

TABLE 1. Acreage Summary, Eddy County, Carlsbad Basin area, Projected 2016

BUDGET AREA.....	CARLSBAD BASIN, EDDY COUNTY
FARM SIZE.....	200 ACRES
IRRIGATION TYPE.....	FLOOD
NUMBER OF CROPS.....	6

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMENT *	25.00	8	200
ALFALFA	100.00	48	4,800
BARLEY	4.25	20	85
ARP	0.00		
FLEX IN PICKER COTTON	0.75	22	17
PICKER COTTON	51.00	22	1,122
ARP	0.00		
FLEX IN PICKER COTTON	9.00	22	198
STRIPPER COTTON	0.00	0	0
ARP	0.00		
FLEX	0.00		0
SUDAN	10.00	24	240
RED CHILE	5.00	48	240
ROADS, DITCHES, BORDERS, HOMESTEAD	20.00		
<b>TOTAL</b>	<b>200.00</b>		<b>6,902</b>
<b>ACRE FEET PER ACRE OF WATER RIGHTS</b>			<b>2.88</b>

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Carlsbad Basin, Eddy County, Projected 2016

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$7.80
General & Irrigators		\$/hour	\$7.50
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Nitrogen (N)		\$/pound	\$0.48
Phosphate (P <sub>2</sub> O <sub>5</sub> )		\$/pound	\$0.61
Canal water	3 AC. FT.	\$/acre	\$49.00
Wire		\$/lb.	\$1.68
<b>Seed:</b>			
Alfalfa		\$/pound	\$6.00
Cotton			
Picker		\$/pound	\$7.55
Stripper		\$/pound	\$7.55
Barley		\$/pound	\$0.38
Sudan		\$/pound	\$0.80
Diesel fuel		\$/gallon	\$2.55
Gasoline		\$/gallon	\$2.40
Electricity		cents/kWhr	\$7.78
Natural Gas		\$/MCF	\$10.00
LP Gas		\$/gallon	\$2.75
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
<b>Financial Rates:</b>			
Operating Capital Interest Rate		percent	5.50%
Land Interest Rate		percent	5.00%
Equipment Interest Rate		percent	5.50%
Real Interest Rate		percent	3.00%
Land Taxes		\$250.00 /acre (full value)	\$1.67
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$20.03
- R			\$18.32
<b>Supervision Factors</b>			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Vegetable Crop-Irrigation		\$/labor hour	\$2.90
Vegetable Crop-Equip & General		\$/labor hour	\$1.00
<b>Management Rate</b>			
Field Crops		percent/GR	7.00%
Vegetable Crops		percent/TOE	10.00%

TABLE 3. Overhead cost information for the Carlsbad Basin, Eddy County, Projected 2016

Item			
Electricity (Domestic & Shop)		\$245.00 per month	\$2,940
Telephone		\$122.50 per month	\$1,470
Accounting & Legal			\$1,686
Misc. Supplies & Hand Tools			\$2,588
Pickup and Auto			
miles	25,000	@ \$0.500 per mile	\$12,500
Insurance			
- general liability (non-employee)			\$1,899
- fire/theft			\$1,533
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Fixed Costs: Pump			\$1,610
Building repairs and maintenance			\$1,533
Dues, fees, publications			\$438
Farmstead Equipment			\$180
<b>Total</b>			<b>\$34,385</b>
<b>Total Per Planted Acre</b>			<b>\$191.03</b>

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,  
 Projected 2016  
 Planting dates: August 20 - September 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<b>PURCHASED INPUTS</b>								
SEED	6.00	25.00 LBS	\$150.00					\$150.00
CANAL WATER	49.00	8.00 AC. IN.	\$392.00					
PUMP WATER		0.00 AC. IN.						
SUBTOTAL			\$542.00					\$150.00
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.33	\$3.58	\$1.15	\$2.98	\$9.03
FLOW	145 HP	0.67 HR		\$5.23	\$14.09	\$5.44	\$12.11	\$36.87
DISC (3X)	145 HP	0.51 HR		\$3.98	\$10.73	\$3.45	\$8.95	\$27.10
LASER (CUSTOM)			\$73.33					\$73.33
RIPPER	145 HP	0.27 HR		\$2.11	\$5.68	\$1.32	\$35.26	\$44.36
DISC	145 HP	0.17 HR		\$1.33	\$3.58	\$1.15	\$2.98	\$9.03
DRAG	96 HP	0.17 HR		\$1.33	\$2.48	\$0.16	\$0.92	\$4.89
BORDER DISC (2X)	27 HP	0.10 HR		\$0.78	\$0.90	\$0.15	\$0.58	\$2.40
DRILL	96 HP	0.21 HR		\$1.64	\$3.07	\$0.42	\$12.30	\$17.43
IRRIGATE (2X)		1.00 HR		\$7.50	\$0.00	\$0.00	\$0.00	\$7.50
SUBTOTAL		3.27 HR	\$73.33	\$25.21	\$44.10	\$13.24	\$76.07	\$231.95
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.57 HR		\$4.43				\$4.43
EMPLOYEE BENEFITS				\$4.54				\$4.54
INSURANCE			\$0.50					\$0.50
SUPERVISION AND MANAGEMENT				\$28.87				\$28.87
SUBTOTAL		0.57 HR	\$0.50	\$37.84				\$38.34
<b>TOTAL OPERATING EXPENSES</b>		<b>3.84 HR</b>	<b>\$615.83</b>	<b>\$63.04</b>	<b>\$44.10</b>	<b>\$13.24</b>	<b>\$76.07</b>	<b>\$420.29</b>

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,  
 Projected 2016  
 Harvesting dates: May 20 - October 15

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
ALFALFA HAY	\$195.00	6.0 TONS (STACKED)	\$1,170.00
GRAZING	\$10.00	1.0 ACRE	\$10.00
<b>TOTAL</b>			<b>\$1,180.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	\$0.48	36 LBS	\$17.28		\$17.28
PHOSPHATE (P205)	\$0.61	92 LBS	\$56.12		\$56.12
INSECTICIDE (CUSTOM)	\$27.53	1 X/ACRE	\$27.53		\$27.53
HERBICIDE (CUSTOM)	\$26.23	1 X/ACRE	\$26.23		\$26.23
WIRE	\$1.68	51 LBS	\$85.68		\$85.68
ESTABLISHMENT: Principal		4 YEARS		\$105.07	\$105.07
: Interest				\$12.15	\$12.15
CANAL WATER		48 AC. IN.	\$49.00		\$49.00
PUMP WATER*		0 AC. IN.			\$0.00
<b>SUBTOTAL</b>			<b>\$261.84</b>	<b>\$117.22</b>	<b>\$379.06</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
BORDER DISC (6X)	27 HP	0.30 HR		\$2.34	\$2.69	\$0.44	\$1.74	\$7.20
FERTILIZE	DEALER APPLIED							
IRRIGATE (8X)		4.00 HR		\$30.00	\$0.00	\$0.00	\$0.00	\$30.00
<b>SUBTOTAL</b>		<b>4.30 HR</b>		<b>\$32.34</b>	<b>\$2.69</b>	<b>\$0.44</b>	<b>\$1.74</b>	<b>\$37.20</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (6X)	14 FT SP	0.80 HR		\$6.24	\$7.64	\$0.46	\$15.47	\$29.81
RAKE (4X)	96 HP	0.48 HR		\$3.74	\$7.02	\$0.66	\$3.29	\$14.71
BALER (6X)	145 HP	1.26 HR		\$9.83	\$26.50	\$5.28	\$20.12	\$61.73
BALEWAGON			\$57.60					\$57.60
<b>SUBTOTAL</b>		<b>2.54 HR</b>	<b>\$57.60</b>	<b>\$19.81</b>	<b>\$41.16</b>	<b>\$6.41</b>	<b>\$38.88</b>	<b>\$163.86</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.71 HR		\$5.54				\$5.54
EMPLOYEE BENEFITS			\$9.39				\$9.39
INSURANCE		\$1.04					\$1.04
LAND TAXES						\$1.67	\$1.67
SUPERVISION AND MANGEMENT			\$88.02				\$88.02
OTHER EXPENSES		\$191.03					\$191.03
<b>SUBTOTAL</b>	<b>0.71 HR</b>	<b>\$192.07</b>	<b>\$102.95</b>			<b>\$1.67</b>	<b>\$296.69</b>

TOTAL OPERATING EXPENSES 7.55 HR \$511.51 \$155.10 \$43.85 \$6.84 \$159.51 \$876.81

NET OPERATING PROFIT \$303.19

INTEREST ON OPERATING CAPITAL ( \$135.67 @ 5.50% ) \$7.46  
 INTEREST ON EQUIPMENT INVESTMENT \$23.87

RETURN TO LAND AND RISK \$271.86

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

BUDGET SUMMARY

GROSS RETURN		\$1,180.00	
VARIABLE OPERATING EXPENSES	\$562.20		
RETURN OVER VARIABLE EXPENSES		\$617.80	(GROSS MARGIN)
FIXED EXPENSES	\$159.51		
NET FARM INCOME		\$458.29	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$155.10		
NET OPERATING PROFIT		\$303.19	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$31.34		
RETURN TO LAND AND RISK		\$271.86	

TABLE 8. Barley, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,  
 Projected 2016  
 Planting dates: August 20 - September 30  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
BARLEY	\$6.12	25.0 CWT		\$153.00
DIRECT PAYMENT	\$0.00	25.0 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00			\$0.00
GRAZING	\$40.00	1.0 ACRE		\$40.00
<b>TOTAL</b>				<b>\$193.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.38	110 LBS	\$41.80		\$41.80
NITROGEN (N)	\$0.48	40 LBS	\$19.20		\$19.20
HERBICIDE	\$14.11	1 X/ACRE	\$14.11		\$14.11
CANAL WATER		20 AC. IN.	\$49.00		\$49.00
PUMP WATER*		0 AC. IN.			\$0.00
CROP INSURANCE	\$11.76		\$11.76		\$11.76
<b>SUBTOTAL</b>			<b>\$135.87</b>		<b>\$135.87</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$5.23	\$14.09	\$5.44	\$12.11	\$36.87
DISC (2X)	145 HP	0.34 HR		\$2.65	\$7.15	\$2.30	\$5.97	\$18.07
DRAG	96 HP	0.17 HR		\$1.33	\$2.48	\$0.16	\$0.92	\$4.89
BORDER DISC	27 HP	0.05 HR		\$0.39	\$0.45	\$0.07	\$0.29	\$1.20
DRILL	96 HP	0.21 HR		\$1.64	\$3.07	\$0.42	\$12.30	\$17.43
IRRIGATE (5X)		2.50 HR		\$18.75	\$0.00	\$0.00	\$0.00	\$18.75
<b>SUBTOTAL</b>		<b>3.94 HR</b>		<b>\$29.98</b>	<b>\$27.25</b>	<b>\$8.40</b>	<b>\$31.58</b>	<b>\$97.21</b>

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$14.68					\$14.68
HAUL (CUSTOM)			\$7.80					\$7.80
<b>SUBTOTAL</b>			<b>\$22.48</b>					<b>\$22.48</b>

OVERHEAD EXPENSES								
DOWNTIME		0.36 HR		\$2.81				\$2.81
EMPLOYEE BENEFITS				\$5.40				\$5.40
INSURANCE			\$0.60					\$0.60
LAND TAXES							\$1.67	\$1.67
SUPERVISION AND MANGEMENT				\$13.93				\$13.93
OTHER EXPENSES			\$191.03					\$191.03
<b>SUBTOTAL</b>		<b>0.36 HR</b>		<b>\$191.63</b>	<b>\$22.13</b>		<b>\$1.67</b>	<b>\$215.43</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>4.30 HR</b>		<b>\$349.98</b>	<b>\$52.12</b>	<b>\$27.25</b>	<b>\$8.40</b>	<b>\$33.25</b>	<b>\$470.99</b>
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<b>NET OPERATING PROFIT</b>									<b>(\$277.99)</b>
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INTEREST ON OPERATING CAPITAL	(	\$78.72	@	5.50%	)				\$4.33
INTEREST ON EQUIPMENT INVESTMENT									\$14.34

<b>RETURN TO LAND AND RISK</b>									<b>(\$296.66)</b>
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\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN		\$193.00		
VARIABLE OPERATING EXPENSES	\$385.62			
RETURN OVER VARIABLE EXPENSES		(\$192.62)	(GROSS MARGIN)	
FIXED EXPENSES	\$33.25			
NET FARM INCOME		(\$225.87)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$52.12			
NET OPERATING PROFIT		(\$277.99)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$18.67			
RETURN TO LAND AND RISK		(\$296.66)		

TABLE 9. Sudan, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,  
 Projected 2016  
 Planting Dates: August 20 - September 30  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
GRAZING	\$165.00	0 TON	(STACKED)					\$0.00	
<b>TOTAL</b>								<b>\$0.00</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
SEED	\$0.80	25 LBS	\$20.00					\$20.00	
NITROGEN (N)	\$0.48	250 LBS	\$120.00					\$120.00	
PHOSPHATE (P2O5)	\$0.61	60 LBS	\$36.60					\$36.60	
CANAL WATER		24 AC. IN.	\$49.00					\$49.00	
PUMP WATER*		0 AC. IN.						\$0.00	
<b>SUBTOTAL</b>			<b>\$225.60</b>					<b>\$225.60</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	145 HP	0.67 HR		\$5.23	\$14.09	\$5.44	\$12.11	\$36.87	
DISC (2X)	145 HP	0.28 HR		\$2.18	\$5.89	\$1.89	\$4.91	\$14.88	
DRAG	96 HP	0.17 HR		\$1.33	\$2.48	\$0.16	\$0.92	\$4.89	
BORDER DISC	27 HP	0.05 HR		\$0.39	\$0.45	\$0.07	\$0.29	\$1.20	
DRILL	96 HP	0.21 HR		\$1.64	\$3.07	\$0.42	\$12.30	\$17.43	
IRRIGATE (6X)		3.00 HR		\$22.50	\$0.00	\$0.00	\$0.00	\$22.50	
<b>SUBTOTAL</b>		<b>4.38 HR</b>		<b>\$33.26</b>	<b>\$25.99</b>	<b>\$7.99</b>	<b>\$30.53</b>	<b>\$97.77</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.35 HR		\$2.69				\$2.69	
EMPLOYEE BENEFITS				\$5.99				\$5.99	
INSURANCE			\$0.67					\$0.67	
LAND TAXES							\$1.67	\$1.67	
SUPERVISION AND MANGEMENT				\$3.69				\$3.69	
OTHER EXPENSES			\$191.03					\$191.03	
<b>SUBTOTAL</b>		<b>0.35 HR</b>	<b>\$191.69</b>	<b>\$12.37</b>				<b>\$1.67</b>	<b>\$205.73</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.73 HR</b>	<b>\$417.29</b>	<b>\$45.63</b>	<b>\$25.99</b>	<b>\$7.99</b>	<b>\$32.20</b>	<b>\$529.10</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$529.10)</b>	
INTEREST ON OPERATING CAPITAL		( \$121.29 @	5.50%	)				\$6.67	
INTEREST ON EQUIPMENT INVESTMENT								\$13.76	
<b>RETURN TO LAND AND RISK</b>								<b>(\$549.53)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$0.00		
VARIABLE OPERATING EXPENSES	\$451.27			
RETURN OVER VARIABLE EXPENSES		(\$451.27)	(GROSS MARGIN)	
FIXED EXPENSES	\$32.20			
NET FARM INCOME		(\$483.47)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$45.63			
NET OPERATING PROFIT		(\$529.10)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$20.43			
RETURN TO LAND AND RISK		(\$549.53)		

TABLE 10. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Projected 2016  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.72	675 LBS		\$486.00
COTTON SEED	\$0.08	1,080 LBS		\$86.40
DIRECT PAYMENT	\$0.0000	675 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	675 LBS	0.85	\$78.78
<b>TOTAL</b>				<b>\$651.18</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	20 LBS	\$151.00		\$151.00
NITROGEN (N)	\$0.48	20 LBS	\$9.60		\$9.60
PHOSPHATE (P205)	\$0.61	40 LBS	\$24.40		\$24.40
HERBICIDE	\$13.22	1 ACRE	\$13.22		\$13.22
INSECTICIDE (CUSTOM)	\$27.39	2 X/ACRE	\$54.78		\$54.78
CROP INSURANCE		FCIC	\$0.82		\$0.82
CANAL WATER		22 AC. IN.	\$49.00		\$49.00
PUMP WATER*		0 AC. IN.			\$0.00
<b>SUBTOTAL</b>			<b>\$302.83</b>		<b>\$302.83</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$5.23	\$14.09	\$5.44	\$12.11	\$36.87
DISC	145 HP	0.17 HR		\$1.33	\$3.58	\$1.15	\$2.98	\$9.03
DRAG	96 HP	0.17 HR		\$1.33	\$2.48	\$0.16	\$0.92	\$4.89
DISC & SPRAY	145 HP	0.20 HR		\$1.56	\$4.21	\$1.35	\$3.51	\$10.63
LISTER	96 HP	0.18 HR		\$1.40	\$2.63	\$0.53	\$4.02	\$8.58
FERTILIZE	DEALER APPLIED							
PRE-IRRIGATE		0.75 HR		\$5.63	\$0.00	\$0.00	\$0.00	\$5.63
ROLLING CULTIVATOR	96 HP	0.21 HR		\$1.64	\$3.07	\$0.72	\$5.33	\$10.75
PLANTER	96 HP	0.26 HR		\$2.03	\$3.80	\$0.67	\$11.58	\$18.07
CULTIVATOR (4X)	27 HP	0.84 HR		\$6.55	\$7.54	\$6.11	\$14.65	\$34.86
HOEING			\$20.00					\$20.00
IRRIGATE (3X)		1.50 HR		\$11.25	\$0.00	\$0.00	\$0.00	\$11.25
<b>SUBTOTAL</b>		<b>4.95 HR</b>	<b>\$20.00</b>	<b>\$37.94</b>	<b>\$41.40</b>	<b>\$16.14</b>	<b>\$55.09</b>	<b>\$170.56</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON PICKER (CUSTOM)			\$101.05					\$101.05
HAUL	80 HP	0.50 HR		\$3.90	\$7.31	\$0.49	\$5.40	\$17.09
GIN COTTON (CUSTOM)			\$101.05					\$101.05
<b>SUBTOTAL</b>		<b>0.50 HR</b>	<b>\$202.10</b>	<b>\$3.90</b>	<b>\$7.31</b>	<b>\$0.49</b>	<b>\$5.40</b>	<b>\$219.18</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	80 HP	0.29 HR		\$2.26	\$4.24	\$0.33	\$3.65	\$10.48
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$2.26</b>	<b>\$4.24</b>	<b>\$0.33</b>	<b>\$3.65</b>	<b>\$10.48</b>

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.83 HR		\$6.47				\$6.47
EMPLOYEE BENEFITS				\$7.94				\$7.94
INSURANCE			\$0.88					\$0.88
LAND TAXES							\$1.67	\$1.67
SUPERVISION AND MANGEMENT				\$49.49				\$49.49
OTHER EXPENSES			\$191.03					\$191.03
<b>SUBTOTAL</b>		<b>0.83 HR</b>	<b>\$191.91</b>	<b>\$63.90</b>			<b>\$1.67</b>	<b>\$257.48</b>

TOTAL OPERATING EXPENSES 6.57 HR \$716.83 \$108.00 \$52.95 \$16.96 \$65.81 \$960.55

NET OPERATING PROFIT (\$309.37)

INTEREST ON OPERATING CAPITAL ( \$167.59 @ 5.50% ) \$9.22  
 INTEREST ON EQUIPMENT INVESTMENT \$30.82

RETURN TO LAND AND RISK (\$349.40)

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

GROSS RETURN		\$651.18	
VARIABLE OPERATING EXPENSES	\$786.74		
RETURN OVER VARIABLE EXPENSES	(\$135.56)	(GROSS MARGIN)	
FIXED EXPENSES	\$65.81		
NET FARM INCOME	(\$201.37)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$108.00		
NET OPERATING PROFIT	(\$309.37)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$40.04		
RETURN TO LAND AND RISK	(\$349.40)		

TABLE 11. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,  
 Projected 2016  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.67	675 LBS		\$452.25
COTTON SEED	\$0.08	1,080 LBS		\$86.40
DIRECT PAYMENT	\$0.0000	675 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	675 LBS	0.85	\$78.78
<b>TOTAL</b>				<b>\$617.43</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	20 LBS	\$151.00		\$151.00
NITROGEN (N)	\$0.48	20 LBS	\$9.60		\$9.60
PHOSPHATE (P205)	\$0.61	40 LBS	\$24.40		\$24.40
HERBICIDE	\$13.22	1 X/ACRE	\$13.22		\$13.22
INSECTICIDE (CUSTOM)	\$25.95	2 X/ACRE	\$51.89		\$51.89
CROP INSURANCE		FCIC	\$8.69		\$8.69
CANAL WATER		22 AC. IN.	\$49.00		\$49.00
PUMP WATER*		0 AC. IN.			\$0.00
<b>SUBTOTAL</b>			<b>\$307.80</b>		<b>\$307.80</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$5.23	\$14.09	\$5.44	\$12.11	\$36.87
DISC	145 HP	0.17 HR		\$1.33	\$3.58	\$1.15	\$2.98	\$9.03
DRAG	96 HP	0.17 HR		\$1.33	\$2.48	\$0.16	\$0.92	\$4.89
DISC & SPRAY	145 HP	0.20 HR		\$1.56	\$4.21	\$1.35	\$3.51	\$10.63
LISTER	96 HP	0.18 HR		\$1.40	\$2.63	\$0.53	\$4.02	\$8.58
FERTILIZE	DEALER APPLIED							
PRE-IRRIGATE		0.75 HR		\$5.63	\$0.00	\$0.00	\$0.00	\$5.63
ROLLING CULTIVATOR	96 HP	0.21 HR		\$1.64	\$3.07	\$0.72	\$5.33	\$10.75
PLANTER	96 HP	0.26 HR		\$2.03	\$3.80	\$0.67	\$11.58	\$18.07
CULTIVATOR (4X)	27 HP	0.84 HR		\$6.55	\$7.54	\$6.11	\$14.65	\$34.86
IRRIGATE (2X)		1.00 HR		\$7.50	\$0.00	\$0.00	\$0.00	\$7.50
<b>SUBTOTAL</b>		<b>4.45 HR</b>		<b>\$34.19</b>	<b>\$41.40</b>	<b>\$16.14</b>	<b>\$55.09</b>	<b>\$146.81</b>

<b>HARVEST OPERATIONS</b>								
COTTON STRIPPER (CUSTOM)			\$121.10					\$121.10
HAUL	96 HP	0.75 HR		\$5.85	\$10.96	\$0.73	\$8.09	\$25.63
GIN COTTON (CUSTOM)			\$121.10					\$121.10
<b>SUBTOTAL</b>		<b>0.75 HR</b>	<b>\$242.19</b>	<b>\$5.85</b>	<b>\$10.96</b>	<b>\$0.73</b>	<b>\$8.09</b>	<b>\$267.82</b>

<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	80 HP	0.29 HR		\$2.26	\$4.24	\$0.33	\$3.65	\$10.48
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$2.26</b>	<b>\$4.24</b>	<b>\$0.33</b>	<b>\$3.65</b>	<b>\$10.48</b>

<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.94 HR		\$7.29				\$7.29
EMPLOYEE BENEFITS				\$7.61				\$7.61
INSURANCE			\$0.85					\$0.85
LAND TAXES						\$1.67		\$1.67
SUPERVISION AND MANGEMENT				\$46.50				\$46.50
OTHER EXPENSES			\$191.03					\$191.03
<b>SUBTOTAL</b>		<b>0.94 HR</b>	<b>\$191.87</b>	<b>\$61.41</b>		<b>\$1.67</b>		<b>\$254.95</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>6.43 HR</b>	<b>\$741.86</b>	<b>\$103.71</b>	<b>\$56.60</b>	<b>\$17.20</b>	<b>\$68.51</b>	<b>\$987.88</b>
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NET OPERATING PROFIT (\$370.45)

INTEREST ON OPERATING CAPITAL ( \$170.40 @ 5.50% ) \$9.37  
 INTEREST ON EQUIPMENT INVESTMENT \$31.78

**RETURN TO LAND AND RISK (\$411.60)**

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

**BUDGET SUMMARY**

GROSS RETURN		\$617.43	
VARIABLE OPERATING EXPENSES	\$815.66		
RETURN OVER VARIABLE EXPENSES		(\$198.24)	(GROSS MARGIN)
FIXED EXPENSES	\$68.51		
NET FARM INCOME		(\$266.74)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$103.71		
NET OPERATING PROFIT		(\$370.45)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$41.15		
<b>RETURN TO LAND AND RISK</b>		<b>(\$411.60)</b>	

TABLE 12. Red chile, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,  
 Projected 2016  
 Planting dates: April 1 - April 15  
 Harvesting dates: September 1 - October 30

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
RED CHILE	\$0.73	3,200 LBS						\$2,336.00
<b>TOTAL</b>								
<hr/>								
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	36.4	8 LBS	\$291.20					\$291.20
NITROGEN (N)	0.48	200 LBS	\$96.00					\$96.00
PHOSPHATE (P205)	0.61	60 LBS	\$36.60					\$36.60
HERBICIDE (CUSTOM)	31.0784	1 X/ACRE	\$31.08					\$31.08
INSECTICIDE (CUSTOM)	44.48	1 X/ACRE	\$44.48					\$44.48
CROP INSURANCE		40 DOLLARS	\$40.00					\$40.00
CANAL WATER		48 AC. IN.	\$49.00					\$49.00
<b>SUBTOTAL</b>			<b>\$588.36</b>					<b>\$588.36</b>
<hr/>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.33	\$3.58	\$1.15	\$2.98	\$9.03
PLOW	145 HP	0.48 HR		\$3.74	\$10.10	\$3.90	\$8.67	\$26.41
DISC (2X)	145 HP	0.34 HR		\$2.65	\$7.15	\$2.30	\$5.97	\$18.07
FLOAT	96 HP	0.16 HR		\$1.25	\$2.34	\$0.15	\$0.86	\$4.60
FERTILIZE (CUSTOM)	DEALER APPLIED							
LISTER	145 HP	0.18 HR		\$1.40	\$3.79	\$1.07	\$5.44	\$11.71
PRE-IRRIGATE		0.05 HR		\$0.38	\$0.00	\$0.00	\$28.60	\$28.98
CULTIVATOR	96 HP	0.21 HR		\$1.64	\$3.07	\$1.50	\$3.43	\$9.64
PLANTER	96 HP	0.26 HR		\$2.03	\$3.80	\$0.67	\$11.58	\$18.07
CULTIVATOR (2X)	27 HP	0.42 HR		\$3.28	\$3.77	\$3.06	\$7.33	\$17.43
THIN & HOE (2X)			\$80.00					\$80.00
IRRIGATE (7X)		3.50 HR		\$26.25	\$0.00	\$0.00	\$0.00	\$26.25
<b>SUBTOTAL</b>		<b>5.60 HR</b>	<b>\$80.00</b>	<b>\$43.94</b>	<b>\$37.59</b>	<b>\$13.80</b>	<b>\$74.86</b>	<b>\$250.19</b>
<hr/>								
<b>HARVEST OPERATIONS</b>								
HAND PICK			\$640.00					\$640.00
FIELD HAUL	96 HP	1.00 HR		\$7.80	\$14.62	\$0.97	\$18.35	\$41.74
HAUL (CUSTOM)			\$96.00					\$96.00
<b>SUBTOTAL</b>		<b>1.00 HR</b>	<b>\$736.00</b>	<b>\$7.80</b>	<b>\$14.62</b>	<b>\$0.97</b>	<b>\$18.35</b>	<b>\$777.74</b>
<hr/>								
<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	27 HP	0.29 HR		\$2.26	\$2.60	\$0.37	\$3.97	\$9.21
<hr/>								
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.88 HR		\$6.84				\$6.84
EMPLOYEE BENEFITS				\$7.91				\$7.91
INSURANCE			\$0.88					\$0.88
LAND TAXES						\$1.67		\$1.67
SUPERVISION AND MANGEMENT				\$122.67				\$122.67
OTHER EXPENSES			\$191.03					\$191.03
<b>SUBTOTAL</b>		<b>0.88 HR</b>	<b>\$191.91</b>	<b>\$137.42</b>			<b>\$1.67</b>	<b>\$331.00</b>
<hr/>								
<b>TOTAL OPERATING EXPENSES</b>		<b>7.77 HR</b>	<b>\$1,596.26</b>	<b>\$191.42</b>	<b>\$54.81</b>	<b>\$15.14</b>	<b>\$98.86</b>	<b>\$1,956.49</b>
<hr/>								
<b>NET OPERATING PROFIT</b>								
INTEREST ON OPERATING CAPITAL		( \$371.84 @	5.50%	)				\$20.45
INTEREST ON EQUIPMENT INVESTMENT								\$185.66
<hr/>								
<b>RETURN TO LAND AND RISK</b>								
<hr/>								
<b>RETURN TO LAND AND RISK</b>								
<hr/>								

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

GROSS RETURN		\$2,336.00	
VARIABLE OPERATING EXPENSES	\$1,666.21		
RETURN OVER VARIABLE EXPENSES	\$669.79		(GROSS MARGIN)
FIXED EXPENSES	\$98.86		
NET FARM INCOME	\$570.93		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$191.42		
NET OPERATING PROFIT	\$379.51		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$206.11		
RETURN TO LAND AND RISK		\$173.40	



TABLE 13. Summary of per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Eddy County,  
Projected 2016

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	SUDAN	PICKER COTTON	STRIPPER COTTON	RED CHILE
		TONS	CWT	ACRE	LBS	LBS	CWT
PRIMARY YIELD		6.00	25.00	0.00	675.00	0.00	3,200.00
PRIMARY PRICE		\$195.00	\$6.12	\$165.00	\$0.72	\$0.00	\$0.73
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$78.78	\$0.00	\$0.00
SECOND INCOME		\$10.00	\$40.00	\$0.00	\$86.40	\$0.00	\$0.00
GROSS RETURN		\$1,180.00	\$193.00	\$0.00	\$651.18	\$0.00	\$2,336.00
CASH OPERATING EXPENSES							
SEED	\$150.00		\$44.10	\$20.00	\$151.00	\$0.00	\$291.20
FERTILIZER		\$73.40	\$19.20	\$156.60	\$34.00	\$0.00	\$132.60
CHEMICALS		\$53.76	\$14.11		\$68.01	\$0.00	\$75.56
CROP INSURANCE			\$11.76		\$0.82	\$0.00	\$40.00
OTHER PURCHASED INPUTS		\$85.68					
CANAL WATER	\$392.00	\$49.00	\$49.00	\$49.00	\$49.00	\$0.00	\$49.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$44.10	\$43.85	\$27.25	\$25.99	\$52.95	\$0.00	\$54.81
FUEL-IRRIGATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REPAIRS	\$13.24	\$6.84	\$8.40	\$7.99	\$16.96	\$0.00	\$15.14
CUSTOM CHARGES	\$73.33	\$57.60	\$22.48		\$222.10	\$0.00	\$816.00
LAND TAXES		\$1.67	\$1.67	\$1.67	\$1.67	\$0.00	\$1.67
OTHER EXPENSES	\$0.50	\$192.07	\$191.63	\$191.69	\$191.91	\$0.00	\$191.91
TOTAL CASH EXPENSES	\$673.18	\$563.87	\$389.59	\$452.94	\$788.41	\$0.00	\$1,667.88
RETURN OVER CASH EXPENSES	(\$673.18)	\$616.13	(\$196.59)	(\$452.94)	(\$137.23)	\$0.00	\$668.12
FIXED EXPENSES	\$76.07	\$157.84	\$31.58	\$30.53	\$64.14	\$0.00	\$97.19
TOTAL EXPENSES	\$749.25	\$721.71	\$421.17	\$483.47	\$852.54	\$0.00	\$1,765.07
NET FARM INCOME	(\$749.25)	\$458.29	(\$228.17)	(\$483.47)	(\$201.37)	\$0.00	\$570.93
LABOR AND MANAGEMENT COSTS	\$63.04	\$155.10	\$52.12	\$45.63	\$108.00	\$0.00	\$191.42
NET OPERATING PROFIT	(\$812.29)	\$303.19	(\$280.29)	(\$529.10)	(\$309.37)	\$0.00	\$379.51
CAPITAL COSTS							
INTEREST ON OPERATING CAPITAL		\$7.46	\$2.38	\$6.67	\$9.22	\$0.00	\$20.45
INTEREST ON EQUIPMENT INVESTMENT		\$23.87	\$14.34	\$13.76	\$30.82	\$0.00	\$185.66
TOTAL CAPITAL COSTS	\$0.00	\$31.34	\$16.72	\$20.43	\$40.04	\$0.00	\$206.11
RETURN TO LAND AND RISK	(\$812.29)	\$271.86	(\$297.01)	(\$549.53)	(\$349.40)	\$0.00	\$173.40

TABLE 14. Whole farm budget summary, Carlsbad Basin, Eddy County,  
Projected 2016

GROSS RETURNS		
ALFALFA HAY	100 ACRES	
CROP		\$117,000
GRAZING		\$1,000
BARLEY	4.25 ACRES	
CROP		\$650
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$170
UPLAND COTTON	60.75 ACRES	
COTTON LINT		\$29,525
COTTON SEED		\$5,249
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$4,786
STRIPPER COTTON	0 ACRES	
COTTON LINT		\$0
COTTON SEED		\$0
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
SUDAN	10 ACRES	
GRAZING		\$0
RED CHILE	5 ACRES	
CROP		\$11,680
GROSS RETURN		<u>\$170,059</u>
CASH OPERATING EXPENSES		
SEED		\$14,767
FERTILIZER		\$11,716
CHEMICALS		\$9,945
CROP INSURANCE		\$300
OTHER PURCHASED INPUTS		\$8,568
CANAL WATER		\$18,620
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$9,354
FUEL-IRRIGATION		\$0
REPAIRS		\$2,236
CUSTOM CHARGES		\$25,261
LAND TAXES		\$300
OTHER EXPENSES		\$34,569
TOTAL CASH EXPENSES		<u>\$135,637</u>
RETURN OVER CASH EXPENSES		\$34,422
FIXED EXPENSES		\$12,000
TOTAL EXPENSES		\$147,637
NET FARM INCOME		\$22,422
LABOR AND MANAGEMENT COSTS		\$25,282
NET OPERATING PROFIT		(\$2,860)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,485
INTEREST ON EQUIPMENT INVESTMENT		\$5,386
TOTAL CAPITAL COSTS		<u>\$6,872</u>
RETURN TO LAND AND RISK		<u>(\$9,731)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$750 /ACRE	(\$14,231)	-1.14%
\$1,500 /ACRE	(\$18,731)	-0.71%
\$2,250 /ACRE	(\$23,231)	-0.52%
\$3,000 /ACRE	(\$27,731)	-0.41%

\* 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)