

BUDGET AREA: COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2007.  
 FARM'S: 400 ACRES  
 IRRIGATION TYPI: FLOOD/PRESSURIZER  
 NUMBER OF CRE: 4

ACREAGE SUMMARY:	WATER USE		
	LAND U (ACRES)	AC IN PER AC	TOTAL AC. IN.
GRAIN SORGHUM	156	30	4680
ARP	0	0	0
FLEX IN COTTG	0	28	0
COTTG	153	28	4284
ARP	0	0	0
FLEX IN COTTG	0	28	0
GREEN CHLE	20	54	1080
RED CHLE	20	48	960
ROADS, HOUSES	20		
TOTAL	549		10404
ACRE FEET PER ACRE OF WATER			2.0424

TABLE 1 Basic cost information for the Cotton City-Animas area, Projected 2017

Item	Unit	Cost
Labor Wage Rate	\$/hour	\$8.55
Equipment operators	\$/hour	\$7.50
General & Irrigation	\$/hour	\$7.50
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.22
Phosphorus (P2O5)	\$/pound	\$0.27
Adapted Ammonia (NH3)	\$/ton	\$717.00
Seed:		
Grain Sorghum	\$/pound	\$1.70
Cotton (picker)	\$/pound	\$7.55
Chile		
green	\$/pound	\$18.00
red	\$/pound	\$18.00
white	\$/pound	\$0.44
Energy:		
Natural gas (Gas. Co. NM)	\$/MCF	\$3.98
Electric charge	\$/kwh	\$10.00
Diesel fuel	\$/gallon	\$2.40
Gasoline	\$/gallon	\$2.10
Electricity (Cokebush)	cents/kWh	\$9.27
LP Gas	\$/gallon	\$2.55
Employee Liability Insurance	\$51,000 wages	\$20.00
Employee Benefits	percent's ages	0.18
Labor Discount	percent	0.25
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	4.00%
Land Taxes	340 acres (half value)	\$2.56
Personal Property Tax Rate - NR	\$51,000 (Assesse Value)	\$22.10
- R		\$19.03
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment & General	\$/labor hour	\$0.50
Vegetable Crop-Irrigation	\$/labor hour	\$2.00
Vegetable Crop-Equipment & General	\$/labor hour	\$1.00
Management Rate		
Field Crops	percent/CR	7.00%
Vegetable Crops	percent/TCE	10.00%

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

ITEM	Unit	Cost
Electricity (Domestic & Shop)	net month	2000
Telephone	\$114.00	1376.4
Accounting & Legal	net month	61,704.96
Misc. Supplies & Hard Tools		\$2,668.05
Plum and App	20000 @ 0.5 net each	10000
Insurance:		
- annual liability (non-employee)		\$1,862.90
- fire/ theft		\$1,422.00
- Property Taxes		9.511
- non-annual land		540
- other fixed cost & machinery		\$1,267.20
Bulldozers, tractors and maintenance		\$111.40
Dues, fees, subscriptions		\$109.40
Financial Investment		
	Total	\$26,812.17
	Total Per Planned Acre	\$74.29



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	\$4.20	50 CWT						\$210.00
<b>TOTAL</b>								
<b>\$210.00</b>								
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	\$0.44	100 LBS	44				\$44.00	
ANHYDROUS AMMONIA (N)	\$0.36	250 LBS	89.625				\$89.63	
NITROGEN (N)	\$0.22	30 LBS	6.6				\$6.60	
PHOSPHATE (P2O5)	\$0.27	80 LBS	21.6				\$21.60	
PUMP WATER*		24 ACRE IN.						
CROP INSURANCE								
SUBTOTAL			161.825				\$161.83	
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIR	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$3.49	\$1.13	\$3.85	\$9.66
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.25	\$0.40	\$1.37	\$3.45
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.26	\$2.38	\$1.08	\$7.43
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$2.49	\$0.81	\$0.00	\$4.16
DRILL	96 HP	0.18 HR		\$1.54	\$2.04	\$2.13	\$0.00	\$5.70
IRRIGATE (4X)		0.6 HR		\$4.50	\$4.50	\$0.00	\$33.75	\$42.75
DISC	96 HP	0.25 HR		\$2.14	\$2.83	\$2.95	\$0.00	\$7.92
<b>SUBTOTAL</b>								
			1.52 HR	\$12.37	\$18.85	\$9.80	\$40.05	\$81.07
<b>HARVEST OPERATIONS</b>								
				32.22				\$32.22
				9.5				\$9.50
				22.5				\$22.50
<b>SUBTOTAL</b>								
			64.22	\$0.00	\$0.00	\$0.00	\$0.00	\$64.22
<b>OVERHEAD EXPENSES</b>								
		0.155 HR		\$1.33				\$1.33
				\$2.23				\$2.23
			0.24732				\$2.56	\$2.56
				\$15.71				\$15.71
			74.2923					\$74.29
<b>SUBTOTAL</b>								
		0.155 HR	74.5396	\$19.26			\$2.56	\$96.36
<b>TOTAL OPERATING EXPENSES</b>								
		1.675 HR	300.585	\$31.63	\$18.85	\$9.80	\$42.62	\$403.48
<b>NET OPERATING PROFIT</b>								
<b>-\$193.48</b>								
		(	93.4275 @	0.055 )				\$5.14
								\$6.48
<b>RETURN TO LAND AND RISK</b>								
<b>-\$205.10</b>								

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

BUDGET SUMMARY

GROSS RETURN		\$210.00	
VARIABLE OPERATING EXPENSES	329.238		
RETURN OVER VARIABLE EXPENSES	-119.24	(GROSS MARGIN)	
FIXED EXPENSES	42.616		
NET FARM INCOME		-\$161.85	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	31.6271		
NET OPERATING PROFIT		-\$193.48	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	11.6234		
RETURN TO LAND AND RISK		-\$205.10	

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	\$3.60	85 CWT					\$306.00	
<b>TOTAL</b>							\$306.00	
<b>PURCHASED INPUTS</b>								
PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED	\$0.91	32 000	29				\$29.00	
ANHYDROUS AMMONIA (N)	\$0.36	250 LBS	89.625				\$89.63	
NITROGEN (N)	\$0.22	90 LBS	17.6				\$17.60	
PHOSPHATE (P2O5)	\$0.27	100 LBS	27				\$27.00	
HERBICIDE	\$7.83	1 ACRE	7.8324				\$7.83	
PUMP WATER*		40 AC. IN.						
CROP INSURANCE								
<b>SUBTOTAL</b>			171.067				\$171.06	
<b>PREHARVEST OPERATIONS</b>								
POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIR	FIXED COST	TOTAL	
185 HP	0.2 HR		\$1.71	\$4.98	\$1.78	\$6.29	\$14.76	
185 HP	0.15 HR		\$1.28	\$1.28	\$0.00	\$10.97	\$13.53	
185 HP	0.05 HR		\$0.43	\$1.25	\$0.40	\$1.37	\$3.45	
185 HP	0.1 HR		\$0.86	\$2.49	\$0.81	\$2.75	\$6.90	
185 HP	0.26 HR		\$2.22	\$6.48	\$2.10	\$3.45	\$14.25	
96 HP	0.42 HR		\$3.59	\$4.75	\$4.96	\$2.63	\$16.93	
12X	1.8 HR		\$13.50	\$20.36	\$24.34	\$16.70	\$74.89	
<b>SUBTOTAL</b>			2.98 HR	\$23.59	\$41.58	\$34.40	\$44.16	\$143.73
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)			30.6				\$30.60	
HAIL TO STORAGE (CUSTOM)			17				\$17.00	
HAIL TO MARKET (CUSTOM)			38.25				\$38.25	
<b>SUBTOTAL</b>			85.85	\$0.00	\$0.00	\$0.00	\$0.00	\$85.85
<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.58	\$1.91	\$1.62	\$6.32
<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						\$2.56	\$2.56	
SUPERVISION AND MANAGEMENT				\$23.88			\$23.88	
OTHER EXPENSES			74.2923				\$74.29	
<b>SUBTOTAL</b>			0.33 HR	\$4.788	\$31.16		\$2.56	\$108.51
<b>TOTAL OPERATING EXPENSES</b>		3.45 HR	331.695	\$55.95	\$43.17	\$36.31	\$48.35	\$515.47
<b>NET OPERATING PROFIT</b>							\$-209.47	
INTEREST ON OPERATING CAPITAL	(	112.552 @	0.055 )				\$6.19	
INTEREST ON EQUIPMENT INVESTMENT							\$11.71	
<b>RETURN TO LAND AND RISK</b>							\$-227.37	
<b>BUDGET SUMMARY</b>								
GROSS RETURN		\$306.00						
VARIABLE OPERATING EXPENSES	411.17							
RETURN OVER VARIABLE EXPENSES		-\$105.17	(GROSS MARGIN)					
FIXED EXPENSES	48.3466							
NET FARM INCOME		-\$153.52	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	55.949							
NET OPERATING PROFIT		-\$209.47	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	17.9033							
RETURN TO LAND AND RISK		-\$227.37						

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



TABLE 7. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Armas 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	\$0.75	1060	LBS							\$795.00
COTTON SEED	\$0.05	1696	LBS							\$82.68
<b>TOTAL</b>										
<b>\$877.68</b>										
<b>PURCHASED INPUTS</b>										
	PRICE	QUANTITY	PURCHASED INPUTS		TOTAL					
SEED	\$7.55	25 LBS		\$198.75						\$198.75
NITROGEN (N)	\$0.22	32 LBS		\$7.04						\$7.04
PHOSPHATE (P2O5)	\$0.27	40 LBS		\$10.80						\$10.80
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>\$216.05</b>	<b>\$216.05</b>					
<b>PREHARVEST OPERATIONS</b>										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIR	FIXED COST	TOTAL		
RIPPER	185 HP	0.1 HR		\$0.86	\$2.40	\$0.89	\$3.15		\$7.38	
DISC	185 HP	0.14 HR		\$1.20	\$3.49	\$1.37	\$4.47		\$10.53	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.25	\$0.40	\$1.37		\$3.45	
DRAG (ZX)	96 HP	0.2 HR		\$1.71	\$2.26	\$2.38	\$1.08		\$7.43	
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$3.74	\$1.87	\$5.42		\$12.31	
LISTER	165 HP	0.18 HR		\$1.54	\$4.48	\$1.64	\$5.66		\$13.32	
PRE-IRRIGATE		1 HR		\$7.50	\$9.34	\$0.33	\$3.21		\$20.38	
ROLLING CULT.	96 HP	0.21 HR		\$1.80	\$2.38	\$2.74	\$1.91		\$8.82	
PLANTER	96 HP	0.26 HR		\$2.22	\$2.94	\$5.08	\$3.70		\$13.94	
CULTIVATOR (ZX)	96 HP	0.42 HR		\$3.59	\$4.75	\$4.96	\$2.63		\$15.93	
HAND HOE (CUSTOM)			\$15.00						\$15.00	
ROTI BLACK (SX)	96 HP	0.075 HR		\$0.64	\$0.85	\$0.90	\$0.67		\$3.06	
IRRIGATE (4X)		4 HR		\$30.00	\$37.35	\$1.31	\$12.85		\$81.52	
<b>SUBTOTAL</b>				<b>6.785 HR</b>	<b>\$15.00</b>	<b>\$52.76</b>	<b>\$75.31</b>	<b>\$23.88</b>	<b>\$46.13</b>	<b>\$213.07</b>
<b>HARVEST OPERATIONS</b>										
COTTON PICKER (ZX)	2 ROW	1.24 HR		\$10.60	\$18.00	\$57.35	\$41.11		\$127.06	
COTTON TRAILER (ZX)	HALF TON	1 HR		\$8.55	\$13.23	\$2.79	\$8.41		\$32.98	
GIN COTTON (CUSTOM)			\$115.75						\$115.75	
<b>SUBTOTAL</b>				<b>2.24 HR</b>	<b>\$115.75</b>	<b>\$19.15</b>	<b>\$31.23</b>	<b>\$60.14</b>	<b>\$49.51</b>	<b>\$275.79</b>
<b>POSTHARVEST OPERATIONS</b>										
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.58	\$1.91	\$1.62		\$6.32	
<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							\$2.56		\$2.56	
SUPERVISION AND MANAGEMENT					\$68.52				\$68.52	
OTHER EXPENSES			\$74.29						\$74.29	
<b>SUBTOTAL</b>				<b>1.04125 HR</b>	<b>\$75.75</b>	<b>\$90.58</b>	<b>\$2.56</b>	<b>\$168.90</b>		
<b>TOTAL OPERATING EXPENSES</b>				<b>10.2063 HR</b>	<b>\$422.55</b>	<b>\$163.69</b>	<b>\$108.12</b>	<b>\$85.93</b>	<b>\$99.83</b>	<b>\$880.12</b>
<b>NET OPERATING PROFIT</b>										
<b>-\$2.44</b>										
INTEREST ON OPERATING CAPITAL	(	150.953 @	\$0.06 )							\$8.30
INTEREST ON EQUIPMENT INVESTMENT										\$35.66
<b>RETURN TO LAND AND RISK</b>										
<b>-\$46.40</b>										
* Pump water costs are shown under irrigation in the preharvest operations section.										
<b>BUDGET SUMMARY</b>										
GROSS RETURN		\$877.68								
VARIABLE OPERATING EXPENSES	616.603	\$261.08	(GROSS MARGIN)							
RETURN OVER VARIABLE EXPENSES										
FIXED EXPENSES	99.8257	\$161.25	(RETURN TO CAPITAL, LABOR, LAND & RISK)							
NET FARM INCOME										
LABOR AND MANAGEMENT COST	163.693	-\$2.44	(RETURN TO CAPITAL, LAND & RISK)							
NET OPERATING PROFIT										
CAPITAL COSTS	43.959									
RETURN TO LAND AND RISK		-\$46.40								

TABLE 8. Green chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Armas 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>								
ITEM	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	\$18.00	4 LBS	\$72.00				\$72.00	
ANHYDROUS AMMONIA (N)	\$0.36	300 LBS	\$107.55				\$107.55	
NITROGEN (N)	\$0.22	60 LBS	\$13.20				\$13.20	
PHOSPHATE (P2O5)	\$0.27	150 LBS	\$40.50				\$40.50	
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>\$258.38</b>				<b>\$258.38</b>	
<b>PREHARVEST OPERATIONS</b>								
ITEM	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$3.49	\$1.37	\$4.47	\$10.53
FLOW	185 HP	0.48 HR		\$4.10	\$11.96	\$6.38	\$27.26	\$48.70
DISC	185 HP	0.14 HR		\$1.20	\$3.49	\$1.37	\$4.47	\$10.53
LASER (CUSTOM)			\$73.33					\$73.33
LISTER & SPRAY	185 HP	0.13 HR		\$1.11	\$3.24	\$1.53	\$4.63	\$10.51
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.25	\$0.40	\$1.37	\$3.45
PRE-IRRIGATE		0.75 HR		\$6.41	\$45.02	\$0.07	\$0.67	\$52.17
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.47	\$1.70	\$4.13	\$8.41
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$1.82	\$2.20	\$5.60	\$14.15
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$7.35	\$7.68	\$5.92	\$28.50
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$2.38	\$2.53	\$1.88	\$8.68
IRRIGATE (5X)		4 HR		\$34.20	\$80.04	\$3.28	\$3.55	\$121.07
<b>SUBTOTAL</b>		6.85 HR	\$163.33	\$58.57	\$161.60	\$27.51	\$86.95	\$477.95
<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	\$79.38	\$13.26	\$17.34	\$161.28
<b>SUBTOTAL</b>		6 HR	\$900.00	\$51.30	\$79.38	\$13.26	\$17.34	\$1,061.28
<b>POST HARVEST OPERATIONS</b>								
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.28	\$3.96	\$3.36	\$13.08
<b>SUBTOTAL</b>		0.29 HR	\$0.00	\$2.48	\$3.28	\$3.96	\$3.36	\$13.08
<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						\$2.56		\$2.56
SUPERVISION AND MANAGEMENT				\$200.00				\$200.00
OTHER EXPENSES			\$74.29					\$74.29
<b>SUBTOTAL</b>		0.5975 HR	\$76.54	\$223.67			\$2.56	\$302.77
<b>TOTAL OPERATING EXPENSES</b>		13.7375 HR	\$1,306.25	\$338.02	\$244.28	\$44.73	\$90.21	\$2,113.47
<b>NET OPERATING PROFIT</b>								<b>\$2,636.53</b>
INTEREST ON OPERATING CAPITAL	( 259.1881 @		\$0.06 )					\$14.26
INTEREST ON EQUIPMENT INVESTMENT								\$46.75
<b>RETURN TO LAND AND RISK</b>								<b>\$2,575.53</b>
* Pump water costs are shown under irrigation in the preharvest operations section.								
<b>BUDGET SUMMARY</b>								
<b>GROSS RETURN</b>								<b>\$4,750.00</b>
<b>VARIABLE OPERATING EXPENSES</b>	1687.24							<b>\$4,750.00</b>
<b>RETURN OVER VARIABLE EXPENSES</b>		\$3,062.76	(GROSS MARGIN)					
<b>FIXED EXPENSES</b>	90.2097							
<b>NET FARM INCOME</b>		\$2,972.55	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
<b>LABOR AND MANAGEMENT COST</b>	336.016							
<b>NET OPERATING PROFIT</b>		\$2,636.53	(RETURN TO CAPITAL, LAND & RISK)					
<b>CAPITAL COSTS</b>	61.0075							
<b>RETURN TO LAND AND RISK</b>		\$2,575.53						

TABLE 9. Red chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Armas 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	\$0.60	3500 LBS					\$2,100.00	
<b>TOTAL</b>							<b>\$2,100.00</b>	
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	18.00	4 LBS	\$72.00				\$72.00	
ANHYDROUS AMMONIA IN-	0.36	230 LBS	\$82.46				\$82.46	
NITROGEN (N)	0.36	60 LBS	\$21.60				\$21.60	
PHOSPHATE (P2O5)	0.33	150 LBS	\$49.50				\$49.50	
HERBICIDE	14.11	1 ACRE	\$14.11				\$14.11	
INSECTICIDE	14.22	1 ACRE	\$14.22				\$14.22	
CROP INSURANCE	0.00	1 DOLLARS	\$0.00				\$0.00	
PUMP WATER*		46 AC. IN						
<b>SUBTOTAL</b>			<b>\$253.88</b>				<b>\$253.88</b>	
<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	\$3.49	\$1.37	\$4.47	\$10.53	\$10.53
PLOW	185 HP	0.48 HR	\$4.10	\$11.96	\$5.38	\$27.28	\$48.70	\$48.70
DISC	185 HP	0.14 HR	\$1.20	\$3.49	\$1.37	\$4.47	\$10.53	\$10.53
DRAG (2X)	96 HP	0.2 HR	\$1.71	\$2.26	\$2.38	\$1.08	\$7.43	\$7.43
LISTER	185 HP	0.12 HR	\$1.03	\$2.99	\$1.09	\$3.77	\$8.88	\$8.88
FERTILIZE	185 HP	0.05 HR	\$0.43	\$1.25	\$0.40	\$1.37	\$3.45	\$3.45
PRE-IRRIGATE	96 HP	0.75 HR	\$6.41	\$40.02	\$0.07	\$3.67	\$47.17	\$47.17
ROLLING CULT	96 HP	0.13 HR	\$1.11	\$1.47	\$1.70	\$1.18	\$5.46	\$5.46
VEGETABLE PLANTER	96 HP	0.17 HR	\$1.45	\$1.30	\$2.20	\$6.60	\$14.18	\$14.18
CULTIVATOR (2X)	96 HP	0.85 HR	\$5.58	\$7.35	\$7.68	\$4.07	\$24.66	\$24.66
THIN & HOE (CUSTOM)			\$90.00				\$90.00	\$90.00
ROTO BLOCK (7X)	96 HP	0.21 HR	\$1.80	\$2.78	\$2.53	\$1.88	\$8.98	\$8.98
IRRIGATE (11X)		5.5 HR	\$47.03	\$73.37	\$0.50	\$4.88	\$125.77	\$125.77
<b>SUBTOTAL</b>			<b>\$90.00</b>	<b>\$73.02</b>	<b>\$152.34</b>	<b>\$26.67</b>	<b>\$63.71</b>	<b>\$405.74</b>
<b>HARVEST OPERATIONS</b>								
<b>HARVEST (CUSTOM)</b>							<b>\$700.00</b>	
HULL	3/4 TON	3 HR	\$25.65	\$39.69	\$6.63	\$8.67	\$80.64	\$80.64
<b>SUBTOTAL</b>			<b>\$700.00</b>	<b>\$25.65</b>	<b>\$39.69</b>	<b>\$6.63</b>	<b>\$8.67</b>	<b>\$780.64</b>
<b>POST HARVEST OPERATIONS</b>								
SHREDDER	80 HP	0.29 HR	\$2.48	\$3.28	\$3.96	\$3.38	\$13.08	\$13.08
<b>SUBTOTAL</b>			<b>\$0.00</b>	<b>\$2.48</b>	<b>\$3.28</b>	<b>\$3.96</b>	<b>\$3.38</b>	<b>\$13.08</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		1.395 HR	\$11.93				\$11.93	
EMPLOYEE BENEFITS			\$18.21				\$18.21	
INSURANCE			\$2.02				\$2.02	
LAND TAXES			\$95.27				\$95.27	
SUPERVISION AND MANAGEMENT			\$74.29				\$74.29	
OTHER EXPENSES								
<b>SUBTOTAL</b>			<b>1.395 HR</b>	<b>\$76.32</b>	<b>\$125.41</b>	<b>\$0.00</b>	<b>\$2.58</b>	<b>\$204.29</b>
<b>TOTAL OPERATING EXPENSES</b>			<b>13.225 HR</b>	<b>\$1,120.19</b>	<b>\$226.55</b>	<b>\$195.31</b>	<b>\$37.26</b>	<b>\$1,657.62</b>
<b>NET OPERATING PROFIT</b>							<b>\$442.38</b>	
INTEREST ON OPERATING CAPITAL	(	234.4879 @	\$0.06 )				\$12.90	
INTEREST ON EQUIPMENT INVESTMENT							\$37.74	
<b>RETURN TO LAND AND RISK</b>							<b>\$391.74</b>	
* Pump water costs are shown under irrigation in the preharvest operations section.								
<b>BUDGET SUMMARY</b>								
GROSS RETURN		\$2,100.00						
VARIABLE OPERATING EXPENSES	\$1,352.76	\$747.24	(GROSS MARGIN)					
RETURN OVER VARIABLE EXPENSES		\$747.24						
FIXED EXPENSES	\$78.30							
NET FARM INCOME	\$226.55	\$688.93	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$226.55							
NET OPERATING PROFIT	\$50.64	\$442.38	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$50.64							
RETURN TO LAND AND RISK		\$391.74						



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	\$5.91	\$0.75	\$475.00	\$0.60
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$82.68	\$0.00	\$0.00
GROSS RETURN	\$366.69	\$877.68	\$4,750.00	\$2,100.00
CASH OPERATING EXPENSES				
SEED	\$13.60	\$188.75	\$72.00	\$72.00
FERTILIZER	\$64.53	\$17.84	\$161.25	\$153.56
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	\$33.03	\$61.43	\$119.19	\$81.92
FUEL-IRRIGATION	\$50.03	\$46.69	\$125.06	\$113.39
REPAIRS	\$27.16	\$85.93	\$44.73	\$37.26
CUSTOM CHARGES	\$34.72	\$130.75	\$1,063.33	\$790.00
LAND TAXES	\$2.56	\$2.56	\$2.56	\$2.56
OTHER EXPENSES	\$75.13	\$75.75	\$76.54	\$76.32
TOTAL CASH EXPENSES	\$320.65	\$619.17	\$1,689.80	\$1,355.33
RETURN OVER CASH EXPENSES	\$46.04	\$258.51	\$3,060.20	\$744.67
FIXED EXPENSES	\$52.31	\$97.26	\$87.65	\$75.74
TOTAL EXPENSES	\$372.96	\$716.43	\$1,777.45	\$1,431.07
NET FARM INCOME	-\$6.27	\$161.25	\$2,972.55	\$668.93
LABOR AND MANAGEMENT COSTS	\$83.83	\$163.69	\$332.50	\$226.55
NET OPERATING PROFIT	-\$90.11	-\$2.44	\$2,640.05	\$442.38
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$4.37	\$8.30	\$14.26	\$12.90
INTEREST ON EQUIPMENT INVESTMENT	\$18.59	\$35.66	\$46.75	\$37.74
TOTAL CAPITAL COSTS	\$22.96	\$43.96	\$61.01	\$50.64
RETURN TO LAND AND RISK	-\$113.07	-\$46.40	\$2,579.04	\$391.74

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County,  
Protected 2017

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$49,869
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
UPLAND COTTON		
LINT		\$121,635
SEED		\$12,650
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
GREEN CHILE		
GREEN	20 ACRES	\$95,000
RED		\$0
RED CHILE		
CROP	20 ACRES	\$42,000
GROSS RETURN		\$321,154
CASH OPERATING EXPENSES		
SEED		\$33,608
FERTILIZER		\$17,802
CHEMICALS		\$5,170
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$17,914
FUEL-IRRIGATION		\$18,716
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$843
OTHER EXPENSES		\$24,865
TOTAL CASH EXPENSES		\$201,403
RETURN OVER CASH EXPENSES		\$119,751
FIXED EXPENSES		\$25,263
TOTAL EXPENSES		\$226,666
NET FARM INCOME		\$94,488
LABOR AND MANAGEMENT COSTS		\$47,628
NET OPERATING PROFIT		\$46,860
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,408
INTEREST ON EQUIPMENT INVESTMENT		\$9,673
TOTAL CAPITAL COSTS		\$12,081
RETURN TO LAND AND RISK		\$34,779
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
500 /ACRE	26,779.26	12.47%
700 /ACRE	23,579.26	10.28%
900 /ACRE	20,379.26	8.74%
1100 /ACRE	17,179.26	7.61%
1300 /ACRE	13,979.26	6.73%
1500 /ACRE	10,779.26	6.04%

\* 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)

Flex Computation

-42.1672 86.51774