

BUDGET AREA.... COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2007.  
 FARM SI ..... 400 ACRES  
 IRRIGATION TYP! FLOOD/SPRINKLER  
 NUMBER OF CRO 4

TABLE 1 Basic cost information for the Cotton City-Animas area, Projected 2016

WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC. IN. PER ACI	TOTAL AC. IN.
GRAIN SORGHUM	136	30	4080
ARP	0		
FLEX IN COTTOI	0	28	0
COTTON	153	28	4284
ARP	0		
FLEX IN COTTOI	0	28	0
GREEN CHILE	20	54	1080
RED CHILE	20	48	960
ROADS, HOMESTI	20		
TOTAL	349		10404
ACRE FEET PER ACRE OF WATER R			2.48424

Item			
<b>Labor Wage Rate:</b>			
Equipment operators	\$/hour		\$8.55
General & Irrigators	\$/hour		\$7.50
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Nitrogen (N)	\$/pound		\$0.45
Phosphate (P205)	\$/pound		\$0.40
Anhydrous Ammonia (NH3)	\$/ton		\$650.00
<b>Seed:</b>			
Grain Sorghum	\$/pound		\$1.31
Cotton (picker)	\$/pound		\$7.55
<b>Chile</b>			
green	\$/pound		\$22.00
red	\$/pound		\$22.00
wheat	\$/pound		\$0.45
<b>Energy:</b>			
Natural gas (Gas Co NM)	\$/MCF		\$2.98
(service charge)	\$/month		\$10.00
Diesel fuel	\$/gallon		\$3.55
Gasoline	\$/gallon		\$2.50
Electricity (Columbus)	cents/KwHr		\$9.27
LP Gas	\$/gallon		\$2.75
Employee Liability Insurance	\$/ \$1,000 wages		\$20.00
Employee Benefits	percent/w ages		0.18
Labor Downtime	percent		0.25
<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		4.00%
Land Taxes	348 /acre (full value)		\$2.57
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed		\$22.19
- R	Value)		\$19.60
<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-Equipment & General	\$/labor hour		\$1.00
<b>Management Rate</b>			
Field Crops	percent/GR		7.00%
Vegetable Crops	percent/TOE		10.00%

TABLE 1a. Overhead cost information for Cotton City-Animas area, 2007.

ITEM			
Electricity (Domestic & Shop)	\$250.00	per month	3000
Telephone	\$118.75	per month	1425
Accounting & Legal			\$1,775.00
Misc. Supplies & Hand Tools			\$2,756.25
Pickup and Auto			
miles	20000	@	0.5 per mile
@			10000
<b>Insurance</b>			
- general liability (non-employee)			\$1,862.50
- fire/theft			\$1,500.00
<b>Property Taxes</b>			
- non-planted land			9.8
- other than land & machinery			560
Building repairs and maintenance			\$1,412.50
Dues, fees, publications			\$425.00
Farmstead Equipment			\$175.00
Total			\$24,901.05
Total Per Planted Acre			\$75.69

TABLE 4. WHEAT, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 700 ACRE FARM WITH ABOVE AVERAGE MANAGEMENT, COTTON CITY-ANIMAS AREA, HIDALGO COUNTY  
 PLANTING DATES: DECEMBER 10 - DECEMBER 20  
 HARVEST DATES: JUNE 15 - JULY 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
WHEAT	\$7.00	50 CWT						\$350.00
<b>TOTAL</b>							\$350.00	
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.45	100 LBS	45					\$45.00
ANHYDROUS AMMONIA (NH)	\$0.33	250 LBS	81.25					\$81.25
NITROGEN (N)	\$0.45	30 LBS	13.5					\$13.50
PHOSPHATE (P2O5)	\$0.40	80 LBS	32					\$32.00
PUMP WATER*		24 ACRE IN.						
<b>SUBTOTAL</b>			171.75					\$171.75
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.13	\$3.85	\$11.34
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$3.68	\$0.81	\$0.00	\$5.35
DRILL	96 HP	0.18 HR		\$1.54	\$2.42	\$2.13	\$0.00	\$6.09
IRRIGATE (4X)		0.6 HR		\$4.50	\$4.50	\$0.00	\$33.75	\$42.75
DISC	96 HP	0.25 HR		\$2.14	\$3.37	\$2.95	\$0.00	\$8.46
<b>SUBTOTAL</b>		1.52 HR		\$12.37	\$23.67	\$9.80	\$40.05	\$85.89
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)			32.22					\$32.22
HAUL TO STORAGE (CUSTOM)			9.5					\$9.50
HAUL TO MARKET (CUSTOM)			22.5					\$22.50
<b>SUBTOTAL</b>			64.22	\$0.00	\$0.00	\$0.00	\$0.00	\$64.22
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.155 HR		\$1.33				\$1.33
EMPLOYEE BENEFITS				\$2.23				\$2.23
INSURANCE			0.24732					\$0.25
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$25.51				\$25.51
OTHER EXPENSES			75.68708					\$75.69
<b>SUBTOTAL</b>		0.155 HR	75.9344	\$29.06			\$2.57	\$107.57
<b>TOTAL OPERATING EXPENSES</b>		1.675 HR	311.9044	\$41.43	\$23.67	\$9.80	\$42.63	\$429.43
<b>NET OPERATING PROFIT</b>							-\$79.43	
INTEREST ON OPERATING CAPITAL	(	99.59465	@	0.055			\$5.48	
INTEREST ON EQUIPMENT INVESTMENT							\$6.48	
<b>RETURN TO LAND AND RISK</b>							-\$91.39	

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

**BUDGET SUMMARY**

GROSS RETURN		\$350.00	
VARIABLE OPERATING EXPENSES	345.3763		
RETURN OVER VARIABLE EXPENSES		\$4.62	(GROSS MARGIN)
FIXED EXPENSES	42.62799		
NET FARM INCOME		-\$38.00	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	41.42713		
NET OPERATING PROFIT		-\$79.43	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	11.96258		
RETURN TO LAND AND RISK		-\$91.39	

TABLE 5. CORN FOR GRAIN, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 700 ACRE FARM WITH AVERAGE MANAGEMENT, COTTON CITY-ANIMAS AREA, HIDALGO COUNTY  
 PLANTING DATES: APRIL 1 - MAY 15  
 HARVEST DATES: SEPTEMBER 15 - NOVEMBER 1

ITEM	PRICE	YIELD							TOTAL	
<b>GROSS RETURNS</b>										
CORN FOR GRAIN	\$4.30	85 CWT							\$365.50	
<b>TOTAL</b>									\$365.50	
<b>PURCHASED INPUTS</b>										
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS							TOTAL
SEED	\$0.91	32 000	29							\$29.00
ANHYDROUS AMMONIA (NH <sub>3</sub> )	\$0.33	250 LBS	81.25							\$81.25
NITROGEN (N)	\$0.45	80 LBS	36							\$36.00
PHOSPHATE (P <sub>2</sub> O <sub>5</sub> )	\$0.40	100 LBS	40							\$40.00
HERBICIDE	\$7.83	1 ACRE	7.8324							\$7.83
PUMP WATER*		40 AC. IN.								
CROP INSURANCE										
<b>SUBTOTAL</b>									\$194.084	
<b>PREHARVEST OPERATIONS</b>										
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
RIPPER	185 HP	0.2 HR		\$1.71	\$7.37	\$1.78	\$6.29	\$17.15		
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$1.28	\$0.00	\$10.97	\$13.53		
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05		
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$3.68	\$0.81	\$2.75	\$8.10		
PLANTER	185 HP	0.26 HR		\$2.22	\$9.58	\$2.10	\$3.45	\$17.36		
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84		
IRRIGATE (12X)		1.8 HR		\$13.50	\$24.24	\$24.34	\$16.70	\$78.78		
<b>SUBTOTAL</b>									\$155.80	
<b>HARVEST OPERATIONS</b>										
COMBINE (CUSTOM)			30.6					\$30.60		
HAUL TO STORAGE (CUSTOM)			17					\$17.00		
HAUL TO MARKET (CUSTOM)			38.25					\$38.25		
<b>SUBTOTAL</b>									\$85.85	
<b>POSTHARVEST OPERATIONS</b>										
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.88	\$1.91	\$1.62	\$6.62		
<b>OVERHEAD EXPENSES</b>										
DOWNTIME		0.33 HR		\$2.82				\$2.82		
EMPLOYEE BENEFITS				\$4.46				\$4.46		
INSURANCE			0.49572					\$0.50		
LAND TAXES							\$2.57	\$2.57		
SUPERVISION AND MANAGEMENT				\$28.05				\$28.05		
OTHER EXPENSES			75.68708					\$75.69		
<b>SUBTOTAL</b>									\$114.08	
<b>TOTAL OPERATING EXPENSES</b>		3.45 HR	356.1152	\$60.11	\$55.53	\$36.31	\$48.37	\$556.43		
<b>NET OPERATING PROFIT</b>									-\$190.93	
INTEREST ON OPERATING CAPITAL		( 127.1553 @ 0.055 )						\$6.99		
INTEREST ON EQUIPMENT INVESTMENT								\$11.71		
<b>RETURN TO LAND AND RISK</b>									-\$209.64	

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

GROSS RETURN		\$365.50	
VARIABLE OPERATING EXPENSES	447.9548		
RETURN OVER VARIABLE EXPENSES	-\$82.45	(GROSS MARGIN)	
FIXED EXPENSES	48.36593		
NET FARM INCOME	-\$130.82	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	60.11398		
NET OPERATING PROFIT	-\$190.93	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	18.70647		
RETURN TO LAND AND RISK	-\$209.64		

TABLE 6. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County  
 Planting dates: May 1 - May 20  
 Harvesting dates: November 1 - November 25

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
GRAIN SORGHUM	\$7.06	62 CWT						\$437.99
ASCS DIVERSION	0	0 CWT						\$0.00
ASCS DEFICIENCY	0	0 CWT						\$0.00
<b>TOTAL</b>							<b>\$437.99</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	1.31	8 LBS	\$10.48				\$10.48	
ANHYDROUS AMMONIA (NH)	0.325	180 LBS	\$58.50				\$58.50	
HERBICIDE	9.455	1 ACRE	\$9.46				\$9.46	
INSECTICIDE (CUSTOM)	10.065	1 ACRE	\$10.07				\$10.07	
PUMP WATER*		30 AC. IN.						
CROP INSURANCE	0.367647		\$0.37				\$0.37	
<b>SUBTOTAL</b>			<b>\$88.87</b>				<b>\$88.87</b>	
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$7.37	\$1.78	\$6.29	\$17.15
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$5.53	\$1.87	\$5.42	\$14.11
LISTER	185 HP	0.18 HR		\$1.54	\$6.63	\$1.64	\$5.66	\$15.46
PRE-IRRIGATE		0.75 HR		\$5.63	\$6.27	\$0.29	\$2.87	\$15.05
ROLLING CULT	96 HP	0.21 HR		\$1.80	\$2.83	\$2.74	\$1.91	\$9.28
PLANTER	96 HP	0.26 HR		\$2.22	\$3.50	\$5.08	\$3.70	\$14.50
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84
ROTO BUCK (7X)	96 HP	0.105 HR		\$0.90	\$1.41	\$1.27	\$0.94	\$4.52
IRRIGATE (5X)		2.5 HR		\$18.75	\$31.34	\$1.46	\$14.35	\$65.90
<b>SUBTOTAL</b>		<b>5.165 HR</b>		<b>\$40.75</b>	<b>\$80.22</b>	<b>\$25.25</b>	<b>\$50.70</b>	<b>\$196.91</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)			\$22.94					\$22.94
HAUL TO STORAGE (CUSTOM)			\$11.78					\$11.78
<b>SUBTOTAL</b>			<b>\$34.72</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$34.72</b>
<b>POST HARVEST OPERATIONS</b>								
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.88	\$1.91	\$1.62	\$6.62
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.51375 HR		\$4.39				\$4.39
EMPLOYEE BENEFITS				\$7.55				\$7.55
INSURANCE			\$0.84				\$0.84	
LAND TAXES						\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$34.94				\$34.94
OTHER EXPENSES			\$75.69				\$75.69	
<b>SUBTOTAL</b>		<b>0.51375 HR</b>	<b>\$76.53</b>	<b>\$46.88</b>			<b>\$2.57</b>	<b>\$125.98</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>5.81875 HR</b>	<b>\$200.11</b>	<b>\$88.82</b>	<b>\$82.10</b>	<b>\$27.16</b>	<b>\$54.90</b>	<b>\$453.10</b>
<b>NET OPERATING PROFIT</b>								
							<b>-\$15.11</b>	
INTEREST ON OPERATING CAPITAL	(	74.64298	@	\$0.06			\$4.11	
INTEREST ON EQUIPMENT INVESTMENT							\$18.59	
<b>RETURN TO LAND AND RISK</b>							<b>-\$37.81</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		437.9857	
VARIABLE OPERATING EXPENSES	309.3769		
RETURN OVER VARIABLE EXPENSES	128.6088		(GROSS MARGIN)
FIXED EXPENSES	54.89769		
NET FARM INCOME	73.7111		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	88.82446		
NET OPERATING PROFIT	-15.1134		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	22.694		
RETURN TO LAND AND RISK	-37.8074		

TABLE 7. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 1

ITEM	PRICE	YIELD						TOTAL					
<b>GROSS RETURNS</b>													
COTTON LINT	\$0.90	1060 LBS						\$954.00					
COTTON SEED	\$0.05	1696 LBS						\$82.68					
<b>TOTAL</b>							<b>\$1,036.68</b>						
<b>PURCHASED INPUTS</b>													
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL					
SEED	\$7.55	25 LBS	\$188.75					\$188.75					
NITROGEN (N)	\$0.45	32 LBS	\$14.40					\$14.40					
PHOSPHATE (P2O5)	\$0.40	40 LBS	\$16.00					\$16.00					
HERBICIDE	\$9.46	1 ACRE	\$9.46					\$9.46					
CROP INSURANCE	\$0.00	1 DOLLAR	\$0.00					\$0.00					
PUMP WATER*		28 AC. IN.											
<b>SUBTOTAL</b>							<b>\$228.61</b>						
<b>PREHARVEST OPERATIONS</b>													
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL					
RIPPER	185 HP	0.1 HR		\$0.86	\$3.68	\$0.89	\$3.15	\$8.58					
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20					
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05					
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86					
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$5.53	\$1.87	\$5.42	\$14.11					
LISTER	185 HP	0.18 HR		\$1.54	\$6.63	\$1.64	\$5.66	\$15.46					
PRE-IRRIGATE		1 HR		\$7.50	\$7.02	\$0.33	\$3.21	\$18.06					
ROLLING CULT.	96 HP	0.21 HR		\$1.80	\$2.83	\$2.74	\$1.91	\$9.28					
PLANTER	96 HP	0.26 HR		\$2.22	\$3.50	\$5.08	\$3.70	\$14.50					
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84					
HAND HOE (CUSTOM)			\$15.00					\$15.00					
ROTO BUCK (5X)	96 HP	0.075 HR		\$0.64	\$1.01	\$0.90	\$0.67	\$3.23					
IRRIGATE (4X)		4 HR		\$30.00	\$28.08	\$1.31	\$12.86	\$72.24					
<b>SUBTOTAL</b>							<b>6.785 HR</b>	<b>\$15.00</b>	<b>\$52.76</b>	<b>\$73.62</b>	<b>\$23.88</b>	<b>\$46.14</b>	<b>\$211.40</b>
<b>HARVEST OPERATIONS</b>													
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$26.62	\$57.35	\$41.12	\$135.69					
COTTON TRAILER (2X)	HALF TON	1 HR		\$8.55	\$15.75	\$2.79	\$8.41	\$35.50					
GIN COTTON (CUSTOM)			\$115.75					\$115.75					
<b>SUBTOTAL</b>							<b>2.24 HR</b>	<b>\$115.75</b>	<b>\$19.15</b>	<b>\$42.37</b>	<b>\$60.14</b>	<b>\$49.52</b>	<b>\$286.94</b>
<b>POSTHARVEST OPERATIONS</b>													
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.88	\$1.91	\$1.62	\$6.62					
<b>OVERHEAD EXPENSES</b>													
DOWNTIME		1.04125 HR		\$8.90				\$8.90					
EMPLOYEE BENEFITS				\$13.16				\$13.16					
INSURANCE			\$1.46					\$1.46					
LAND TAXES							\$2.57	\$2.57					
SUPERVISION AND MANAGEMENT				\$79.65				\$79.65					
OTHER EXPENSES			\$75.69					\$75.69					
<b>SUBTOTAL</b>							<b>1.04125 HR</b>	<b>\$77.15</b>	<b>\$101.71</b>	<b>\$2.57</b>	<b>\$181.44</b>		
<b>TOTAL OPERATING EXPENSES</b>							<b>10.20625 HR</b>	<b>\$436.51</b>	<b>\$174.82</b>	<b>\$117.88</b>	<b>\$85.93</b>	<b>\$99.86</b>	<b>\$915.00</b>
<b>NET OPERATING PROFIT</b>													<b>\$121.68</b>
INTEREST ON OPERATING CAPITAL	(	157.816	@	\$0.06	)			\$8.68					
INTEREST ON EQUIPMENT INVESTMENT								\$35.66					
<b>RETURN TO LAND AND RISK</b>													<b>\$77.34</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,036.68	
VARIABLE OPERATING EXPENSES	640.3184		
RETURN OVER VARIABLE EXPENSES	\$396.36	(GROSS MARGIN)	
FIXED EXPENSES	99.85877		
NET FARM INCOME	\$296.50	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	174.8235		
NET OPERATING PROFIT	\$121.68	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	44.33643		
RETURN TO LAND AND RISK	\$77.34		

TABLE 8. Green chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas Area, Hidalgo County  
 Planting dates: March 15 - May 1  
 Harvesting dates: August 15 - September 15

ITEM	PRICE	YIELD							TOTAL
<b>GROSS RETURNS</b>									
GREEN CHILE	\$475.00	10 TONS							\$4,750.00
RED CHILE	0	0 LBS							\$0.00
<b>TOTAL</b>								<b>\$4,750.00</b>	
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$22.00	4 LBS	\$88.00						\$88.00
ANHYDROUS AMMONIA (NH)	\$0.33	300 LBS	\$97.50						\$97.50
NITROGEN (N)	\$0.45	60 LBS	\$27.00						\$27.00
PHOSPHATE (P2O5)	\$0.40	150 LBS	\$60.00						\$60.00
HERBICIDE	\$12.57	1 ACRE	\$12.57						\$12.57
INSECTICIDE	\$12.57	1 ACRE	\$12.57						\$12.57
CROP INSURANCE	\$0.00	1 DOLLAR	\$0.00						\$0.00
PUMP WATER*		54 AC. IN.							
<b>SUBTOTAL</b>			<b>\$297.63</b>						<b>\$297.63</b>
<b>PREHARVEST OPERATIONS</b>									
DISC	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20	
PLOW	185 HP	0.48 HR		\$4.10	\$17.68	\$5.38	\$27.27	\$54.44	
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20	
LASER (CUSTOM)			\$73.33						\$73.33
LISTER & SPRAY	185 HP	0.13 HR		\$1.11	\$4.79	\$1.53	\$4.63	\$12.07	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05	
PRE-IRRIGATE		0.75 HR		\$6.41	\$33.84	\$0.07	\$0.67	\$40.99	
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.75	\$1.70	\$4.13	\$8.69	
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.29	\$2.20	\$8.60	\$14.54	
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.75	\$7.68	\$5.92	\$27.91	
THIN & HOE (CUSTOM)			\$90.00						\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$2.83	\$2.53	\$1.88	\$9.03	
IRRIGATE (8X)		4 HR		\$34.20	\$60.16	\$3.28	\$3.55	\$101.19	
<b>SUBTOTAL</b>			<b>6.85 HR</b>	<b>\$163.33</b>	<b>\$58.57</b>	<b>\$144.26</b>	<b>\$27.51</b>	<b>\$66.96</b>	<b>\$460.63</b>
<b>HARVEST OPERATIONS</b>									
HARVEST GREEN (CUSTOM)			\$900.00						\$900.00
HARVEST RED (CUSTOM)			\$0.00						\$0.00
HAUL	3/4 TON	6 HR		\$51.30	\$94.50	\$13.26	\$17.34	\$176.40	
<b>SUBTOTAL</b>			<b>6 HR</b>	<b>\$900.00</b>	<b>\$51.30</b>	<b>\$94.50</b>	<b>\$13.26</b>	<b>\$17.34</b>	<b>\$1,076.40</b>
<b>POST HARVEST OPERATIONS</b>									
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.90	\$3.96	\$3.36	\$13.71	
<b>SUBTOTAL</b>			<b>0.29 HR</b>	<b>\$0.00</b>	<b>\$2.48</b>	<b>\$3.90</b>	<b>\$3.96</b>	<b>\$3.36</b>	<b>\$13.71</b>
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.5975 HR		\$3.45				\$3.45	
EMPLOYEE BENEFITS				\$20.22				\$20.22	
INSURANCE			\$2.25				\$2.25		
LAND TAXES						\$2.57	\$2.57		
SUPERVISION AND MANAGEMENT				\$200.00				\$200.00	
OTHER EXPENSES			\$75.69				\$75.69		
<b>SUBTOTAL</b>			<b>0.5975 HR</b>	<b>\$77.93</b>	<b>\$223.67</b>		<b>\$2.57</b>	<b>\$304.18</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>13.7375 HR</b>	<b>\$1,438.90</b>	<b>\$336.02</b>	<b>\$242.66</b>	<b>\$44.73</b>	<b>\$90.24</b>	<b>\$2,152.55</b>	
<b>NET OPERATING PROFIT</b>								<b>\$2,597.45</b>	
INTEREST ON OPERATING CAPITAL	(	275.7382	@	\$0.06				\$15.17	
INTEREST ON EQUIPMENT INVESTMENT								\$46.75	
<b>RETURN TO LAND AND RISK</b>								<b>\$2,535.54</b>	

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

BUDGET SUMMARY

GROSS RETURN	\$4,750.00	
VARIABLE OPERATING EXPENSES	1726.29	
RETURN OVER VARIABLE EXPENSES	\$3,023.71	(GROSS MARGIN)
FIXED EXPENSES	90.2386	
NET FARM INCOME	\$2,933.47	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	336.016	
NET OPERATING PROFIT	\$2,597.45	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	61.9177	
RETURN TO LAND AND RISK	\$2,535.54	

TABLE 9. Red chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas Area, Hidalgo County  
 Planting dates: March 15 - May 1  
 Harvesting dates: September 15 - January 31

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
RED CHILE	\$1.00	3500 LBS						\$3,500.00
<b>TOTAL</b>							\$3,500.00	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	18.00	4 LBS	\$72.00			\$72.00		
ANHYDROUS AMMONIA (NH-NITROGEN (N))	0.33	230 LBS	\$74.75			\$74.75		
PHOSPHATE (P2O5)	0.36	60 LBS	\$21.60			\$21.60		
HERBICIDE	0.33	150 LBS	\$49.50			\$49.50		
INSECTICIDE	14.11	1 ACRE	\$14.11			\$14.11		
CROP INSURANCE	14.22	1 ACRE	\$14.22			\$14.22		
PUMP WATER*	0.00	1 DOLLARS	\$0.00			\$0.00		
		48 AC. IN.						
<b>SUBTOTAL</b>			<b>\$246.17</b>			<b>\$246.17</b>		
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20
PLOW	185 HP	0.48 HR		\$4.10	\$17.68	\$5.38	\$27.27	\$54.44
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86
LISTER	185 HP	0.12 HR		\$1.03	\$4.42	\$1.09	\$3.77	\$10.31
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05
PRE-IRRIGATE		0.75 HR		\$6.41	\$30.08	\$0.07	\$0.67	\$37.23
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.75	\$1.70	\$1.18	\$5.74
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.29	\$2.20	\$8.60	\$14.54
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.75	\$7.68	\$4.07	\$26.06
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$3.31	\$2.53	\$1.88	\$9.51
IRRIGATE (11X)		5.5 HR		\$47.03	\$55.15	\$0.50	\$4.88	\$107.56
<b>SUBTOTAL</b>			<b>\$90.00</b>	<b>\$73.02</b>	<b>\$138.29</b>	<b>\$26.67</b>	<b>\$63.72</b>	<b>\$391.70</b>
<b>HARVEST OPERATIONS</b>								
HARVEST (CUSTOM)			\$700.00					\$700.00
HAUL	3/4 TON	3 HR		\$25.65	\$47.25	\$6.63	\$8.67	\$88.20
<b>SUBTOTAL</b>			<b>\$700.00</b>	<b>\$25.65</b>	<b>\$47.25</b>	<b>\$6.63</b>	<b>\$8.67</b>	<b>\$788.20</b>
<b>POST HARVEST OPERATIONS</b>								
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.90	\$3.96	\$3.36	\$13.71
<b>SUBTOTAL</b>			<b>\$0.00</b>	<b>\$2.48</b>	<b>\$3.90</b>	<b>\$3.96</b>	<b>\$3.36</b>	<b>\$13.71</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		1.395 HR		\$11.93				\$11.93
EMPLOYEE BENEFITS				\$18.21				\$18.21
INSURANCE			\$2.02				\$2.57	\$2.02
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$94.06				\$94.06
OTHER EXPENSES			\$75.69					\$75.69
<b>SUBTOTAL</b>			<b>\$77.71</b>	<b>\$124.19</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2.57</b>	<b>\$204.48</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>13.225 HR</b>	<b>\$1,113.88</b>	<b>\$225.34</b>	<b>\$189.44</b>	<b>\$37.26</b>	<b>\$78.33</b>	<b>\$1,644.26</b>
<b>NET OPERATING PROFIT</b>							<b>\$1,855.74</b>	
INTEREST ON OPERATING CAPITAL	(	227.8044	@	\$0.06	)			\$12.53
<b>INTEREST ON EQUIPMENT INVESTMENT</b>							<b>\$37.74</b>	
<b>RETURN TO LAND AND RISK</b>							<b>\$1,805.47</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$3,500.00	
VARIABLE OPERATING EXPENSES	\$1,340.59		
RETURN OVER VARIABLE EXPENSES	\$2,159.41	(GROSS MARGIN)	
FIXED EXPENSES	\$78.33		
NET FARM INCOME	\$2,081.08	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$225.34		
NET OPERATING PROFIT	\$1,855.74	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$50.27		
RETURN TO LAND AND RISK	\$1,805.47		

TABLE 10. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, 2007.

	GRAIN SORGHUM	PICKER COTTON	GREEN CHILE	RED CHILE
	-----FLOOD-----			
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	\$7.06	\$0.90	\$475.00	\$1.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$82.68	\$0.00	\$0.00
GROSS RETURN	\$437.99	\$1,036.68	\$4,750.00	\$3,500.00
CASH OPERATING EXPENSES				
SEED	\$10.48	\$188.75	\$88.00	\$72.00
FERTILIZER	\$58.50	\$30.40	\$184.50	\$145.85
CHEMICALS	\$19.52	\$9.46	\$25.13	\$28.32
CROP INSURANCE	\$0.37	\$0.00	\$0.00	\$0.00
OTHER PURCHASED INPUTS				
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$44.50	\$82.79	\$148.66	\$104.21
FUEL-IRRIGATION	\$37.60	\$35.10	\$94.01	\$85.23
REPAIRS	\$27.16	\$85.93	\$44.73	\$37.26
CUSTOM CHARGES	\$34.72	\$130.75	\$1,063.33	\$790.00
LAND TAXES	\$2.57	\$2.57	\$2.57	\$2.57
OTHER EXPENSES	\$76.53	\$77.15	\$77.93	\$77.71
TOTAL CASH EXPENSES	\$311.95	\$642.89	\$1,728.86	\$1,343.16
RETURN OVER CASH EXPENSES	\$126.03	\$393.79	\$3,021.14	\$2,156.84
FIXED EXPENSES	\$52.32	\$97.28	\$87.66	\$75.76
TOTAL EXPENSES	\$364.27	\$740.18	\$1,816.53	\$1,418.92
NET FARM INCOME	\$73.71	\$296.50	\$2,933.47	\$2,081.08
LABOR AND MANAGEMENT COSTS	\$88.82	\$174.82	\$332.50	\$225.34
NET OPERATING PROFIT	-\$15.11	\$121.68	\$2,600.97	\$1,855.74
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$4.11	\$8.68	\$15.17	\$12.53
INTEREST ON EQUIPMENT INVESTMENT	\$18.59	\$35.66	\$46.75	\$37.74
TOTAL CAPITAL COSTS	\$22.69	\$44.34	\$61.92	\$50.27
RETURN TO LAND AND RISK	-\$37.81	\$77.34	\$2,539.05	\$1,805.47
=====	=====	=====	=====	=====
=====	=====	=====	=====	=====



TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County,  
Projected 2016

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$59,566
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
UPLAND COTTON	153 ACRES	
LINT		\$145,962
SEED		\$12,650
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
GREEN CHILE	20 ACRES	
GREEN		\$95,000
RED		\$0
RED CHILE	20 ACRES	
CROP		\$70,000
GROSS RETURN		<u>\$383,178</u>
CASH OPERATING EXPENSES		
SEED		\$33,504
FERTILIZER		\$19,214
CHEMICALS		\$5,170
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$23,776
FUEL-IRRIGATION		\$14,068
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$847
OTHER EXPENSES		\$25,324
TOTAL CASH EXPENSES		<u>\$204,388</u>
RETURN OVER CASH EXPENSES		\$178,790
FIXED EXPENSES		\$25,269
TOTAL EXPENSES		<u>\$229,657</u>
NET FARM INCOME		\$153,521
LABOR AND MANAGEMENT COSTS		\$49,985
NET OPERATING PROFIT		\$103,536
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,440
INTEREST ON EQUIPMENT INVESTMENT		\$9,673
TOTAL CAPITAL COSTS		<u>\$12,114</u>
RETURN TO LAND AND RISK		<u>\$91,422</u>
=====		=====
-----		-----
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
-----	-----	-----
500 /ACRE	83,422.16	27.54%
700 /ACRE	80,222.16	22.71%
900 /ACRE	77,022.16	19.32%
1100 /ACRE	73,822.16	16.81%
1300 /ACRE	70,622.16	14.88%
1500 /ACRE	67,422.16	13.34%
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\* 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)