

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

| 0 | | | |
|------------------------------------|-----------------------------|------------------|---------------|
| BUDGET AREA..... | CARLSBAD BASIN, EDDY COUNTY | | |
| FARM SIZE..... | 200 ACRES | | |
| IRRIGATION TYPE..... | FLOOD | | |
| NUMBER OF CROPS..... | 6 | | |
| WATER USE | | | |
| ACREAGE SUMMARY: | 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 | | |
| TOTAL | 200.00 | | 6,902 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 2.88 |

* DOUBLE-CROPPED

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

| 0 | | | |
|--|-----------|-----------------------------|---------|
| Item | | | |
| Labor Wage Rate: | | | |
| Equipment operators | | \$/hour | \$7.80 |
| General & Irrigators | | \$/hour | \$7.50 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | | \$/pound | \$0.22 |
| Phosphate (P ₂ O ₅) | | \$/pound | \$0.27 |
| Canal water | 3 AC. FT. | \$/acre | \$49.00 |
| Wire | | \$/lb. | \$1.32 |
| Seed: | | | |
| Alfalfa | | \$/pound | \$3.05 |
| Cotton | | | |
| Picker | | \$/pound | \$7.55 |
| Stripper | | \$/pound | \$7.55 |
| Barley | | \$/pound | \$0.40 |
| Sudan | | \$/pound | \$0.80 |
| Diesel fuel | | \$/gallon | \$2.35 |
| Gasoline | | \$/gallon | \$2.10 |
| Electricity | | cents/kWhr | \$7.78 |
| Natural Gas | | \$/MCF | \$10.00 |
| LP Gas | | \$/gallon | \$2.55 |
| 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 | 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) | \$2.43 |
| Personal Property Tax Rate - NR | | \$/1,000 (Assessed Value) | \$29.17 |
| - R | | | \$25.12 |
| Supervision Factors | | | |
| 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 |
| Management Rate | | | |
| Field Crops | | percent/GR | 7.00% |
| Vegetable Crops | | percent/TOE | 10.00% |

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

| 0 | | | |
|------------------------------------|--------|--------------------|----------|
| Item | | | |
| Electricity (Domestic & Shop) | | \$237.16 per month | \$2,846 |
| Telephone | | \$118.58 per month | \$1,423 |
| Accounting & Legal | | | \$1,632 |
| Misc. Supplies & Hand Tools | | | \$2,505 |
| Pickup and Auto | | | |
| miles | 24,200 | @ \$0.500 per mile | \$12,100 |
| Insurance | | | |
| - general liability (non-employee) | | | \$1,838 |
| - fire/theft | | | \$1,483 |
| Property Taxes | | | |
| - non-planted land | | | \$0 |
| - other than land & machinery | | | \$6,010 |
| Fixed Costs: Pump | | | \$1,610 |
| Building repairs and maintenance | | | \$1,483 |
| Dues, fees, publications | | | \$424 |
| Farmstead Equipment | | | \$174 |
| Total | | | \$33,529 |
| Total Per Planted Acre | | | \$186.27 |

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,

| 0 | | | | | | | | |
|--|------------|---------------------|------------------|----------|-------------|---------|------------|----------|
| Planting dates: August 20 - September 30 | | | | | | | | |
| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
| PURCHASED INPUTS | | | | | | | | |
| SEED | 3.05 | 25.00 LBS | | \$76.25 | | | | \$76.25 |
| CANAL WATER | 49.00 | 8.00 AC. IN. | | \$392.00 | | | | |
| PUMP WATER | | 0.00 AC. IN. | | | | | | |
| SUBTOTAL | | | | \$468.25 | | | | \$76.25 |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 145 HP | 0.17 HR | | \$1.33 | \$3.30 | \$1.15 | \$3.07 | \$8.84 |
| FLOW | 145 HP | 0.67 HR | | \$5.23 | \$12.99 | \$5.44 | \$12.47 | \$36.13 |
| DISC (3X) | 145 HP | 0.51 HR | | \$3.98 | \$9.89 | \$3.45 | \$9.22 | \$26.53 |
| LASER (CUSTOM) | | | \$73.33 | | | | | \$73.33 |
| RIPPER | 145 HP | 0.27 HR | | \$2.11 | \$5.23 | \$1.32 | \$36.06 | \$44.73 |
| DISC | 145 HP | 0.17 HR | | \$1.33 | \$3.30 | \$1.15 | \$3.07 | \$8.84 |
| DRAG | 96 HP | 0.17 HR | | \$1.33 | \$2.17 | \$0.16 | \$0.95 | \$4.61 |
| BORDER DISC (2X) | 27 HP | 0.10 HR | | \$0.78 | \$0.79 | \$0.15 | \$0.61 | \$2.32 |
| DRILL | 96 HP | 0.21 HR | | \$1.64 | \$2.69 | \$0.42 | \$12.50 | \$17.25 |
| IRRIGATE (2X) | | 1.00 HR | | \$7.50 | \$0.00 | \$0.00 | \$0.00 | \$7.50 |
| SUBTOTAL | | 3.27 HR | \$73.33 | \$25.21 | \$40.34 | \$13.24 | \$77.96 | \$230.08 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.57 HR | | \$4.43 | | | | \$4.43 |
| EMPLOYEE BENEFITS | | | | \$4.54 | | | | \$4.54 |
| INSURANCE | | | \$0.50 | | | | | \$0.50 |
| SUPERVISION AND MANAGEMENT | | | | \$23.58 | | | | \$23.58 |
| SUBTOTAL | | 0.57 HR | \$0.50 | \$32.54 | | | | \$33.05 |
| TOTAL OPERATING EXPENSES | | 3.84 HR | \$542.08 | \$57.75 | \$40.34 | \$13.24 | \$77.96 | \$339.38 |

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,

| 0 Harvesting dates: May 20 - October 15 | | | | | | | | |
|--|----------------|----------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| ITEM | PRICE | YIELD | | | | TOTAL | | |
| GROSS RETURNS | | | | | | | | |
| ALFALFA HAY | \$175.00 | 5.6 TONS (STACKED) | | | | \$980.00 | | |
| GRAZING | \$10.00 | 1.0 ACRE | | | | \$10.00 | | |
| TOTAL | | | | | | \$990.00 | | |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | FIXED COST | TOTAL | |
| NITROGEN (N) | \$0.22 | 36 LBS | \$7.92 | | | | \$7.92 | |
| PHOSPHATE (P205) | \$0.27 | 92 LBS | \$24.84 | | | | \$24.84 | |
| INSECTICIDE (CUSTOM) | \$27.53 | 1 X/ACRE | \$27.53 | | | | \$27.53 | |
| HERBICIDE (CUSTOM) | \$26.23 | 1 X/ACRE | \$26.23 | | | | \$26.23 | |
| WIRE | \$1.32 | 51 LBS | \$67.32 | | | | \$67.32 | |
| ESTABLISHMENT: Principal | | 4 YEARS | | | | \$84.85 | \$84.85 | |
| : Interest | | | | | | \$9.23 | \$9.23 | |
| CANAL WATER | | 48 AC. IN. | \$49.00 | | | | \$49.00 | |
| PUMP WATER* | | 0 AC. IN. | | | | | \$0.00 | |
| SUBTOTAL | | | \$202.84 | | | \$94.07 | \$296.91 | |
| 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 | \$2.36 | \$0.44 | \$1.83 | \$6.96 |
| FERTILIZE | DEALER APPLIED | | | | | | | |
| IRRIGATE (8X) | | 4.00 HR | | \$30.00 | \$0.00 | \$0.00 | \$0.00 | \$30.00 |
| SUBTOTAL | | | | \$32.34 | \$2.36 | \$0.44 | \$1.83 | \$36.96 |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER (6X) | 14 FT SP | 0.80 HR | | \$6.24 | \$7.04 | \$0.46 | \$15.91 | \$29.65 |
| RAKE (4X) | 96 HP | 0.48 HR | | \$3.74 | \$6.14 | \$0.66 | \$3.41 | \$13.95 |
| BALER (6X) | 145 HP | 1.26 HR | | \$9.83 | \$24.43 | \$5.28 | \$20.79 | \$60.32 |
| BALEWAGON | | | \$53.76 | | | | | \$53.76 |
| SUBTOTAL | | | 2.54 HR | \$53.76 | \$19.81 | \$37.60 | \$6.41 | \$40.11 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.71 HR | | \$5.54 | | | | \$5.54 |
| EMPLOYEE BENEFITS | | | | \$9.39 | | | | \$9.39 |
| INSURANCE | | | \$1.04 | | | | \$1.04 | |
| LAND TAXES | | | | | | \$2.43 | \$2.43 | |
| SUPERVISION AND MANGEMENT | | | | \$74.72 | | | | \$74.72 |
| OTHER EXPENSES | | | \$186.27 | | | | \$186.27 | |
| SUBTOTAL | | | 0.71 HR | \$187.31 | \$89.65 | | \$2.43 | \$279.39 |
| TOTAL OPERATING EXPENSES | | | 7.55 HR | \$443.91 | \$141.80 | \$39.96 | \$6.84 | \$138.44 |
| NET OPERATING PROFIT | | | | | | | | \$219.05 |
| INTEREST ON OPERATING CAPITAL | | (\$105.79 @ 5.50%) | | | | | \$5.82 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$23.87 | |
| RETURN TO LAND AND RISK | | | | | | | | \$189.36 |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$990.00 | |
| VARIABLE OPERATING EXPENSES | \$490.71 | | |
| RETURN OVER VARIABLE EXPENSES | | \$499.29 | (GROSS MARGIN) |
| FIXED EXPENSES | \$138.44 | | |
| NET FARM INCOME | | \$360.84 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$141.80 | | |
| NET OPERATING PROFIT | | \$219.05 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$29.69 | | |
| RETURN TO LAND AND RISK | | \$189.36 | |

TABLE 8. Barley, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,
0
Planting dates: August 20 - September 30
Harvesting dates: June 15 - July 1

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|----------|------|-----------------|
| GROSS RETURNS | | | | |
| 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 |
| TOTAL | | | | \$193.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$0.40 | 110 LBS | \$44.00 | | \$44.00 |
| NITROGEN (N) | \$0.22 | 40 LBS | \$8.80 | | \$8.80 |
| 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 |
| SUBTOTAL | | | \$127.67 | | \$127.67 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|----------------|
| PLOW | 145 HP | 0.67 HR | | \$5.23 | \$12.99 | \$5.44 | \$12.47 | \$36.13 |
| DISC (2X) | 145 HP | 0.34 HR | | \$2.65 | \$6.59 | \$2.30 | \$6.15 | \$17.69 |
| DRAG | 96 HP | 0.17 HR | | \$1.33 | \$2.17 | \$0.16 | \$0.95 | \$4.61 |
| BORDER DISC | 27 HP | 0.05 HR | | \$0.39 | \$0.39 | \$0.07 | \$0.31 | \$1.16 |
| DRILL | 96 HP | 0.21 HR | | \$1.64 | \$2.69 | \$0.42 | \$12.50 | \$17.25 |
| IRRIGATE (5X) | | 2.50 HR | | \$18.75 | \$0.00 | \$0.00 | \$0.00 | \$18.75 |
| SUBTOTAL | | 3.94 HR | | \$29.98 | \$24.83 | \$8.40 | \$32.37 | \$95.58 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|----------------|--|--|--|--|----------------|
| COMBINE (CUSTOM) | | | \$14.68 | | | | | \$14.68 |
| HAUL (CUSTOM) | | | \$7.80 | | | | | \$7.80 |
| SUBTOTAL | | | \$22.48 | | | | | \$22.48 |

| OVERHEAD EXPENSES | | | | | | | | |
|---------------------------|--|----------------|-----------------|----------------|--|---------------|--|-----------------|
| DOWNTIME | | 0.36 HR | | \$2.81 | | | | \$2.81 |
| EMPLOYEE BENEFITS | | | | \$5.40 | | | | \$5.40 |
| INSURANCE | | | \$0.60 | | | | | \$0.60 |
| LAND TAXES | | | | | | \$2.43 | | \$2.43 |
| SUPERVISION AND MANGEMENT | | | | \$13.93 | | | | \$13.93 |
| OTHER EXPENSES | | | \$186.27 | | | | | \$186.27 |
| SUBTOTAL | | 0.36 HR | \$186.87 | \$22.13 | | \$2.43 | | \$211.43 |

| | | | | | | | | |
|---------------------------------|--|----------------|-----------------|----------------|----------------|---------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | | 4.30 HR | \$337.02 | \$52.12 | \$24.83 | \$8.40 | \$34.80 | \$457.17 |
|---------------------------------|--|----------------|-----------------|----------------|----------------|---------------|----------------|-----------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|-------------------|
| NET OPERATING PROFIT | | | | | | | | (\$264.17) |
|-----------------------------|--|--|--|--|--|--|--|-------------------|

| | | | | | | | | |
|----------------------------------|---|---------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$74.02 | @ | 5.50% |) | | | \$4.07 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$14.34 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | | (\$282.58) |
|--------------------------------|--|--|--|--|--|--|--|-------------------|

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

BUDGET SUMMARY

| | | | | |
|-------------------------------|----------|------------|---|--|
| GROSS RETURN | | \$193.00 | | |
| VARIABLE OPERATING EXPENSES | \$370.25 | | | |
| RETURN OVER VARIABLE EXPENSES | | (\$177.25) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$34.80 | | | |
| NET FARM INCOME | | (\$212.05) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$52.12 | | | |
| NET OPERATING PROFIT | | (\$264.17) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$18.41 | | | |
| RETURN TO LAND AND RISK | | (\$282.58) | | |

TABLE 9. Sudan, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,
0
Planting Dates: August 20 - September 30
Harvesting dates: June 15 - July 1

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|------------|
| GROSS RETURNS | | | | | | | | |
| GRAZING | \$160.00 | 0 TON | (STACKED) | | | | | \$0.00 |
| TOTAL | | | | | | | | \$0.00 |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| SEED | \$0.80 | 25 LBS | \$20.00 | | | | | \$20.00 |
| NITROGEN (N) | \$0.22 | 250 LBS | \$55.00 | | | | | \$55.00 |
| PHOSPHATE (P2O5) | \$0.27 | 60 LBS | \$16.20 | | | | | \$16.20 |
| CANAL WATER | | 24 AC. IN. | \$49.00 | | | | | \$49.00 |
| PUMP WATER* | | 0 AC. IN. | | | | | | \$0.00 |
| SUBTOTAL | | | \$140.20 | | | | | \$140.20 |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 145 HP | 0.67 HR | | \$5.23 | \$12.99 | \$5.44 | \$12.47 | \$36.13 |
| DISC (2X) | 145 HP | 0.28 HR | | \$2.18 | \$5.43 | \$1.89 | \$5.06 | \$14.57 |
| DRAG | 96 HP | 0.17 HR | | \$1.33 | \$2.17 | \$0.16 | \$0.95 | \$4.61 |
| BORDER DISC | 27 HP | 0.05 HR | | \$0.39 | \$0.39 | \$0.07 | \$0.31 | \$1.16 |
| DRILL | 96 HP | 0.21 HR | | \$1.64 | \$2.69 | \$0.42 | \$12.50 | \$17.25 |
| IRRIGATE (6X) | | 3.00 HR | | \$22.50 | \$0.00 | \$0.00 | \$0.00 | \$22.50 |
| SUBTOTAL | | 4.38 HR | | \$33.26 | \$23.67 | \$7.99 | \$31.29 | \$96.21 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.35 HR | | \$2.69 | | | | \$2.69 |
| EMPLOYEE BENEFITS | | | | \$5.99 | | | | \$5.99 |
| INSURANCE | | | \$0.67 | | | | | \$0.67 |
| LAND TAXES | | | | | | \$2.43 | | \$2.43 |
| SUPERVISION AND MANGEMENT | | | | \$3.69 | | | | \$3.69 |
| OTHER EXPENSES | | | \$186.27 | | | | | \$186.27 |
| SUBTOTAL | | 0.35 HR | \$186.93 | \$12.37 | | | \$2.43 | \$201.73 |
| TOTAL OPERATING EXPENSES | | 4.73 HR | \$327.13 | \$45.63 | \$23.67 | \$7.99 | \$33.72 | \$438.15 |
| NET OPERATING PROFIT | | | | | | | | (\$438.15) |
| INTEREST ON OPERATING CAPITAL | | (\$78.02 @ | 5.50% |) | | | | \$4.29 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$13.76 |
| RETURN TO LAND AND RISK | | | | | | | | (\$456.20) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$0.00 | |
| VARIABLE OPERATING EXPENSES | \$358.79 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$358.79) | (GROSS MARGIN) |
| FIXED EXPENSES | \$33.72 | | |
| NET FARM INCOME | | (\$392.51) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$45.63 | | |
| NET OPERATING PROFIT | | (\$438.15) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$18.05 | | |
| RETURN TO LAND AND RISK | | (\$456.20) | |

TABLE 10. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,

| Planting dates: April 15 - May 15 | | Harvesting dates: October 15 - January 15 | | | | | | | |
|-----------------------------------|----------------|---|------------------|-----------------|----------------|----------------|----------------|-----------------|-------------------|
| ITEM | PRICE | YIELD | BASE | | | | | TOTAL | |
| GROSS RETURNS | | | | | | | | | |
| COTTON LINT | \$0.75 | 675 LBS | | | | | | \$506.25 | |
| COTTON SEED | \$0.09 | 1,080 LBS | | | | | | \$97.20 | |
| DIRECT PAYMENT | \$0.0000 | 675 LBS | 0.85 | | | | | \$0.00 | |
| COUNTER CYCLICAL PAYMENT | \$0.1373 | 675 LBS | 0.85 | | | | | \$78.78 | |
| TOTAL | | | | | | | | | \$682.23 |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | FIXED COST | | TOTAL | |
| SEED | \$7.55 | 20 LBS | \$151.00 | | | | | \$151.00 | |
| NITROGEN (N) | \$0.22 | 20 LBS | \$4.40 | | | | | \$4.40 | |
| PHOSPHATE (P205) | \$0.27 | 40 LBS | \$10.80 | | | | | \$10.80 | |
| 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 | |
| SUBTOTAL | | | \$284.03 | | | | | \$284.03 | |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| PLOW | 145 HP | 0.67 HR | | \$5.23 | \$12.99 | \$5.44 | \$12.47 | \$36.13 | |
| DISC | 145 HP | 0.17 HR | | \$1.33 | \$3.30 | \$1.15 | \$3.07 | \$8.84 | |
| DRAG | 96 HP | 0.17 HR | | \$1.33 | \$2.17 | \$0.16 | \$0.95 | \$4.61 | |
| DISC & SPRAY | 145 HP | 0.20 HR | | \$1.56 | \$3.88 | \$1.35 | \$3.62 | \$10.41 | |
| LISTER | 96 HP | 0.18 HR | | \$1.40 | \$2.30 | \$0.53 | \$4.12 | \$8.35 | |
| 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 | \$2.69 | \$0.72 | \$5.46 | \$10.50 | |
| PLANTER | 96 HP | 0.26 HR | | \$2.03 | \$3.32 | \$0.67 | \$11.77 | \$17.79 | |
| CULTIVATOR (4X) | 27 HP | 0.84 HR | | \$6.55 | \$6.60 | \$6.11 | \$15.14 | \$34.40 | |
| HOEING | | | \$20.00 | | | | | \$20.00 | |
| IRRIGATE (3X) | | 1.50 HR | | \$11.25 | \$0.00 | \$0.00 | \$0.00 | \$11.25 | |
| SUBTOTAL | | 4.95 HR | \$20.00 | \$37.94 | \$37.24 | \$16.14 | \$56.59 | \$167.91 | |
| HARVEST OPERATIONS | | | | | | | | | |
| COTTON PICKER (CUSTOM) | | | \$101.05 | | | | | \$101.05 | |
| HAUL | 80 HP | 0.50 HR | | \$3.90 | \$6.39 | \$0.49 | \$5.57 | \$16.35 | |
| GIN COTTON (CUSTOM) | | | \$101.05 | | | | | \$101.05 | |
| SUBTOTAL | | 0.50 HR | \$202.10 | \$3.90 | \$6.39 | \$0.49 | \$5.57 | \$218.45 | |
| POSTHARVEST OPERATIONS | | | | | | | | | |
| SHREDDER | 80 HP | 0.29 HR | | \$2.26 | \$3.71 | \$0.33 | \$3.75 | \$10.05 | |
| SUBTOTAL | | 0.29 HR | | \$2.26 | \$3.71 | \$0.33 | \$3.75 | \$10.05 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.83 HR | | \$6.47 | | | | \$6.47 | |
| EMPLOYEE BENEFITS | | | | \$7.94 | | | | \$7.94 | |
| INSURANCE | | | \$0.88 | | | | | \$0.88 | |
| LAND TAXES | | | | | | | \$2.43 | \$2.43 | |
| SUPERVISION AND MANGEMENT | | | | \$51.67 | | | | \$51.67 | |
| OTHER EXPENSES | | | \$186.27 | | | | | \$186.27 | |
| SUBTOTAL | | 0.83 HR | \$187.15 | \$66.08 | | | \$2.43 | \$255.66 | |
| TOTAL OPERATING EXPENSES | | 6.57 HR | \$693.28 | \$110.17 | \$47.35 | \$16.96 | \$68.35 | \$936.10 | |
| NET OPERATING PROFIT | | | | | | | | | (\$253.87) |
| INTEREST ON OPERATING CAPITAL | | (| \$156.94 | @ | 5.50% |) | | \$8.63 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$30.82 | |
| RETURN TO LAND AND RISK | | | | | | | | | (\$293.32) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|------------|---|--|
| GROSS RETURN | | \$682.23 | |
| VARIABLE OPERATING EXPENSES | \$757.58 | | |
| RETURN OVER VARIABLE EXPENSES | (\$75.35) | (GROSS MARGIN) | |
| FIXED EXPENSES | \$68.35 | | |
| NET FARM INCOME | (\$143.70) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$110.17 | | |
| NET OPERATING PROFIT | (\$253.87) | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$39.45 | | |
| RETURN TO LAND AND RISK | (\$293.32) | | |

TABLE 11. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,

| Planting dates: April 15 - May 15 | | Harvesting dates: October 15 - January 15 | | | | | | |
|-----------------------------------|----------------|---|------------------|-----------------|----------------|----------------|----------------|-------------------|
| ITEM | PRICE | YIELD | BASE | TOTAL | | | | |
| GROSS RETURNS | | | | | | | | |
| COTTON LINT | \$0.70 | 675 LBS | | \$472.50 | | | | |
| COTTON SEED | \$0.09 | 1,080 LBS | | \$97.20 | | | | |
| DIRECT PAYMENT | \$0.0000 | 675 LBS | 0.85 | \$0.00 | | | | |
| COUNTER CYCLICAL PAYMENT | \$0.1373 | 675 LBS | 0.85 | \$78.78 | | | | |
| TOTAL | | | | \$648.48 | | | | |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | | | | TOTAL |
| SEED | \$7.55 | 20 LBS | \$151.00 | | | | | \$151.00 |
| NITROGEN (N) | \$0.22 | 20 LBS | \$4.40 | | | | | \$4.40 |
| PHOSPHATE (P205) | \$0.27 | 40 LBS | \$10.80 | | | | | \$10.80 |
| HERBICIDE | \$13.22 | 1 X/ACRE | \$13.22 | | | | | \$13.22 |
| INSECTICIDE (CUSTOM) | \$25.95 | 2 X/ACRE | \$51.89 | | | | | \$51.89 |
| CROP INSURANCE | | FCI | \$8.69 | | | | | \$8.69 |
| CANAL WATER | | 22 AC. IN. | \$49.00 | | | | | \$49.00 |
| PUMP WATER* | | 0 AC. IN. | | | | | | \$0.00 |
| SUBTOTAL | | | \$289.00 | | | | | \$289.00 |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 145 HP | 0.67 HR | | \$5.23 | \$12.99 | \$5.44 | \$12.47 | \$36.13 |
| DISC | 145 HP | 0.17 HR | | \$1.33 | \$3.30 | \$1.15 | \$3.07 | \$8.84 |
| DRAG | 96 HP | 0.17 HR | | \$1.33 | \$2.17 | \$0.16 | \$0.95 | \$4.61 |
| DISC & SPRAY | 145 HP | 0.20 HR | | \$1.56 | \$3.88 | \$1.35 | \$3.62 | \$10.41 |
| LISTER | 96 HP | 0.18 HR | | \$1.40 | \$2.30 | \$0.53 | \$4.12 | \$8.35 |
| 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 | \$2.69 | \$0.72 | \$5.46 | \$10.50 |
| PLANTER | 96 HP | 0.26 HR | | \$2.03 | \$3.32 | \$0.67 | \$11.77 | \$17.79 |
| CULTIVATOR (4X) | 27 HP | 0.84 HR | | \$6.55 | \$6.60 | \$6.11 | \$15.14 | \$34.40 |
| IRRIGATE (2X) | | 1.00 HR | | \$7.50 | \$0.00 | \$0.00 | \$0.00 | \$7.50 |
| SUBTOTAL | | 4.45 HR | | \$34.19 | \$37.24 | \$16.14 | \$56.59 | \$144.16 |
| HARVEST OPERATIONS | | | | | | | | |
| COTTON STRIPPER (CUSTOM) | | | \$121.10 | | | | | \$121.10 |
| HAUL | 96 HP | 0.75 HR | | \$5.85 | \$9.59 | \$0.73 | \$8.36 | \$24.53 |
| GIN COTTON (CUSTOM) | | | \$121.10 | | | | | \$121.10 |
| SUBTOTAL | | 0.75 HR | \$242.19 | \$5.85 | \$9.59 | \$0.73 | \$8.36 | \$266.72 |
| POSTHARVEST OPERATIONS | | | | | | | | |
| SHREDDER | 80 HP | 0.29 HR | | \$2.26 | \$3.71 | \$0.33 | \$3.75 | \$10.05 |
| SUBTOTAL | | 0.29 HR | | \$2.26 | \$3.71 | \$0.33 | \$3.75 | \$10.05 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.94 HR | | \$7.29 | | | | \$7.29 |
| EMPLOYEE BENEFITS | | | | \$7.61 | | | | \$7.61 |
| INSURANCE | | | \$0.85 | | | | | \$0.85 |
| LAND TAXES | | | | | | \$2.43 | | \$2.43 |
| SUPERVISION AND MANGEMENT | | | | \$48.68 | | | | \$48.68 |
| OTHER EXPENSES | | | \$186.27 | | | | | \$186.27 |
| SUBTOTAL | | 0.94 HR | \$187.12 | \$63.58 | | \$2.43 | | \$253.13 |
| TOTAL OPERATING EXPENSES | | 6.43 HR | \$718.31 | \$105.88 | \$50.54 | \$17.20 | \$71.13 | \$963.06 |
| NET OPERATING PROFIT | | | | | | | | |
| | | | | | | | | (\$314.59) |
| INTEREST ON OPERATING CAPITAL | | (| \$159.72 | @ | 5.50% |) | | \$8.78 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$31.78 |
| RETURN TO LAND AND RISK | | | | | | | | (\$355.15) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$648.48 | |
| VARIABLE OPERATING EXPENSES | \$786.05 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$137.57) | (GROSS MARGIN) |
| FIXED EXPENSES | \$71.13 | | |
| NET FARM INCOME | | (\$208.71) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$105.88 | | |
| NET OPERATING PROFIT | | (\$314.59) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$40.56 | | |
| RETURN TO LAND AND RISK | | (\$355.15) | |

TABLE 12. Red chile, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,

| Planting dates: April 1 - April 15 | | Harvesting dates: September 1 - October 30 | | | | | | |
|------------------------------------|----------------|--|------------------|------------------|-------------|---------|------------|------------|
| ITEM | PRICE | YIELD | TOTAL | | | | | |
| GROSS RETURNS | | | | | | | | |
| RED CHILE | \$0.60 | 3,200 LBS | \$1,920.00 | | | | | |
| TOTAL | | | \$1,920.00 | | | | | |
| PURCHASED INPUTS | | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | | | TOTAL |
| SEED | 18 | 8 LBS | \$144.00 | | | | \$144.00 | |
| NITROGEN (N) | 0.22 | 200 LBS | \$44.00 | | | | \$44.00 | |
| PHOSPHATE (P205) | 0.27 | 60 LBS | \$16.20 | | | | \$16.20 | |
| 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 | |
| SUBTOTAL | | | \$368.76 | | | | \$368.76 | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 145 HP | 0.17 HR | | \$1.33 | \$3.30 | \$1.15 | \$3.07 | \$8.84 |
| PLOW | 145 HP | 0.48 HR | | \$3.74 | \$9.31 | \$3.90 | \$8.94 | \$25.88 |
| DISC (2X) | 145 HP | 0.34 HR | | \$2.65 | \$6.59 | \$2.30 | \$6.15 | \$17.69 |
| FLOAT | 96 HP | 0.16 HR | | \$1.25 | \$2.05 | \$0.15 | \$0.89 | \$4.34 |
| FERTILIZE (CUSTOM) | DEALER APPLIED | | | | | | | |
| LISTER | 145 HP | 0.18 HR | | \$1.40 | \$3.49 | \$1.07 | \$5.59 | \$11.55 |
| PRE-IRRIGATE | | 0.05 HR | | \$0.38 | \$0.00 | \$0.00 | \$29.61 | \$29.98 |
| CULTIVATOR | 96 HP | 0.21 HR | | \$1.64 | \$2.69 | \$1.50 | \$3.52 | \$9.34 |
| PLANTER | 96 HP | 0.26 HR | | \$2.03 | \$3.32 | \$0.67 | \$11.77 | \$17.79 |
| CULTIVATOR (2X) | 27 HP | 0.42 HR | | \$3.28 | \$3.30 | \$3.06 | \$7.57 | \$17.20 |
| THIN & HOE (2X) | | | \$80.00 | | | | | \$80.00 |
| IRRIGATE (7X) | | 3.50 HR | | \$26.25 | \$0.00 | \$0.00 | \$0.00 | \$26.25 |
| SUBTOTAL | | 5.60 HR | \$80.00 | \$43.94 | \$34.04 | \$13.80 | \$77.10 | \$248.88 |
| HARVEST OPERATIONS | | | | | | | | |
| HAND PICK | | | \$640.00 | | | | | \$640.00 |
| FIELD HAUL | 96 HP | 1.00 HR | | \$7.80 | \$12.79 | \$0.97 | \$18.92 | \$40.48 |
| HAUL (CUSTOM) | | | \$96.00 | | | | | \$96.00 |
| SUBTOTAL | | 1.00 HR | \$736.00 | \$7.80 | \$12.79 | \$0.97 | \$18.92 | \$776.48 |
| POSTHARVEST OPERATIONS | | | | | | | | |
| SHREDDER | 27 HP | 0.29 HR | | \$2.26 | \$2.28 | \$0.37 | \$4.12 | \$9.03 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.88 HR | | \$6.84 | | | | \$6.84 |
| EMPLOYEE BENEFITS | | | | \$7.91 | | | | \$7.91 |
| INSURANCE | | | \$0.88 | | | | | \$0.88 |
| LAND TAXES | | | | | | \$2.43 | | \$2.43 |
| SUPERVISION AND MANGEMENT | | | | \$100.05 | | | | \$100.05 |
| OTHER EXPENSES | | | \$186.27 | | | | | \$186.27 |
| SUBTOTAL | | 0.88 HR | \$187.15 | \$114.80 | | \$2.43 | | \$304.38 |
| TOTAL OPERATING EXPENSES | | 7.77 HR | \$1,371.91 | \$168.81 | \$49.10 | \$15.14 | \$102.57 | \$1,707.53 |
| NET OPERATING PROFIT | | | | | | | | \$212.47 |
| INTEREST ON OPERATING CAPITAL | | (| \$261.04 | @ | 5.50% |) | | \$14.36 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$185.66 |
| RETURN TO LAND AND RISK | | | | | | | | \$12.46 |

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

| | | | |
|-------------------------------|------------|------------|---|
| GROSS RETURN | | \$1,920.00 | |
| VARIABLE OPERATING EXPENSES | \$1,436.15 | | |
| RETURN OVER VARIABLE EXPENSES | | \$483.85 | (GROSS MARGIN) |
| FIXED EXPENSES | \$102.57 | | |
| NET FARM INCOME | | \$381.28 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$168.81 | | |
| NET OPERATING PROFIT | | \$212.47 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$200.01 | | |
| RETURN TO LAND AND RISK | | \$12.46 | |

TABLE 13. Summary of per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Eddy County,
0

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | BARLEY | SUDAN | PICKER COTTON | STRIPPER COTTON | RED CHILE |
|----------------------------------|--------------------------|----------------|------------|------------|------------------|--------------------|------------|
| | | TONS | CWT | ACRE | LBS | LBS | CWT |
| PRIMARY YIELD | | 5.60 | 25.00 | 0.00 | 675.00 | 0.00 | 3,200.00 |
| PRIMARY PRICE | | \$175.00 | \$6.12 | \$160.00 | \$0.75 | \$0.00 | \$0.60 |
| GOVERNMENT PAYMENTS | | \$0.00 | \$0.00 | \$0.00 | \$78.78 | \$0.00 | \$0.00 |
| SECOND INCOME | | \$10.00 | \$40.00 | \$0.00 | \$97.20 | \$0.00 | \$0.00 |
| GROSS RETURN | | \$990.00 | \$193.00 | \$0.00 | \$682.23 | \$0.00 | \$1,920.00 |
| CASH OPERATING EXPENSES | | | | | | | |
| SEED | \$76.25 | | \$44.10 | \$20.00 | \$151.00 | \$0.00 | \$144.00 |
| FERTILIZER | | \$32.76 | \$8.80 | \$71.20 | \$15.20 | \$0.00 | \$60.20 |
| CHEMICALS | | \$53.76 | \$14.11 | | \$68.01 | \$0.00 | \$75.56 |
| CROP INSURANCE | | | \$11.76 | | \$0.82 | \$0.00 | \$40.00 |
| OTHER PURCHASED INPUTS | | \$67.32 | | | | | |
| CANAL WATER | \$392.00 | \$49.00 | \$49.00 | \$49.00 | \$49.00 | \$0.00 | \$49.00 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$40.34 | \$39.96 | \$24.83 | \$23.67 | \$47.35 | \$0.00 | \$49.10 |
| 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 | \$53.76 | \$22.48 | | \$222.10 | \$0.00 | \$816.00 |
| LAND TAXES | | \$2.43 | \$2.43 | \$2.43 | \$2.43 | \$0.00 | \$2.43 |
| OTHER EXPENSES | \$0.50 | \$187.31 | \$186.87 | \$186.93 | \$187.15 | \$0.00 | \$187.15 |
| TOTAL CASH EXPENSES | \$595.67 | \$493.14 | \$372.78 | \$361.23 | \$760.01 | \$0.00 | \$1,438.58 |
| RETURN OVER CASH EXPENSES | (\$595.67) | \$496.86 | (\$179.78) | (\$361.23) | (\$77.78) | \$0.00 | \$481.42 |
| FIXED EXPENSES | \$77.96 | \$136.01 | \$32.37 | \$31.29 | \$65.92 | \$0.00 | \$100.14 |
| TOTAL EXPENSES | \$673.63 | \$629.16 | \$405.15 | \$392.51 | \$825.93 | \$0.00 | \$1,538.72 |
| NET FARM INCOME | (\$673.63) | \$360.84 | (\$212.15) | (\$392.51) | (\$143.70) | \$0.00 | \$381.28 |
| LABOR AND MANAGEMENT COSTS | \$57.75 | \$141.80 | \$52.12 | \$45.63 | \$110.17 | \$0.00 | \$168.81 |
| NET OPERATING PROFIT | (\$731.38) | \$219.05 | (\$264.27) | (\$438.15) | (\$253.87) | \$0.00 | \$212.47 |
| CAPITAL COSTS | | | | | | | |
| INTEREST ON OPERATING CAPITAL | | \$5.82 | \$2.38 | \$4.29 | \$8.63 | \$0.00 | \$14.36 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$23.87 | \$14.34 | \$13.76 | \$30.82 | \$0.00 | \$185.66 |
| TOTAL CAPITAL COSTS | \$0.00 | \$29.69 | \$16.72 | \$18.05 | \$39.45 | \$0.00 | \$200.01 |
| RETURN TO LAND AND RISK | (\$731.38) | \$189.36 | (\$280.99) | (\$456.20) | (\$293.32) | \$0.00 | \$12.46 |

TABLE 14. Whole farm budget summary, Carlsbad Basin, Eddy County,
0

| | | |
|----------------------------------|-------------|-------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 100 ACRES | |
| CROP | | \$98,000 |
| 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 | | \$30,755 |
| COTTON SEED | | \$5,905 |
| 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 | | \$9,600 |
| GROSS RETURN | | <u>\$150,865</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$12,187 |
| FERTILIZER | | \$5,250 |
| CHEMICALS | | \$9,945 |
| CROP INSURANCE | | \$300 |
| OTHER PURCHASED INPUTS | | \$6,732 |
| CANAL WATER | | \$18,620 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$8,469 |
| FUEL-IRRIGATION | | \$0 |
| REPAIRS | | \$2,236 |
| CUSTOM CHARGES | | \$24,877 |
| LAND TAXES | | \$438 |
| OTHER EXPENSES | | \$33,713 |
| TOTAL CASH EXPENSES | | <u>\$122,766</u> |
| RETURN OVER CASH EXPENSES | | \$28,099 |
| FIXED EXPENSES | | \$12,021 |
| TOTAL EXPENSES | | <u>\$134,787</u> |
| NET FARM INCOME | | \$16,078 |
| LABOR AND MANAGEMENT COSTS | | \$23,838 |
| NET OPERATING PROFIT | | (\$7,760) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$1,231 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$5,386 |
| TOTAL CAPITAL COSTS | | <u>\$6,617</u> |
| RETURN TO LAND AND RISK | | <u>(\$14,378)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$750 /ACRE | (\$18,878) | -3.00% |
| \$1,500 /ACRE | (\$23,378) | -1.90% |
| \$2,250 /ACRE | (\$27,878) | -1.39% |
| \$3,000 /ACRE | (\$32,378) | -1.09% |

* 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)