

TABLE 1. Acreage Summary, Eddy County, Artesia Lake Arthur Area, Projected 2012.

BUDGET AREA..... ARTESIA-LAKE ARTHUR AREA			
FARM SIZE..... 500 ACRES			
IRRIGATION TYPE..... SPRINKLER			
NUMBER OF CROPS..... 6			
ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	57.00	42	2,394
ALFALFA	285.00	48	13,680
BARLEY	8.50	28	238
ARP	0.00		
FLEX IN PICKER COTTON	1.50	28	42
OAT HAY	8.00	28	224
PICKER COTTON	59.50	28	1,666
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
STRIPPER COTTON	59.50	28	1,666
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
TOTAL	500.00		20,498
ACRE FEE PER ACRE OF WATER RIGHTS			3.42

TABLE 2. Basic cost information for the Artesia-Lake Arthur area, Projected 2012.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.20
General & Irrigators	\$/hour	\$7.25
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.89
Phosphate (P ₂ O ₅)	\$/pound	\$0.75
Chemicals:		
Herbicide	\$/acre	\$0.00
Insecticide	\$/acre	\$0.00
Seed:		
Alfalfa	\$/pound	\$6.50
Cotton		
picker	\$/pound	\$8.00
stripper	\$/pound	\$8.00
Oats	\$/pound	\$0.38
Barley	\$/pound	
Wire:	\$/pound	\$2.98
Natural gas (service charge)	\$/MCF	\$4.00
Diesel fuel	\$/month	\$10.00
Gasoline	\$/gallon	\$3.00
Electricity	\$/gallon	\$3.80
LP Gas	cents/KwHr	8.32
	\$/gallon	\$2.75
Employee Liability Insurance	\$/\$/1,000 wages	\$0.57
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	0.00%
Financial Rates:		
Operating Capital Interest Rate	percent	7.50%
Land Interest Rate	percent	7.00%
Equipment Interest Rate	percent	7.50%
Real Interest Rate	percent	4.00%
Land Taxes	\$250.00 /acre (full value)	\$1.75
Personal Property Tax Rate - NR	\$/\$/1,000 (Assessed Value)	\$20.95
- R		\$19.81
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$0.07
Field Crop-Equipment & General	\$/labor hour	\$0.03
Vegetable Crop-Irrigation	\$/labor hour	\$0.00
Vegetable Crop-Equip. & General	\$/labor hour	\$0.00
Management Rate		
Field Crops	percent/GR	7.00%
Vegetable Crops	percent/TOE	0.00%

TABLE 3. Overhead cost information for the Artesia-Lake Arthur area, Projected 2012.

Item		
Electricity (Domestic & Shop)	\$237.16 per month	\$2,845.92
Telephone	\$118.58 per month	\$1,422.96
Accounting & Legal		\$1,645.60
Misc. Supplies & Hand Tools		\$1,539.12
Pickup and Auto		
miles	24,200 @ \$0.50 per mile	\$12,100.00
Insurance		
- general liability (non-employee)		\$1,837.99
- fire/theft		\$1,645.60
Property Taxes		
- non-planted land		\$0.00
- other than land & machinery		\$0.00
Building repairs and maintenance		\$1,389.08
Dues, fees, publications		\$423.50
Farmstead Equipment		\$180.29
Total		\$25,030.06
Total Per Planted Acre		\$56.50

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2012.
Planting dates: March 15 - April 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$265.00	6.50 TONS (STACKED)						\$1,722.50
TOTAL							\$1,722.50	
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PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$6.50	20 LBS	\$130.00					\$130.00
FERTILIZER (16-20-0)	\$0.41	200 LBS	\$82.00					\$82.00
HERBICIDE	\$0.00	1 ACRE	\$0.00					\$0.00
PUMP WATER*		42 AC. IN.						
SUBTOTAL			\$212.00					\$212.00
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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	\$2.08	\$8.66
FLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$4.29	\$7.07	\$26.69
FLOAT	70 HP	0.16 HR		\$1.15	\$2.92	\$0.33	\$1.40	\$5.81
PLANE (3X)	145 HP	0.57 HR		\$4.10	\$14.11	\$2.33	\$12.06	\$32.60
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$4.16	\$17.32
FLOAT (2X)	70 HP	0.32 HR		\$2.30	\$5.85	\$0.67	\$2.81	\$11.63
DRILL (2X)	70 HP	0.42 HR		\$3.02	\$7.67	\$1.31	\$10.13	\$22.14
IRRIGATE (6X)		1.50 HR		\$10.88	\$59.11	\$0.00	\$34.89	\$104.87
SUBTOTAL		3.96 HR		\$28.59	\$114.16	\$12.38	\$74.60	\$229.73
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HARVEST OPERATIONS								
SWATHER (3X)	16 FT	0.33 HR		\$2.38	\$3.71	\$0.48	\$7.23	\$13.79
RAKE	40 HP	0.05 HR		\$0.36	\$0.71	\$0.08	\$0.40	\$1.54
BALER (3X)	145 HP	0.75 HR		\$5.40	\$18.56	\$3.14	\$8.07	\$35.17
BALEWAGON (3X)	SP	0.60 HR		\$4.32	\$17.67	\$13.39	\$4.50	\$39.89
SUBTOTAL		1.73 HR		\$12.46	\$40.65	\$17.09	\$20.19	\$90.39
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OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$7.39				\$7.39
INSURANCE			\$0.02					\$0.02
SUPERVISION AND MANAGEMENT				\$120.81				\$120.81
SUBTOTAL		0.00 HR	\$0.02	\$128.19				\$128.22
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TOTAL OPERATING EXPENSES		5.69 HR	\$212.02	\$169.24	\$154.81	\$29.47	\$94.80	\$660.33
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NET OPERATING PROFIT							\$1,062.17	
INTEREST ON EQUIPMENT INVESTMENT							\$45.69	
RETURN TO LAND AND RISK							\$1,016.47	
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BUDGET SUMMARY								
GROSS RETURN		\$1,722.50						
VARIABLE OPERATING EXPENSES	\$396.30							
RETURN OVER VARIABLE EXPENSES	\$1,326.20	(GROSS MARGIN)						
FIXED EXPENSES	\$94.80							
NET FARM INCOME	\$1,231.40	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$169.24							
NET OPERATING PROFIT	\$1,062.17	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$45.69							
RETURN TO LAND AND RISK	\$1,016.47							

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2012.
Harvesting Dates: May 5 - November 1

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$265.00	6.50 TONS (STACKED)	\$1,722.50
GRAZING	\$40.00		\$40.00
TOTAL			\$1,762.50

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
INSECTICIDE (CUSTOM)	\$0.00	2 X/ACRE	\$0.00		\$0.00
HERBICIDE (CUSTOM)	\$0.00	1 X/ACRE	\$0.00		\$0.00
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25		\$5.25
FERTILIZER (5-26-30)	\$0.89	200 LBS	\$178.00		\$178.00
WIRE	\$2.98	56 LBS	\$166.00		\$166.00
DRYING AGENT (AGRI-DRY)	\$8.26	1 /TON	\$53.66		\$53.66
ESTABLISHMENT: Principal		5 YEARS		\$203.29	\$203.29
: Interest				\$43.47	\$43.47
PUMP WATER*		48 AC. IN.			
SUBTOTAL			\$402.91	\$246.77	\$649.68

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50 HR		\$10.88	\$67.56	\$0.00	\$39.87	\$118.30
SUBTOTAL		1.50 HR		\$10.88	\$67.56	\$0.00	\$39.87	\$118.30
HARVEST OPERATIONS								
SWATHER (5X)	16 FT SP	0.55 HR		\$3.96	\$6.18	\$0.80	\$12.05	\$22.98
RAKE (5X)	40 HP	0.25 HR		\$1.80	\$3.55	\$0.38	\$1.98	\$7.72
BALER (5X)	96 HP	1.25 HR		\$9.00	\$22.84	\$2.87	\$6.30	\$41.00
BALE WAGON (5X)	SP	1.00 HR		\$7.20	\$29.46	\$22.32	\$7.50	\$66.48
SUBTOTAL		3.05 HR		\$21.96	\$62.02	\$26.36	\$27.83	\$138.17
OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$5.91				\$5.91
INSURANCE			\$0.02					\$0.02
LAND TAXES							\$1.75	\$1.75
SUPERVISION AND MANAGEMENT				\$123.57				\$123.57
OTHER EXPENSES			\$56.50					\$56.50
SUBTOTAL		0.00 HR	\$56.52	\$129.48			\$1.75	\$187.75
TOTAL OPERATING EXPENSES		4.55 HR	\$459.43	\$162.32	\$129.58	\$26.36	\$316.21	\$1,093.90
NET OPERATING PROFIT								\$668.60
INTEREST ON OPERATING CAPITAL		(\$225.71 @ 7.50%)						\$16.93
INTEREST ON EQUIPMENT INVESTMENT								\$24.62
RETURN TO LAND AND RISK								\$627.05

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

BUDGET SUMMARY

GROSS RETURN		\$1,762.50	
VARIABLE OPERATING EXPENSES	\$615.37		
RETURN OVER VARIABLE EXPENSES		\$1,147.13	(GROSS MARGIN)
FIXED EXPENSES	\$316.21		
NET FARM INCOME		\$830.91	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$162.32		
NET OPERATING PROFIT		\$668.60	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$41.55		
RETURN TO LAND AND RISK		\$627.05	

TABLE 8. Barley, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2012.
Planting dates: August 20 - September 30
Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
BARLEY	\$6.12	35.00 CWT						\$214.20	
DIRECT PAYMENT	\$0.00	35.00 CWT	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00	35.00 CWT	0.85					\$0.00	
GRAZING	\$40.00							\$40.00	
TOTAL								\$254.20	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED		110 LBS	\$0.41					\$0.41	
NITROGEN (N)	\$0.89	150 LBS	\$133.50					\$133.50	
INSECTICIDE (CUSTOM)	\$0.00	1 X/ACRE	\$0.00					\$0.00	
PUMP WATER*		28 AC. IN.							
CROP INSURANCE	\$5.88		\$5.88					\$5.88	
SUBTOTAL			\$139.79					\$139.79	
PREHARVEST OPERATIONS									
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	\$4.29	\$7.07	\$26.69	
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$4.16	\$17.32	
FERTILIZE	DEALER APPLIED								
DRILL	70 HP	0.21 HR		\$1.51	\$3.84	\$0.66	\$5.07	\$11.07	
IRRIGATE (4X)		1.00 HR		\$7.25	\$39.41	\$0.00	\$23.26	\$69.92	
SUBTOTAL		2.03 HR		\$14.67	\$63.54	\$7.24	\$39.55	\$125.00	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			\$17.91					\$17.91	
HAUL (CUSTOM)			\$7.00					\$7.00	
SUBTOTAL			\$24.91					\$24.91	
OVERHEAD EXPENSES									
DOWNTIME		0.00 HR		\$0.00				\$0.00	
EMPLOYEE BENEFITS				\$2.64				\$2.64	
INSURANCE			\$0.01					\$0.01	
LAND TAXES							\$1.75	\$1.75	
SUPERVISION AND MANAGEMENT				\$17.89				\$17.89	
OTHER EXPENSES			\$56.50					\$56.50	
SUBTOTAL		0.00 HR	\$56.51	\$20.53			\$1.75	\$78.79	
TOTAL OPERATING EXPENSES		2.03 HR	\$221.21	\$35.20	\$63.54	\$7.24	\$41.30	\$368.49	
NET OPERATING PROFIT								(\$114.29)	
INTEREST ON OPERATING CAPITAL		(\$89.67 @	7.50%)				\$6.73	
INTEREST ON EQUIPMENT INVESTMENT								\$12.78	
RETURN TO LAND AND RISK								(\$133.80)	

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

BUDGET SUMMARY

GROSS RETURN		\$254.20	
VARIABLE OPERATING EXPENSES	\$291.99		
RETURN OVER VARIABLE EXPENSES		(\$37.79)	(GROSS MARGIN)
FIXED EXPENSES	\$41.30		
NET FARM INCOME		(\$79.09)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$35.20		
NET OPERATING PROFIT		(\$114.29)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$19.50		
RETURN TO LAND AND RISK		(\$133.80)	

TABLE 9. Oat hay, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2012.
Planting dates: February 1 - February 28
Harvesting Dates: June 1 - June 30

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
OAT HAY	\$225.00	3.50 TONS (STACKED)	\$787.50
TOTAL			<u>\$787.50</u>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.38	100 LBS	\$38.00		\$38.00
FERTILIZER (16-20-0)	\$0.75	150 LBS	\$112.50		\$112.50
PUMP WATER*		28 AC. IN.			
SUBTOTAL			<u>\$150.50</u>		<u>\$150.50</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	\$4.29	\$7.07	\$26.69
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$4.16	\$17.32
DRILL	70 HP	0.21 HR		\$1.51	\$3.84	\$0.66	\$5.07	\$11.07
IRRIGATE (4X)		1.00 HR		\$7.25	\$39.41	\$0.00	\$23.26	\$69.92
SUBTOTAL		2.03 HR		<u>\$14.67</u>	<u>\$63.54</u>	<u>\$7.24</u>	<u>\$39.55</u>	<u>\$125.00</u>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER	14 FT	0.16 HR		\$1.15	\$1.80	\$0.23	\$3.50	\$6.69
BALER	145 HP	0.25 HR		\$1.80	\$6.19	\$1.05	\$2.69	\$11.72
BALE WAGON	S. P.	0.20 HR		\$1.44	\$5.89	\$4.46	\$1.50	\$13.30
SUBTOTAL		0.61 HR		<u>\$4.39</u>	<u>\$13.88</u>	<u>\$5.74</u>	<u>\$7.69</u>	<u>\$31.70</u>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS			\$3.43				\$3.43
INSURANCE		\$0.01					\$0.01
LAND TAXES						\$1.75	\$1.75
SUPERVISION AND MANAGEMENT			\$55.24				\$55.24
OTHER EXPENSES		\$56.50					\$56.50
SUBTOTAL	0.00 HR	\$56.51	<u>\$58.67</u>			<u>\$1.75</u>	<u>\$116.93</u>

TOTAL OPERATING EXPENSES	2.64 HR	\$207.01	<u>\$77.73</u>	<u>\$77.41</u>	<u>\$12.99</u>	<u>\$48.99</u>	<u>\$424.14</u>
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NET OPERATING PROFIT							\$363.36
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INTEREST ON OPERATING CAPITAL	(\$94.58 @ 7.50%)						\$7.09
INTEREST ON EQUIPMENT INVESTMENT							\$18.55

RETURN TO LAND AND RISK							<u>\$337.72</u>
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$787.50	
VARIABLE OPERATING EXPENSES	\$297.41		
RETURN OVER VARIABLE EXPENSES	\$490.09		(GROSS MARGIN)
FIXED EXPENSES	\$48.99		
NET FARM INCOME		\$441.10	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$77.73		
NET OPERATING PROFIT		\$363.36	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$25.64		
RETURN TO LAND AND RISK		<u>\$337.72</u>	

TABLE 10. Upland cotton (picker), sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2012.
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.85	700 LBS		\$595.00
COTTON SEED	\$0.07	1,120.00 LBS		\$78.40
DIRECT PAYMENT	\$0.0000	700 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	700 LBS	0.85	\$81.69
TOTAL				\$755.09

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	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)	\$0.00	1 X/ACRE	\$0.00		\$0.00
INSECTICIDE (CUSTOM)	\$0.00	3 X/ACRE	\$0.00		\$0.00
CROP INSURANCE			\$1.64		\$1.64
PUMP WATER*		28 AC. IN.			
SUBTOTAL			\$131.69		\$131.69

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	\$2.08	\$8.66
PLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$4.29	\$7.07	\$26.69
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$4.16	\$17.32
FLOAT	145 HP	0.16 HR		\$1.15	\$3.96	\$0.64	\$1.69	\$7.44
PRE-IRRIGATE		0.25 HR		\$1.81	\$9.85	\$0.00	\$5.81	\$17.48
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$3.88	\$1.57	\$1.77	\$8.73
PLANTER	70 HP	0.26 HR		\$1.87	\$4.75	\$0.96	\$6.93	\$14.51
SLED	70 HP	0.15 HR		\$1.08	\$2.74	\$0.35	\$1.50	\$5.67
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.54	\$11.64	\$4.72	\$5.30	\$26.19
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$5.44	\$29.56	\$0.00	\$17.44	\$52.44
SUBTOTAL		3.40 HR	\$20.00	\$24.53	\$90.88	\$15.98	\$53.74	\$205.13

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON PICKER (2X)	2-ROW	0.74 HR		\$5.33	\$13.43	\$12.68	\$183.30	\$214.74
HAUL (2X)	65 HP	1.00 HR		\$7.20	\$18.48	\$1.32	\$6.64	\$33.64
GIN COTTON (CUSTOM)			\$104.30					\$104.30
SUBTOTAL		1.74 HR	\$104.30	\$12.53	\$31.90	\$14.00	\$189.94	\$352.68

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	70 HP	0.14 HR		\$1.01	\$2.56	\$0.35	\$3.53	\$7.44
SUBTOTAL		0.14 HR		\$1.01	\$2.56	\$0.35	\$3.53	\$7.44

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$6.85				\$6.85
INSURANCE			\$0.02					\$0.02
LAND TAXES							\$1.75	\$1.75
SUPERVISION AND MANAGEMENT				\$53.05				\$53.05
OTHER EXPENSES			\$56.50					\$56.50
SUBTOTAL		0.00 HR	\$56.52	\$59.90			\$1.75	\$118.17

TOTAL OPERATING EXPENSES		5.28 HR	\$312.51	\$97.97	\$125.34	\$30.33	\$248.96	\$815.11
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NET OPERATING PROFIT								(\$60.02)
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INTEREST ON OPERATING CAPITAL		(\$97.11 @	7.50%)				\$7.28
INTEREST ON EQUIPMENT INVESTMENT								\$127.56

RETURN TO LAND AND RISK								(\$194.86)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$755.09		
VARIABLE OPERATING EXPENSES	\$468.18			
RETURN OVER VARIABLE EXPENSES	\$286.91	(GROSS MARGIN)		
FIXED EXPENSES	\$248.96			
NET FARM INCOME	\$37.95	(RETURN TO CAPITAL, LABOR, LAND & RISK)		
aes	\$97.97			
NET OPERATING PROFIT	(\$60.02)	(RETURN TO CAPITAL, LAND & RISK)		
CAPITAL COSTS	\$134.84			
RETURN TO LAND AND RISK		(\$194.86)		

TABLE 11. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2012.
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE					TOTAL	
GROSS RETURNS									
COTTON LINT	\$0.81	700 LBS						\$567.00	
COTTON SEED	\$0.07	1,120 LBS						\$78.40	
DIRECT PAYMENT	\$0.0000	700 LBS	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.1373	700 LBS	0.85					\$81.69	
TOTAL								\$727.09	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	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)	\$0.00	1 X/ACRE	\$0.00					\$0.00	
INSECTICIDE (CUSTOM)	\$0.00	3 X/ACRE	\$0.00					\$0.00	
CROP INSURANCE		FCIC	\$1.19					\$1.19	
PUMP WATER*		28 AC. IN.							
SUBTOTAL			\$171.24					\$171.24	
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	\$2.08	\$8.66	
PLOW	145 HP	0.48 HR		\$3.46	\$11.88	\$4.29	\$7.07	\$26.69	
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.41	\$2.30	\$4.16	\$17.32	
FLOAT	145 HP	0.16 HR		\$1.15	\$3.96	\$0.64	\$1.69	\$7.44	
PRE-IRRIGATE		0.25 HR		\$1.81	\$9.85	\$0.00	\$5.81	\$17.48	
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$3.88	\$1.57	\$1.77	\$8.73	
PLANTER	70 HP	0.26 HR		\$1.87	\$4.75	\$0.96	\$6.93	\$14.51	
SLED	70 HP	0.15 HR		\$1.08	\$2.74	\$0.35	\$1.50	\$5.67	
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.54	\$11.64	\$4.72	\$5.30	\$26.19	
HAND HOE (CUSTOM)			\$20.00					\$20.00	
IRRIGATE (3X)		0.75 HR		\$5.44	\$29.56	\$0.00	\$17.44	\$52.44	
SUBTOTAL		3.40 HR	\$20.00	\$24.53	\$90.88	\$15.98	\$53.74	\$205.13	
HARVEST OPERATIONS									
COTTON STRIPPER	70 HP	0.62 HR		\$4.46	\$11.33	\$1.86	\$18.21	\$35.86	
HAUL	65 HP	0.75 HR		\$5.40	\$13.86	\$0.99	\$4.98	\$25.23	
GIN COTTON (CUSTOM)			\$134.89					\$134.89	
SUBTOTAL		1.37 HR	\$134.89	\$9.86	\$25.18	\$2.85	\$23.20	\$195.98	
POSTHARVEST OPERATIONS									
SHREDDER	70 HP	0.14 HR		\$0.56	\$2.56	\$0.35	\$3.53	\$6.99	
SUBTOTAL		0.14 HR		\$0.56	\$2.56	\$0.35	\$3.53	\$6.99	
OVERHEAD EXPENSES									
DOWNTIME		0.00 HR		\$0.00				\$0.00	
EMPLOYEE BENEFITS				\$6.29				\$6.29	
INSURANCE			\$0.02					\$0.02	
LAND TAXES							\$1.75	\$1.75	
SUPERVISION AND MANAGEMENT				\$51.06				\$51.06	
OTHER EXPENSES			\$56.50					\$56.50	
SUBTOTAL		0.00 HR	\$56.52	\$57.35			\$1.75	\$115.62	
TOTAL OPERATING EXPENSES		4.91 HR	\$382.65	\$92.31	\$118.62	\$19.17	\$82.21	\$694.97	
NET OPERATING PROFIT								\$32.13	
INTEREST ON OPERATING CAPITAL		(\$115.40 @	7.50%)				\$8.65	
INTEREST ON EQUIPMENT INVESTMENT								\$40.64	
RETURN TO LAND AND RISK								(\$17.17)	

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

BUDGET SUMMARY

GROSS RETURN		\$727.09	
VARIABLE OPERATING EXPENSES	\$520.44		
RETURN OVER VARIABLE EXPENSES	\$206.65	(GROSS MARGIN)	
FIXED EXPENSES	\$82.21		
NET FARM INCOME	\$124.44	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$92.31		
NET OPERATING PROFIT	\$32.13	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$49.30		
RETURN TO LAND AND RISK		(\$17.17)	

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area,
Projected 2012.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON
	TONS	TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD	6.50	6.50	35.00	3.50	700.00	700.00
PRIMARY PRICE	\$265.00	\$265.00	\$6.12	\$225.00	\$0.85	\$0.81
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$81.69	\$81.69
SECOND INCOME	\$0.00	\$40.00	\$40.00	\$0.00	\$78.40	\$78.40
GROSS RETURN	\$1,722.50	\$1,762.50	\$254.20	\$787.50	\$755.09	\$727.09
CASH OPERATING EXPENSES						
SEED	\$130.00		\$0.41	\$38.00	\$120.00	\$160.00
FERTILIZER	\$82.00	\$178.00	\$133.50	\$112.50	\$4.80	\$4.80
CHEMICALS	\$0.00	\$5.25	\$0.00		\$5.25	\$5.25
CROP INSURANCE			\$5.88		\$1.64	\$1.19
OTHER PURCHASED INPUTS		\$219.66				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$95.70	\$62.02	\$24.13	\$38.00	\$85.93	\$79.21
FUEL-IRRIGATION	\$59.11	\$67.56	\$39.41	\$39.41	\$39.41	\$39.41
REPAIRS	\$29.47	\$26.36	\$7.24	\$12.99	\$30.33	\$19.17
CUSTOM CHARGES			\$24.91		\$124.30	\$154.89
LAND TAXES		\$1.75	\$1.75	\$1.75	\$1.75	\$1.75
OTHER EXPENSES	\$0.02	\$56.52	\$56.51	\$56.51	\$56.52	\$56.52
TOTAL CASH EXPENSES	\$396.30	\$617.12	\$293.74	\$299.16	\$469.93	\$522.19
RETURN OVER CASH EXPENSES	\$1,326.20	\$1,145.38	(\$39.54)	\$488.34	\$285.17	\$204.90
FIXED EXPENSES	\$94.80	\$314.47	\$39.55	\$47.25	\$247.21	\$80.47
TOTAL EXPENSES	\$491.10	\$931.59	\$333.29	\$346.40	\$717.14	\$602.66
NET FARM INCOME	\$1,231.40	\$830.91	(\$79.09)	\$441.10	\$37.95	\$124.44
LABOR AND MANAGEMENT COSTS	\$169.24	\$162.32	\$35.20	\$77.73	\$97.97	\$92.31
NET OPERATING PROFIT	\$1,062.17	\$668.60	(\$114.29)	\$363.36	(\$60.02)	\$32.13
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$16.93	\$6.73	\$7.09	\$7.28	\$8.65
INTEREST ON EQUIPMENT INVESTMENT	\$45.69	\$24.62	\$12.78	\$18.55	\$127.56	\$40.64
TOTAL CAPITAL COSTS	\$45.69	\$41.55	\$19.50	\$25.64	\$134.84	\$49.30
RETURN TO LAND AND RISK	\$1,016.47	\$627.05	(\$133.80)	\$337.72	(\$194.86)	(\$17.17)

Flex Computation -81.464394 403.51694 179.91371 103.94129

TABLE 13. Whole farm summary, Artesia-Lake Arthur area,
Projected 2012.

GROSS RETURNS		
ALFALFA HAY	342 ACRES	\$600,495
CROP GRAZING		\$11,400
BARLEY	8.5 ACRES	\$1,821
CROP		\$0
DIRECT PAYMENTS		\$0
COUNTER CYCLICAL PAYMENT		\$340
GRAZING		
OAT HAY	8 ACRES	\$6,300
CROP		
PICKER COTTON	82 ACRES	\$48,790
COTTON LINT		\$6,429
COTTON SEED		\$0
DIRECT PAYMENTS		\$6,699
COUNTER CYCLICAL PAYMENT		
STRIPPER COTTON	59.5 ACRES	\$33,737
COTTON LINT		\$4,665
COTTON SEED		\$0
DIRECT PAYMENTS		\$4,861
COUNTER CYCLICAL PAYMENT		
		<u>\$725,535</u>
GROSS RETURN		
CASH OPERATING EXPENSES		
SEED		\$27,077
FERTILIZER		\$58,118
CHEMICALS		\$2,239
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$62,604
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$35,400
FUEL-IRRIGATION		\$28,850
REPAIRS		\$12,985
CUSTOM CHARGES		\$19,620
LAND TAXES		\$773
OTHER EXPENSES		\$25,040
		<u>\$272,857</u>
TOTAL CASH EXPENSES		\$452,678
RETURN OVER CASH EXPENSES		\$62,861
FIXED EXPENSES		\$335,718
TOTAL EXPENSES		\$389,817
NET FARM INCOME		\$70,354
LABOR AND MANAGEMENT COSTS		\$319,463
NET OPERATING PROFIT		
CAPITAL COSTS		\$6,051
INTEREST ON OPERATING CAPITAL		\$22,756
INTEREST ON EQUIPMENT INVESTMENT		
		<u>\$28,807</u>
TOTAL CAPITAL COSTS		
RETURN TO LAND AND RISK		<u><u>\$290,657</u></u>
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$270,657	38.23%
\$2,500 /ACRE	\$240,657	20.15%
\$4,000 /ACRE	\$210,657	13.68%
\$5,500 /ACRE	\$180,657	10.35%

* 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)