NET OPERATING PROFIT	(\$258.13)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$73.17	
RETURN TO LAND AND RISK	(\$331.31)	

TABLE 12. Summary of per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Chaves County, Projected 2015

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	OAT HAY	PICKER COTTON	STRIPPER COTTON
		TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD		6.50	40.00	5.00	750.00	750.00
PRIMARY PRICE		\$255.00	\$11.67	\$195.00	\$0.90	\$0.85
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$87.53	\$87.53
SECOND INCOME		\$0.00	\$44.00	\$0.00	\$108.00	\$108.00
GROSS RETURN		\$1,657.50	\$510.67	\$975.00	\$870.53	\$833.03
CASH OPERATING EXPENSES						
SEED	\$180.00		\$245.00	\$68.80	\$151.00	\$188.75
FERTILIZER	\$8.77	\$64.00	\$87.50	\$38.25	\$30.40	\$30.40
CHEMICALS		\$65.13	\$18.62		\$70.13	\$60.81
CROP INSURANCE			\$1.96		\$1.47	\$1.47
OTHER PURCHASED INPUTS		\$0.20				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$34.67	\$37.52	\$28.03	\$30.83	\$98.04	\$115.20
FUEL-IRRIGATION	\$63.59	\$214.61	\$111.28	\$83.46	\$111.28	\$111.28
REPAIRS	\$12.08	\$8.67	\$10.01	\$7.82	\$25.24	\$22.93
CUSTOM CHARGES			\$22.18		\$143.60	\$179.08
LAND TAXES		\$1.45	\$1.45	\$1.45	\$1.45	\$1.45
OTHER EXPENSES	\$0.30	\$86.54	\$86.32	\$86.39	\$86.93	\$87.01
TOTAL CASH EXPENSES	\$299.40	\$478.11	\$612.35	\$317.00	\$719.53	\$798.38
RETURN OVER CASH EXPENSES	(\$299.40)	\$1,179.39	(\$101.69)	\$658.00	\$151.00	\$34.65
FIXED EXPENSES	\$45.10	\$199.25	\$42.06	\$58.77	\$279.50	\$159.51
TOTAL EXPENSES	\$344.49	\$677.36	\$654.41	\$375.77	\$999.04	\$957.89
NET FARM INCOME	(\$344.49)	\$980.14	(\$143.75)	\$599.23	(\$128.51)	(\$124.86)
LABOR AND MANAGEMENT COSTS	\$46.55	\$154.98	\$59.16	\$96.63	\$129.53	\$133.27
NET OPERATING PROFIT	(\$391.05)	\$825.16	(\$202.91)	\$502.60	(\$258.04)	(\$258.13)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$6.74	\$11.86	\$4.46	\$9.71	\$10.56
INTEREST ON EQUIPMENT INVESTMENT		\$43.68	\$18.33	\$22.33	\$22.33	\$62.61
TOTAL CAPITAL COSTS	\$0.00	\$50.42	\$30.20	\$26.79	\$32.04	\$73.17
RETURN TO LAND AND RISK	(\$391.05)	\$774.74	(\$233.11)	\$475.81	(\$290.08)	(\$331.31)
Flex Computation						
			-172.72	556.91	11.75	-109.19

TABLE 13. Whole farm summary, Roswell-Hagerman Area, Chaves County,
Projected 2015

GROSS RETURNS		
ALFALFA HAY	175.00 ACRES	
CROP		\$290,063
WHEAT	25.50 ACRES	
CROP		\$11,900
GRAZING		\$1,122
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
OAT HAY	41.50 ACRES	
CROP		\$40,463
UPLAND COTTON (PICKER)	34.00 ACRES	
COTTON LINT		\$22,950
COTTON SEED		\$3,672
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$2,976
UPLAND COTTON (STRIPPER)	34.00 ACRES	
COTTON LINT		\$21,675
COTTON SEED		\$3,672
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$2,976
GROSS RETURN		<u>\$401,468</u>
CASH OPERATING EXPENSES		
SEED		\$26,954
FERTILIZER		\$17,393
CHEMICALS		\$16,324
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$35
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$17,025
FUEL-IRRIGATION		\$53,650
REPAIRS		\$4,157
CUSTOM CHARGES		\$11,537
LAND TAXES		\$449
OTHER EXPENSES		\$26,855
TOTAL CASH EXPENSES		<u>\$174,528</u>
RETURN OVER CASH EXPENSES		\$226,940
FIXED EXPENSES		\$41,198
TOTAL EXPENSES		\$215,725
NET FARM INCOME		\$185,743
LABOR AND MANAGEMENT COSTS		\$43,205
NET OPERATING PROFIT		\$142,537
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,357
INTEREST ON EQUIPMENT INVESTMENT		\$11,926
TOTAL CAPITAL COSTS		<u>\$14,283</u>
RETURN TO LAND AND RISK		<u><u>\$128,255</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$118,655	25.21%
\$3,000 /ACRE	\$99,455	11.83%
\$5,000 /ACRE	\$80,255	7.72%
\$7,000 /ACRE	\$61,055	5.74%
\$9,000 /ACRE	\$41,855	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)