

TABLE 1. Acreage Summary, Eddy County, Artesia Lake Arthur Area, Projected 2013.

BUDGET AREA..... ARTESIA-LAKE ARTHUR AREA	
FARM SIZE.....	500.00 ACRES
IRRIGATION TYPE.....	FLOOD
NUMBER OF CROPS.....	6

  

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	52.00 *	8	416
ALFALFA	260.00	50	13,000
BARLEY	17.00	28	476
ARP	0.00		
FLEX IN PICKER COTTON	3.00	30	90
OAT HAY	20.00	28	560
PICKER COTTON	68.00	30	2,040
ARP	0.00		
FLEX IN PICKER COTTON	12.00	30	360
STRIPPER COTTON	68.00	30	2,040
ARP	0.00		
FLEX IN PICKER COTTON	12.00	30	360
RED CHILE	40.00	48	1,920
<b>TOTAL</b>	<b>500.00</b>		<b>21,262</b>
ACRE FEET PER ACRE OF WATER RIGHTS			3.54

\*DOUBLE-CROPPED

TABLE 2. Basic cost information for the Artesia-Lake Arthur area, Projected 2013.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$7.20
General & Irrigators	\$/hour	\$7.50
<b>Purchased Inputs:</b>		
<b>Fertilizer:</b>		
Nitrogen (N)	\$/pound	\$0.61
Phosphate (P <sub>2</sub> O <sub>5</sub> )	\$/pound	\$0.60
<b>Seed:</b>		
Alfalfa	\$/pound	\$6.50
Cotton picker	\$/pound	\$8.00
stripper	\$/pound	\$8.00
Barley	\$/pound	
Oats	\$/pound	\$0.38
Red Chile	\$/pound	\$88.00
<b>Wire:</b>		
	\$/lb.	\$0.03
<b>Natural gas (service charge)</b>		
	\$/MCF	\$4.00
	\$/month	\$10.00
Diesel fuel	\$/gallon	\$3.00
Gasoline	\$/gallon	\$3.80
Electricity	cents/KwHr	\$8.32
LP Gas	\$/gallon	\$2.75
Employee Liability Insurance	\$/ \$1000 wages	\$0.64
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
<b>Financial Rates:</b>		
Operating Capital Interest Rate	percent	7.50%
Land Interest Rate	percent	Amount
Equipment Interest Rate	percent	7.50%
Real Interest Rate	percent	7.00%
Land Taxes	\$250.00 /acre (full value)	\$1.75
Personal Property Tax Ra - NR	\$/ \$1,000 (Assessed Value)	\$21.05
- R		\$20.14
<b>Supervision Factors</b>		
Field Crop-Irrigation	\$/labor hour	\$0.05
Field Crop-Equipment & General	\$/labor hour	\$0.03
Vegetable Crop-Irrigation	\$/labor hour	\$0.00
Vegetable Crop-Equip. & General	\$/labor hour	\$0.00
<b>Management Rate</b>		
Field Crops	percent/GR	7.00%
Vegetable Crops	percent/TOE	10.00%

TABLE 3. Overhead cost information for the Artesia-Lake Arthur area, Projected 2013.

Item		
Electricity (Domestic & Shop)	\$290.40 per month	\$3,485
Telephone	\$211.75 per month	\$2,541
Accounting & Legal		\$3,200
Misc. Supplies & Hand Tools		\$4,090
Pickup and Auto miles	24,200 @ \$0.500 per mile	\$12,100
<b>Insurance</b>		
- general liability (non-employee)		\$1,803
- fire/theft		\$2,716
<b>Property Taxes</b>		
- non-planted land		\$0
- other than land & machinery		\$0
Building repairs and maintenance		\$0
Dues, fees, publications		\$1,367
Farmstead Equipment		\$411
<b>Total</b>		<b>\$31,714</b>
Total Per Planted Acre		\$63.43



TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2013.  
Planting dates: September 1 - September 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<b>PURCHASED INPUTS</b>								
SEED	\$6.50	20 LBS	\$130.00					\$130.00
HERBICIDE	\$32.40	1 ACRE	\$32.40					\$32.40
PUMP WATER		8 AC. IN.						
SUBTOTAL			<u>\$162.40</u>					<u>\$162.40</u>
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$3.90	\$4.96	\$24.19
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$3.18	\$16.34
PLANE (3X)	145 HP	0.57 HR		\$4.10	\$14.11	\$2.33	\$10.08	\$30.62
DISC	145 HP	0.17 HR		\$1.22	\$4.21	\$1.15	\$1.59	\$8.17
FLOAT (2X)	70 HP	0.32 HR		\$2.30	\$5.85	\$0.31	\$1.46	\$9.91
DRILL (2X)	65 HP	0.42 HR		\$3.02	\$7.76	\$0.99	\$7.19	\$18.96
IRRIGATE (2X)		1.00 HR		\$7.50	\$7.02	\$1.45	\$2.32	\$18.29
SUBTOTAL		3.30 HR		\$24.06	\$59.23	\$12.42	\$30.77	\$126.48
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.46 HR		\$3.28				\$3.28
EMPLOYEE BENEFITS				\$4.33				\$4.33
INSURANCE			\$0.02					\$0.02
SUPERVISION AND MANAGEMENT				\$20.33				\$20.33
SUBTOTAL		0.46 HR	\$0.02	\$27.93				\$27.95
TOTAL OPERATING EXPENSES		3.76 HR	\$162.41	\$51.99	\$59.23	\$12.42	\$30.77	\$316.83

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2013.  
Harvesting dates: May 5 - November 1

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$245.00	6.50 TONS (STACKED)						\$1,592.50	
GRAZING	\$40.00							\$40.00	
<b>TOTAL</b>							<b>\$1,632.50</b>		
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
INSECTICIDE (CUSTOM)	\$25.02	2 X/ACRE	\$50.05					\$50.05	
HERBICIDE (CUSTOM)	\$36.36	1 ACRE	\$36.36					\$36.36	
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25					\$5.25	
FERTILIZER (5-26-30)	\$0.21	200 LBS	\$42.00					\$42.00	
WIRE	\$0.03	56 LBS	\$1.74					\$1.74	
DRYING AGENT (AGRI-DRY)	\$8.26	1 /TON	\$53.66					\$53.66	
ESTABLISHMENT: Principal		5 YEARS					\$63.37	\$63.37	
Interest							\$13.49	\$13.49	
PUMP WATER*		50 AC. IN.							
<b>SUBTOTAL</b>			<b>\$189.06</b>				<b>\$76.86</b>	<b>\$265.92</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (7X)		3.50 HR		\$26.25	\$43.87	\$9.05	\$14.51	\$93.68	
<b>SUBTOTAL</b>		<b>3.50 HR</b>		<b>\$26.25</b>	<b>\$43.87</b>	<b>\$9.05</b>	<b>\$14.51</b>	<b>\$93.68</b>	
<b>HARVEST OPERATIONS</b>									
SWATHER (5X)	16 FT SP	0.55 HR		\$3.96	\$6.18	\$0.80	\$14.68	\$25.61	
RAKE (5X)	40 HP	0.25 HR		\$1.80	\$3.55	\$0.51	\$3.02	\$8.89	
BALER (5X)	96 HP	1.25 HR		\$9.00	\$22.84	\$1.37	\$3.79	\$37.00	
BALE WAGON (5X)	SP	1.00 HR		\$7.20	\$29.46	\$20.37	\$9.12	\$66.15	
<b>SUBTOTAL</b>		<b>3.05 HR</b>		<b>\$21.96</b>	<b>\$62.02</b>	<b>\$23.05</b>	<b>\$30.61</b>	<b>\$137.64</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.70 HR		\$5.04				\$5.04	
EMPLOYEE BENEFITS				\$8.68				\$8.68	
INSURANCE			\$0.03					\$0.03	
LAND TAXES							\$1.75	\$1.75	
SUPERVISION AND MANAGEMENT				\$114.54				\$114.54	
OTHER EXPENSES			\$63.43					\$63.43	
<b>SUBTOTAL</b>		<b>0.70 HR</b>	<b>\$63.46</b>	<b>\$128.26</b>				<b>\$1.75</b>	<b>\$193.47</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7.25 HR</b>	<b>\$252.52</b>	<b>\$176.47</b>	<b>\$105.90</b>	<b>\$32.10</b>	<b>\$123.73</b>	<b>\$690.72</b>	
<b>NET OPERATING PROFIT</b>								<b>\$941.78</b>	
INTEREST ON OPERATING CAPITAL		( \$114.85 @ 7.50% )						\$8.61	
INTEREST ON EQUIPMENT INVESTMENT							\$25.16		
<b>RETURN TO LAND AND RISK</b>							<b>\$908.01</b>		

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,632.50	
VARIABLE OPERATING EXPENSES	\$390.52		
RETURN OVER VARIABLE EXPENSES		\$1,241.98	(GROSS MARGIN)
FIXED EXPENSES	\$123.73		
NET FARM INCOME		\$1,118.25	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$176.47		
NET OPERATING PROFIT		\$941.78	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.77		
RETURN TO LAND AND RISK		\$908.01	

TABLE 8. Barley, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2013.  
 Planting dates: August 20 - September 30  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
BARLEY	\$6.12	35.00 CWT						\$214.20
DIRECT PAYMENT	\$0.00	35.00 CWT						\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$40.00							\$40.00
<b>TOTAL</b>								<b>\$254.20</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.45	110 LBS	\$49.50					\$49.50
NITROGEN (N)	\$0.61	150 LBS	\$91.50					\$91.50
INSECTICIDE (CUSTOM)	\$20.01	1 ACRE	\$20.01					\$20.01
PUMP WATER*		28 AC. IN.						
CROP INSURANCE	\$2.94		\$2.94					\$2.94
<b>SUBTOTAL</b>			<b>\$163.95</b>					<b>\$163.95</b>
<b>PREHARVEST OPERATIONS</b>								
PURCHASED INPUTS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$3.90	\$4.96	\$24.19
DISC	145 HP	0.17 HR		\$1.22	\$4.21	\$1.15	\$1.59	\$8.17
FLOAT	70 HP	0.16 HR		\$1.15	\$2.92	\$0.15	\$0.73	\$4.96
FERTILIZE	DEALER APPLIED							
DRILL	70 HP	0.21 HR		\$1.51	\$3.84	\$0.42	\$3.91	\$9.68
IRRIGATE (4X)		2.00 HR		\$15.00	\$24.57	\$5.07	\$8.12	\$52.76
<b>SUBTOTAL</b>		<b>3.02 HR</b>		<b>\$22.34</b>	<b>\$47.41</b>	<b>\$10.69</b>	<b>\$19.32</b>	<b>\$99.77</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)			\$17.91					\$17.91
HAUL (CUSTOM)			\$7.00					\$7.00
<b>SUBTOTAL</b>			<b>\$24.91</b>					<b>\$24.91</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.22 HR		\$1.55				\$1.55
EMPLOYEE BENEFITS				\$4.02				\$4.02
INSURANCE			\$0.01					\$0.01
LAND TAXES							\$1.75	\$1.75
SUPERVISION AND MANAGEMENT				\$17.92				\$17.92
OTHER EXPENSES			\$63.43					\$63.43
<b>SUBTOTAL</b>		<b>0.22 HR</b>	<b>\$63.44</b>	<b>\$23.49</b>			<b>\$1.75</b>	<b>\$88.69</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>3.24 HR</b>	<b>\$252.30</b>	<b>\$45.83</b>	<b>\$47.41</b>	<b>\$10.69</b>	<b>\$21.07</b>	<b>\$377.31</b>
<b>NET OPERATING PROFIT</b>								<b>(\$123.11)</b>
INTEREST ON OPERATING CAPITAL		( \$98.58 @ 7.50% )						\$7.39
INTEREST ON EQUIPMENT INVESTMENT								\$8.36
<b>RETURN TO LAND AND RISK</b>								<b>(\$138.86)</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$254.20	
VARIABLE OPERATING EXPENSES	\$310.41		
RETURN OVER VARIABLE EXPENSES		(\$56.21)	(GROSS MARGIN)
FIXED EXPENSES	\$21.07		
NET FARM INCOME		(\$77.28)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$45.83		
NET OPERATING PROFIT		(\$123.11)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$15.75		
RETURN TO LAND AND RISK		(\$138.86)	

TABLE 9. Oat hay, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2013.  
 Planting dates: February 1 - February 28  
 Harvesting dates: June 1 - June 30

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
OAT HAY	\$195.00	3.50 TONS (STACKED)						\$682.50
<b>TOTAL</b>								<b>\$682.50</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.38	100 LBS	\$38.00					\$38.00
FERTILIZER (16-20-0)	\$0.17	150 LBS	\$25.50					\$25.50
PUMP WATER*		28 AC. IN.						
<b>SUBTOTAL</b>			<b>\$63.50</b>					<b>\$63.50</b>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$3.90	\$4.96	\$24.19
DISC	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$3.18	\$16.34
FLOAT	70 HP	0.16 HR		\$1.15	\$2.92	\$0.15	\$0.73	\$4.96
FERTILIZE (CUSTOM)			\$0.00					\$0.00
DRILL	70 HP	0.21 HR		\$1.51	\$3.84	\$0.42	\$3.91	\$9.68
IRRIGATE (4X)		2.00 HR		\$15.00	\$24.57	\$5.07	\$8.12	\$52.76
<b>SUBTOTAL</b>		<b>3.19 HR</b>		<b>\$23.57</b>	<b>\$51.62</b>	<b>\$11.84</b>	<b>\$20.91</b>	<b>\$107.94</b>
<b>HARVEST OPERATIONS</b>								
SWATHER	16 FT	0.11 HR		\$0.79	\$1.24	\$0.16	\$2.94	\$5.12
BALER	126 HP	0.25 HR		\$1.80	\$6.19	\$1.03	\$2.06	\$11.07
BALE WAGON	S. P.	0.20 HR		\$1.44	\$5.89	\$4.07	\$1.82	\$13.23
<b>SUBTOTAL</b>		<b>0.56 HR</b>		<b>\$4.03</b>	<b>\$13.31</b>	<b>\$5.26</b>	<b>\$6.82</b>	<b>\$29.43</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.40 HR		\$2.86				\$2.86
EMPLOYEE BENEFITS				\$4.97				\$4.97
INSURANCE			\$0.02					\$0.02
LAND TAXES							\$1.75	\$1.75
SUPERVISION AND MANAGEMENT				\$47.93				\$47.93
OTHER EXPENSES			\$63.43					\$63.43
<b>SUBTOTAL</b>		<b>0.40 HR</b>	<b>\$63.45</b>	<b>\$55.76</b>			<b>\$1.75</b>	<b>\$120.96</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.15 HR</b>	<b>\$126.95</b>	<b>\$83.36</b>	<b>\$64.93</b>	<b>\$17.11</b>	<b>\$29.48</b>	<b>\$321.82</b>
<b>NET OPERATING PROFIT</b>								<b>\$360.68</b>
INTEREST ON OPERATING CAPITAL		( \$49.16 @ 7.50% )						\$3.69
INTEREST ON EQUIPMENT INVESTMENT								\$14.65
<b>RETURN TO LAND AND RISK</b>								<b>\$342.34</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$682.50	
VARIABLE OPERATING EXPENSES	\$208.99		
RETURN OVER VARIABLE EXPENSES		\$473.51	(GROSS MARGIN)
FIXED EXPENSES	\$29.48		
NET FARM INCOME		\$444.04	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$83.36		
NET OPERATING PROFIT		\$360.68	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.34		
RETURN TO LAND AND RISK		\$342.34	

TABLE 10. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, 2002.

Planting dates: April 15 - May 15  
Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
COTTON LINT	\$0.720	700 LBS						\$504.00
COTTON SEED	\$0.075	1,120 LBS						\$84.00
DIRECT PAYMENT	\$0.000	700 LBS						\$0.00
COUNTER CYCLICAL PAYMENT	\$0.087	700 LBS						\$61.11
TOTAL								\$649.11
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$8.00	15 LBS	\$120.00				\$120.00	
FOLIAR FERTILIZER	\$4.80	1 X/ACRE	\$4.80				\$4.80	
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25				\$5.25	
HERBICIDE (CUSTOM)	\$80.91	1 X/ACRE	\$80.91				\$80.91	
INSECTICIDE (CUSTOM)	\$31.56	3 X/ACRE	\$31.56				\$31.56	
CROP INSURANCE		FCIC	\$0.53				\$0.53	
PUMP WATER*		30 AC. IN.						
SUBTOTAL			\$243.05				\$243.05	
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.22	\$4.21	\$1.15	\$1.59	\$8.17
PLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$3.90	\$4.96	\$24.19
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$3.18	\$16.34
FLOAT	145 HP	0.16 HR		\$1.15	\$3.96	\$0.64	\$1.32	\$7.07
LISTER	145 HP	0.18 HR		\$1.30	\$4.45	\$1.07	\$2.36	\$9.18
PRE-IRRIGATE		0.75 HR		\$5.63	\$6.58	\$1.36	\$2.18	\$15.74
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$3.88	\$0.48	\$1.15	\$7.02
PLANTER	70 HP	0.26 HR		\$1.87	\$4.75	\$0.67	\$4.31	\$11.61
SLED	70 HP	0.15 HR		\$1.08	\$2.74	\$0.18	\$0.81	\$4.81
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.54	\$11.64	\$1.44	\$3.45	\$21.07
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		1.50 HR		\$11.25	\$19.74	\$4.07	\$6.53	\$41.59
SUBTOTAL		4.83 HR	\$20.00	\$35.45	\$82.25	\$17.27	\$31.84	\$186.81
<b>HARVEST OPERATIONS</b>								
COTTON PICKER (2X)	2-ROW	0.74 HR		\$5.33	\$13.43	\$12.68	\$158.25	\$189.69
HAUL (2X)	65 HP	1.00 HR		\$7.20	\$18.48	\$1.32	\$5.32	\$32.32
GIN COTTON (CUSTOM)			\$104.30					\$104.30
SUBTOTAL		1.74 HR	\$104.30	\$12.53	\$31.90	\$14.00	\$163.58	\$326.31
<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	70 HP	0.14 HR		\$1.01	\$2.56	\$0.19	\$2.18	\$5.94
SUBTOTAL		0.14 HR		\$1.01	\$2.56	\$0.19	\$2.18	\$5.94
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.95 HR		\$6.82				\$6.82
EMPLOYEE BENEFITS				\$8.82				\$8.82
INSURANCE			\$0.03					\$0.03
LAND TAXES							\$1.75	\$1.75
SUPERVISION AND MANAGEMENT				\$45.66				\$45.66
OTHER EXPENSES			\$63.43					\$63.43
SUBTOTAL		0.95 HR	\$63.46	\$61.30				\$124.76
TOTAL OPERATING EXPENSES		7.66 HR	\$430.81	\$110.29	\$116.71	\$31.46	\$199.36	\$888.62
NET OPERATING PROFIT								(\$239.51)
INTEREST ON OPERATING CAPITAL		( \$150.91 @ 7.50% )						\$11.32
INTEREST ON EQUIPMENT INVESTMENT								\$106.11
RETURN TO LAND AND RISK								(\$356.94)

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

BUDGET SUMMARY

GROSS RETURN		\$649.11	
VARIABLE OPERATING EXPENSES	\$578.97		
RETURN OVER VARIABLE EXPENSES		\$70.14	(GROSS MARGIN)
FIXED EXPENSES	\$199.36		
NET FARM INCOME		(\$129.22)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$110.29		
NET OPERATING PROFIT		(\$239.51)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$117.42		
RETURN TO LAND AND RISK		(\$356.94)	

TABLE 11. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2013.  
Planting dates: April 15 - May 15  
Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
COTTON LINT	\$0.680	700 LBS	\$476.00
COTTON SEED	\$0.075	1,120 LBS	\$84.00
DIRECT PAYMENT	\$0.000	700 LBS	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.137	700 LBS	\$96.11
<b>TOTAL</b>			<b>\$656.11</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL
SEED	\$8.00	20 LBS	\$160.00	\$160.00
FOLIAR FERTILIZER	\$4.80	1 X/ACRE	\$4.80	\$4.80
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25	\$5.25
HERBICIDE (CUSTOM)	\$45.34	1 X/ACRE	\$45.34	\$45.34
INSECTICIDE (CUSTOM)	\$33.18	3 X/ACRE	\$33.18	\$33.18
CROP INSURANCE		FCIC	\$0.74	\$0.74
PUMP WATER*		30 AC. IN.		
CROP INSURANCE	\$0.00		\$0.00	\$0.00
<b>SUBTOTAL</b>			<b>\$249.30</b>	<b>\$249.30</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.22	\$4.21	\$1.15	\$1.59	\$8.17
PLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$3.90	\$4.96	\$24.19
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$3.18	\$16.34
FLOAT	145 HP	0.16 HR		\$1.15	\$3.96	\$0.64	\$1.32	\$7.07
LIST	145 HP	0.18 HR		\$1.30	\$4.45	\$1.07	\$2.36	\$9.18
PRE-IRRIGATE		0.75 HR		\$5.63	\$6.58	\$1.36	\$2.18	\$15.74
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$3.88	\$0.48	\$1.15	\$7.02
PLANTER	70 HP	0.26 HR		\$1.87	\$4.75	\$0.67	\$4.31	\$11.61
SLED	70 HP	0.15 HR		\$1.08	\$2.74	\$0.18	\$0.81	\$4.81
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.54	\$11.64	\$1.44	\$3.45	\$21.07
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		1.50 HR		\$11.25	\$19.74	\$4.07	\$6.53	\$41.59
<b>SUBTOTAL</b>		<b>4.83 HR</b>	<b>\$20.00</b>	<b>\$35.45</b>	<b>\$82.25</b>	<b>\$17.27</b>	<b>\$31.84</b>	<b>\$186.81</b>

<b>HARVEST OPERATIONS</b>								
COTTON STRIPPER	70 HP	0.62 HR		\$4.46	\$11.33	\$3.49	\$62.39	\$81.67
HAUL	65 HP	0.75 HR		\$5.40	\$13.86	\$0.99	\$3.99	\$24.24
GIN COTTON (CUSTOM)			\$134.89					\$134.89
<b>SUBTOTAL</b>		<b>1.37 HR</b>	<b>\$134.89</b>	<b>\$9.86</b>	<b>\$25.18</b>	<b>\$4.48</b>	<b>\$66.38</b>	<b>\$240.80</b>

<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	70 HP	0.14 HR		\$0.56	\$2.56	\$0.19	\$2.18	\$5.49
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$0.56</b>	<b>\$2.56</b>	<b>\$0.19</b>	<b>\$2.18</b>	<b>\$5.49</b>

<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.89 HR		\$6.43				\$6.43
EMPLOYEE BENEFITS				\$8.26				\$8.26
INSURANCE			\$0.03					\$0.03
LAND TAXES						\$1.75		\$1.75
SUPERVISION AND MANAGEMENT				\$46.11				\$46.11
OTHER EXPENSES			\$63.43					\$63.43
<b>SUBTOTAL</b>		<b>0.89 HR</b>	<b>\$63.46</b>	<b>\$60.79</b>		<b>\$1.75</b>		<b>\$126.00</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>7.23 HR</b>	<b>\$467.65</b>	<b>\$106.66</b>	<b>\$109.99</b>	<b>\$21.93</b>	<b>\$102.16</b>	<b>\$808.40</b>
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<b>NET OPERATING PROFIT</b>								<b>(\$152.29)</b>
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INTEREST ON OPERATING CAPITAL	(	\$152.69	@	7.50%	)			\$11.45
INTEREST ON EQUIPMENT INVESTMENT								\$55.19

<b>RETURN TO LAND AND RISK</b>								<b>(\$218.93)</b>
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\* Pump water costs are shown under irrigation in the preharvest operation section.

**BUDGET SUMMARY**

GROSS RETURN		\$656.11		
VARIABLE OPERATING EXPENSES	\$599.57			
RETURN OVER VARIABLE EXPENSES		\$56.54	(GROSS MARGIN)	
FIXED EXPENSES	\$102.16			
NET FARM INCOME		(\$45.62)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$106.66			
NET OPERATING PROFIT		(\$152.29)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$66.65			
RETURN TO LAND AND RISK		(\$218.93)		



TABLE 12. Red chile, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2013.  
Planting dates: April 1 - April 15  
Harvesting dates: September 1 - October 30

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
RED CHILE	\$1.00	3,200 LBS						\$3,200.00	
<b>TOTAL</b>							<b>\$3,200.00</b>		
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED	\$88.00	8 LBS	\$704.00					\$704.00	
NITROGEN (N)	\$0.61	120 LBS	\$73.20					\$73.20	
PHOSPHATE (P205)	\$0.60	70 LBS	\$42.00					\$42.00	
HERBICIDE (CUSTOM)	\$34.59	1 X/ACRE	\$34.59					\$34.59	
INSECTICIDE (CUSTOM)	\$40.88	3 X/ACRE	\$40.88					\$40.88	
CROP INSURANCE		400 DOLLARS	\$20.00					\$20.00	
NOVA CHEMICAL APPLICATION	\$4.30	0 AI OZ PER ACRE	\$0.00					\$0.00	
PUMP WATER*		48 AC. IN.							
<b>SUBTOTAL</b>			<b>\$914.67</b>					<b>\$914.67</b>	
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$3.90	\$4.96	\$24.19	
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$3.18	\$16.34	
PLANE	145 HP	0.16 HR		\$1.15	\$3.96	\$0.65	\$2.83	\$8.59	
FERTILIZE	DEALER APPLIED								
LIST	145 HP	0.18 HR		\$1.30	\$4.45	\$1.07	\$2.36	\$9.18	
PRE-IRRIGATE		0.75 HR		\$5.63	\$5.26	\$1.09	\$1.74	\$13.72	
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$3.88	\$0.48	\$1.15	\$7.02	
PLANTER	70 HP	0.26 HR		\$1.87	\$4.75	\$0.67	\$4.31	\$11.61	
CULTIVATOR (5X)	65 HP	1.05 HR		\$7.56	\$19.40	\$2.41	\$5.75	\$35.12	
THIN (CUSTOM)			\$45.00					\$45.00	
IRRIGATE (7X)		3.50 HR		\$26.25	\$36.85	\$7.60	\$12.19	\$82.89	
HAND HOE (CUSTOM)			\$20.00					\$20.00	
CHEMICAL APPLICATION (CUSTOM)			\$0.00					\$0.00	
<b>SUBTOTAL</b>			<b>\$65.00</b>	<b>\$51.17</b>	<b>\$98.85</b>	<b>\$20.17</b>	<b>\$38.47</b>	<b>\$273.67</b>	
<b>HARVEST OPERATIONS</b>									
HAND PICK (CUSTOM)			\$640.00					\$640.00	
FIELD HAUL	145 HP	0.90 HR		\$6.48	\$22.27	\$3.60	\$8.15	\$40.50	
HAUL (CUSTOM)			\$96.00					\$96.00	
<b>SUBTOTAL</b>			<b>\$736.00</b>	<b>\$6.48</b>	<b>\$22.27</b>	<b>\$3.60</b>	<b>\$8.15</b>	<b>\$776.50</b>	
<b>POSTHARVEST OPERATIONS</b>									
SHREDDER	70 HP	0.14 HR		\$1.01	\$2.56	\$0.19	\$2.18	\$5.94	
<b>SUBTOTAL</b>				<b>\$1.01</b>	<b>\$2.56</b>	<b>\$0.19</b>	<b>\$2.18</b>	<b>\$5.94</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.93 HR		\$6.70				\$6.70	
EMPLOYEE BENEFITS				\$10.56				\$10.56	
INSURANCE			\$0.04					\$0.04	
LAND TAXES						\$1.75		\$1.75	
SUPERVISION AND MANAGEMENT				\$224.32				\$224.32	
OTHER EXPENSES			\$63.43					\$63.43	
<b>SUBTOTAL</b>			<b>\$63.47</b>	<b>\$241.58</b>			<b>\$1.75</b>	<b>\$306.80</b>	
<b>TOTAL OPERATING EXPENSES</b>			<b>8.90 HR</b>	<b>\$1,779.13</b>	<b>\$300.24</b>	<b>\$123.68</b>	<b>\$23.96</b>	<b>\$50.56</b>	<b>\$2,277.58</b>
<b>NET OPERATING PROFIT</b>								<b>\$922.42</b>	
INTEREST ON OPERATING CAPITAL		( \$489.93 @	7.50%	)				\$36.74	
INTEREST ON EQUIPMENT INVESTMENT								\$25.56	
<b>RETURN TO LAND AND RISK</b>								<b>\$860.11</b>	

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

GROSS RETURN		\$3,200.00	
VARIABLE OPERATING EXPENSES	#####		
RETURN OVER VARIABLE EXPENSES		\$1,273.22	(GROSS MARGIN)
FIXED EXPENSES	\$50.56		
NET FARM INCOME		\$1,222.66	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$300.24		
NET OPERATING PROFIT		\$922.42	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$62.31		
RETURN TO LAND AND RISK		\$860.11	

TABLE 13. Summary of per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2013.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON	RED CHILE
		TONS	CWT	TONS	LBS	LBS	LBS
PRIMARY YIELD		6.50	35.00	3.50	700.00	700.00	3200.00
PRIMARY PRICE		\$245.00	\$6.12	\$195.00	\$0.72	\$0.68	\$1.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$61.11	\$96.11	\$0.00
SECOND INCOME		\$40.00	\$40.00	\$0.00	\$84.00	\$84.00	\$0.00
GROSS RETURN		\$1,632.50	\$254.20	\$682.50	\$649.11	\$656.11	\$3,200.00
CASH OPERATING EXPENSES							
SEED	\$130.00		\$49.50	\$38.00	\$120.00	\$160.00	\$704.00
FERTILIZER		\$42.00	\$91.50	\$25.50	\$4.80	\$4.80	\$115.20
CHEMICALS	\$32.40	\$86.41	\$20.01		\$117.72	\$83.76	\$75.47
CROP INSURANCE			\$2.94		\$0.53	\$0.74	\$20.00
OTHER PURCHASED INPUTS		\$60.65					
CANAL WATER							
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$52.21	\$62.02	\$22.85	\$40.37	\$90.38	\$83.66	\$81.57
FUEL-IRRIGATION	\$7.02	\$43.87	\$24.57	\$24.57	\$26.32	\$26.32	\$42.12
REPAIRS	\$12.42	\$32.10	\$10.69	\$17.11	\$31.46	\$21.93	\$23.96
CUSTOM CHARGES			\$24.91		\$124.30	\$154.89	\$801.00
LAND TAXES		\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75
OTHER EXPENSES	\$0.02	\$63.46	\$63.44	\$63.45	\$63.46	\$63.46	\$63.47
TOTAL CASH EXPENSES	\$234.06	\$392.27	\$312.16	\$210.74	\$580.73	\$601.32	\$1,928.53
RETURN OVER CASH EXPENSES	(\$234.06)	\$1,240.23	(\$57.96)	\$471.76	\$68.38	\$54.79	\$1,271.47
FIXED EXPENSES	\$30.77	\$121.98	\$19.32	\$27.72	\$197.61	\$100.41	\$48.81
TOTAL EXPENSES	\$264.84	\$514.25	\$331.48	\$238.46	\$778.33	\$701.73	\$1,977.34
NET FARM INCOME	(\$264.84)	\$1,118.25	(\$77.28)	\$444.04	(\$129.22)	(\$45.62)	\$1,222.66
LABOR AND MANAGEMENT COSTS	\$51.99	\$176.47	\$45.83	\$83.36	\$110.29	\$106.66	\$300.24
NET OPERATING PROFIT	(\$316.83)	\$941.78	(\$123.11)	\$360.68	(\$239.51)	(\$152.29)	\$922.42
CAPITAL COSTS							
INTEREST ON OPERATING CAPITAL		\$8.61	\$7.39	\$3.69	\$11.32	\$11.45	\$36.74
INTEREST ON EQUIPMENT INVESTMENT		\$25.16	\$8.36	\$14.65	\$106.11	\$55.19	\$25.56
TOTAL CAPITAL COSTS	\$0.00	\$33.77	\$15.75	\$18.34	\$117.42	\$66.65	\$62.31
RETURN TO LAND AND RISK	(\$316.83)	\$908.01	(\$138.86)	\$342.34	(\$356.94)	(\$218.93)	\$860.11

TABLE 14. Whole farm summary, Artesia-Lake Arthur area,  
Projected 2013.

GROSS RETURNS		
ALFALFA HAY	260 ACRES	
CROP		\$424,450
BARLEY	17 ACRES	
CROP		\$4,321
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
OAT HAY	20 ACRES	
CROP		\$13,650
PICKER COTTON	95 ACRES	
COTTON LINT		\$47,880
COTTON SEED		\$7,980
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$5,805
STRIPPER COTTON	68 ACRES	
COTTON LINT		\$32,368
COTTON SEED		\$5,712
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$6,535
RED CHILE	40 ACRES	
CROP		\$128,000
GROSS RETURN		<u>\$676,702</u>
CASH OPERATING EXPENSES		
SEED		\$58,802
FERTILIZER		\$18,376
CHEMICALS		\$44,390
CROP INSURANCE		\$950
OTHER PURCHASED INPUTS		\$15,770
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$37,575
FUEL-IRRIGATION		\$18,656
REPAIRS		\$14,954
CUSTOM CHARGES		\$54,804
LAND TAXES		\$877
OTHER EXPENSES		\$31,730
TOTAL CASH EXPENSES		<u>\$296,884</u>
RETURN OVER CASH EXPENSES		\$379,818
FIXED EXPENSES		\$45,275
TOTAL EXPENSES		\$342,159
NET FARM INCOME		\$334,543
LABOR AND MANAGEMENT COSTS		\$80,772
NET OPERATING PROFIT		\$253,771
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$5,763
INTEREST ON EQUIPMENT INVESTMENT		\$21,832
TOTAL CAPITAL COSTS		<u>\$27,595</u>
RETURN TO LAND AND RISK		<u>\$226,176</u>
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$191,176	36.72%
\$2,500 /ACRE	\$138,676	17.61%
\$4,000 /ACRE	\$86,176	11.58%
\$5,500 /ACRE	\$33,676	8.63%

\* 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)