

BUDGET AREA..... COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, Projected 2012. TABLE 1. Basic cost information for the Cotton City-Animas area, Projected 2012.
 FARM SIZE..... 400 ACRES
 IRRIGATION TYPE..... FLOOD/SPRINKLER
 NUMBER OF CROPS.. 4

WATER USE				Item		
ACREAGE SUMMARY:	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.			
GRAIN SORGHUM	136	30	4080	Labor Wage Rate:		
ARP	0			Equipment operators	\$/hour	\$8.55
FLEX IN COTTON	0	28	0	General & Irrigators	\$/hour	\$7.50
COTTON	153	28	4284	Purchased Inputs:		
ARP	0			Fertilizer:		
FLEX IN COTTON	0	28	0	Nitrogen (N)	\$/pound	\$0.89
GREEN CHILE	20	54	1080	Phosphate (P205)	\$/pound	\$0.75
RED CHILE	20	48	960	Anhydrous Ammonia (NH3)	\$/ton	\$700.00
ROADS, HOMESTEAD	20			Seed:		
				Grain Sorghum	\$/pound	\$1.97
TOTAL	349		10404	Cotton (picker)	\$/pound	\$8.00
				Chile		
ACRE FEET PER ACRE OF WATER RIGHTS			2.484241	green	\$/pound	\$38.00
				red	\$/pound	\$38.00
				wheat	\$/pound	\$0.50
				Energy:		
				Natural gas (Gas Co NM)	\$/MCF	\$3.98
				(service charge)	\$/month	\$10.00
				Diesel fuel	\$/gallon	\$3.05
				Gasoline	\$/gallon	\$3.80
				Electricity (Columbus)	cents/KwHr	\$9.27
				LP Gas	\$/gallon	\$2.75
				Employee Liability Insurance	\$/1,000 wages	\$20.00
				Employee Benefits	percent/w ages	18.00%
				Labor Downtime	percent	25.00%
				Financial Rates:		
				Operating Capital Interest Rate	percent	7.00%
				Land Interest Rate	percent	6.00%
				Equipment Interest Rate	percent	7.00%
				Real Interest Rate	percent	3.00%
				Land Taxes	348 /acre (full value)	\$2.57
				Personal Property Tax Rate - NR	\$/1,000 (Assessed Value)	\$22.18
				- R		\$22.03
				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-Equipment & General	\$/labor hour	\$1.00
				Management Rate		
				Field Crops	percent/GR	7.00%
				Vegetable Crops	percent/TOE	10.00%

TABLE 1a. Overhead cost information for Cotton City-Animas area, Projected 2012.

ITEM			
Electricity (Domestic & Shop)	\$242.00	per month	2904
Telephone	\$114.95	per month	1379.4
Accounting & Legal			\$1,718.20
Misc. Supplies & Hand Tools			\$2,668.05
Pickup and Auto			
miles	24,200	@	0.5 per mile
Insurance			
- general liability (non-employee)			\$1,802.90
- fire/theft			\$1,452.00
Property Taxes			
- non-planted land			11,015
- other than land & machinery			560
Building repairs and maintenance			\$1,367.30
Dues, fees, publications			\$411.40
Farmstead Equipment			\$169.40
		Total	\$26,543.67
		Total Per Planted Acre	\$80.68

TABLE 2. Pumping costs and data for irrigation wells, Cotton City-Animas area, Hidalgo County, Projected 2012.

INPUT DATA		DEPTH CHARACTERISTICS:	
GALLONS PER MINUTE (GPM).	700	STATIC.....	150
WORK HORSEPOWER.....	35.35354	DRAW DOWN.....	50
		TOTAL HEAD.....	200
		CASING.....	300
EFFICIENCY FACTOR:			
ELECTRICITY.....	0.54		
NATURAL GAS.....	0.154		
LP GAS.....	0.154		
DIESEL.....	0.16		
FUEL COST PER UNIT:			
ELECTRICITY.....	9.27	CENTS/k wHr	
NATURAL GAS.....	3.98	\$/MCF	
LP GAS.....	2.75	\$/GAL	
DIESEL.....	3.05	\$/GAL	
FUEL PUMPING COSTS:			
ELECTRIC WELL:			
COST PER HOUR.....\$	4.559569		
COST PER ACRE INCH.....\$	2.94787		
NATURAL GAS WELL:			
COST PER HOUR.....\$	2.579193		
COST PER ACRE INCH.....\$	1.66751		
LP GAS WELL:			
COST PER HOUR.....\$	17.5192		
COST PER ACRE INCH.....\$	11.32658		
DIESEL WELL:			
COST PER HOUR.....\$	12.13492		
COST PER ACRE INCH.....\$	7.845512		

TABLE 3. Equipment summary for a 400 acre, flood/sprinkler-irrigated farm with above average management, Cotton City-Animas area, Hidalgo County, Projected 2012.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS					FIXED COSTS		
			TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,OIL PER HR	REPAIR PER HR	DEPRE- CIATION	TAXES	TOTAL PER HOUR
TRACTOR 80 HP	443	1	\$26,855.00	\$9,070.72	\$5,234.29	\$20.47	\$11.81	\$1,929.67	\$214.00	\$4.84
TRACTOR 155 HP	230	1	\$38,035.00	\$7,286.22	\$1,862.80	\$31.65	\$8.09	\$5,994.67	\$332.40	\$27.49
PICKUP 1/2 TON	333	1	\$13,000.00	\$7,972.02	\$834.00	\$23.94	\$2.50	\$2,600.00	\$96.11	\$2.89
COTTON PICKER 2 ROW	190	1	\$9,430.00	\$3,499.65	\$9,653.00	\$18.45	\$50.88	\$5,960.00	\$330.48	\$33.16
SHREDDER 4 ROW	52	1	\$2,500.00		\$96.31		\$1.85	\$333.33	\$18.48	\$6.76
ROLLING CULT 4 ROW	66	1	\$2,000.00		\$81.70		\$1.24	\$266.67	\$14.79	\$4.27
CULTIVATOR 4 ROW	147	1	\$1,500.00		\$0.00		\$0.00	\$200.00	\$11.09	\$1.43
DISC 14 FT.	95	1	\$3,000.00		\$162.47		\$1.71	\$400.00	\$22.18	\$4.44
ROTO BUCK	34	1	\$1,000.00		\$8.20		\$0.24	\$133.33	\$7.39	\$4.12
RIPPER 4 ROW (7-SHANK)	43	1	\$1,200.00		\$34.68		\$0.82	\$160.00	\$8.87	\$3.97
LISTER 4 ROW	57	1	\$1,600.00		\$56.56		\$0.99	\$213.33	\$11.83	\$3.95
PLANTER 4 ROW	75	1	\$3,400.00		\$579.93		\$7.72	\$680.00	\$25.14	\$9.38
VEG PLANTER 4 ROW	7	1	\$1,500.00		\$7.75		\$1.14	\$300.00	\$11.09	\$45.75
SPRAYER 12 FT	46	1	\$1,375.00		\$123.84		\$2.70	\$183.33	\$10.17	\$4.21
DRAG 8-24 FT.	62	1	\$250.00		\$5.56		\$0.09	\$33.33	\$1.85	\$0.57
PLOW 4-14	19	1	\$4,000.00		\$59.90		\$3.12	\$533.33	\$29.57	\$29.32
COTTON TRAILER 8 BALE	153	5	\$6,000.00		\$44.06		\$0.29	\$800.00	\$44.36	\$5.52
FERT SPREADER DLR FURN	16									
NATURAL GAS WELL	7256	3	\$59,250.00	\$18,713.95	\$656.64	\$2.58	\$0.09	\$5,642.86	\$438.06	\$0.89
			\$175,895.00	\$46,542.56	\$19,501.71			\$26,363.86	\$1,627.86	

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 Projected 2012.
 PLANTING DATES: DECEMBER 10 - DECEMBER 20
 HARVEST DATES: JUNE 15 - JULY 1

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
WHEAT	\$5.00	50 CWT						\$250.00	
ASCS DEFICIENCY	\$0.77	0 CWT						\$0.00	
TOTAL							\$250.00		
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED	\$0.50	100 LBS	50					\$50.00	
ANHYDROUS AMMONIA (NH ₃)	\$0.35	250 LBS	87.5					\$87.50	
NITROGEN (N)	\$0.89	30 LBS	26.7					\$26.70	
PHOSPHATE (P ₂ O ₅)	\$0.75	80 LBS	60					\$60.00	
PUMP WATER*		24 ACRE IN.							
CROP INSURANCE									
SUBTOTAL			224.2				\$224.20		
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		\$1.20	\$4.43	\$1.13	\$3.85	\$10.61	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.58	\$0.40	\$1.37	\$3.79	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$4.09	\$2.38	\$1.08	\$9.26	
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$3.17	\$0.81	\$0.00	\$4.83	
DRILL	96 HP	0.18 HR		\$1.54	\$3.68	\$2.13	\$0.00	\$7.35	
IRRIGATE (4X)		0.6 HR		\$4.50	\$4.50	\$0.00	\$33.75	\$42.75	
DISC	96 HP	0.25 HR		\$2.14	\$5.12	\$2.95	\$0.00	\$10.21	
SUBTOTAL		1.52 HR		\$12.37	\$26.57	\$9.80	\$40.05	\$88.80	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			32.22					\$32.22	
HAUL TO STORAGE (CUSTOM)			9.5					\$9.50	
HAUL TO MARKET (CUSTOM)			22.5					\$22.50	
SUBTOTAL			64.22	\$0.00	\$0.00	\$0.00	\$0.00	\$64.22	
OVERHEAD EXPENSES									
DOWNTIME		0.155 HR		\$1.33				\$1.33	
EMPLOYEE BENEFITS				\$2.23				\$2.23	
INSURANCE			0.24732					\$0.25	
LAND TAXES							\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$18.51				\$18.51	
OTHER EXPENSES			80.67983					\$80.68	
SUBTOTAL		0.155 HR	80.92715	\$22.06				\$2.57	\$105.56
TOTAL OPERATING EXPENSES		1.675 HR	369.3472	\$34.43	\$26.57	\$9.80	\$42.63	\$482.78	
NET OPERATING PROFIT							-\$232.78		
INTEREST ON OPERATING CAPITAL	(126.5461	@	0.07			\$8.86		
INTEREST ON EQUIPMENT INVESTMENT							\$8.25		
RETURN TO LAND AND RISK							-\$249.89		

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

BUDGET SUMMARY

GROSS RETURN		\$250.00	
VARIABLE OPERATING EXPENSES	405.725		
RETURN OVER VARIABLE EXPENSES	-\$155.72	(GROSS MARGIN)	
FIXED EXPENSES	42.62666		
NET FARM INCOME	-\$198.35	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	34.42713		
NET OPERATING PROFIT	-\$232.78	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	17.1117		
RETURN TO LAND AND RISK	-\$249.89		

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, Projected 2012.
 PLANTING DATES: APRIL 1 - MAY 15
 HARVEST DATES: SEPTEMBER 15 - NOVEMBER 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN FOR GRAIN	\$6.25	85 CWT						\$531.25
ASCS DEFICIENCY	\$0.46	0 CWT						\$0.00
TOTAL							\$531.25	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.91	32 000	29					\$29.00
ANHYDROUS AMMONIA (NH)	\$0.35	250 LBS	87.5					\$87.50
NITROGEN (N)	\$0.89	80 LBS	71.2					\$71.20
PHOSPHATE (P2O5)	\$0.75	100 LBS	75					\$75.00
HERBICIDE	\$7.83	1 ACRE	7.8324					\$7.83
PUMP WATER*		40 AC. IN.						
CROP INSURANCE								
SUBTOTAL			270.5324					\$270.53
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$6.33	\$1.78	\$6.29	\$16.11
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$1.28	\$0.00	\$10.97	\$13.53
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.58	\$0.40	\$1.37	\$3.79
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$3.17	\$0.81	\$2.75	\$7.58
PLANTER	185 HP	0.26 HR		\$2.22	\$8.23	\$2.10	\$3.45	\$16.01
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$8.60	\$4.96	\$2.63	\$19.78
IRRIGATE (12X)		1.8 HR		\$13.50	\$36.84	\$24.34	\$16.70	\$91.38
SUBTOTAL		2.98 HR		\$23.59	\$66.02	\$34.40	\$44.17	\$168.18
HARVEST OPERATIONS								
COMBINE (CUSTOM)			30.6					\$30.60
HAUL TO STORAGE (CUSTOM)			17					\$17.00
HAUL TO MARKET (CUSTOM)			38.25					\$38.25
SUBTOTAL			85.85	\$0.00	\$0.00	\$0.00	\$0.00	\$85.85
POSTHARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		\$1.20	\$2.87	\$1.91	\$1.62	\$7.60
OVERHEAD EXPENSES								
DOWNTIME		0.33 HR		\$2.82				\$2.82
EMPLOYEE BENEFITS				\$4.46				\$4.46
INSURANCE			0.49572					\$0.50
LAND TAXES						\$2.57		\$2.57
SUPERVISION AND MANAGEMENT				\$39.65				\$39.65
OTHER EXPENSES			80.67983					\$80.68
SUBTOTAL		0.33 HR	81.17555	\$46.93			\$2.57	\$130.68
TOTAL OPERATING EXPENSES		3.45 HR	437.558	\$71.72	\$68.89	\$36.31	\$48.36	\$662.84
NET OPERATING PROFIT							-\$131.59	
INTEREST ON OPERATING CAPITAL	(168.7196	@	0.07)			\$11.81
INTEREST ON EQUIPMENT INVESTMENT								\$14.91
RETURN TO LAND AND RISK							-\$158.30	

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

BUDGET SUMMARY

GROSS RETURN		\$531.25	
VARIABLE OPERATING EXPENSES	542.7551		
RETURN OVER VARIABLE EXPENSES		-\$11.51	(GROSS MARGIN)
FIXED EXPENSES	48.36378		
NET FARM INCOME		-\$59.87	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	71.71648		
NET OPERATING PROFIT		-\$131.59	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	26.71774		
RETURN TO LAND AND RISK		-\$158.30	

TABLE 6. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, Projected 2012.
 Planting dates: May 1 - May 20
 Harvesting dates: November 1 - November 25

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAIN SORGHUM	5.75	62 CWT					\$356.50	
ASCS DIVERSION	0	0 CWT					\$0.00	
ASCS DEFICIENCY	0	0 CWT					\$0.00	
TOTAL							\$356.50	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	1.97	8 LBS	\$15.76				\$15.76	
ANHYDROUS AMMONIA (NH)	0.35	180 LBS	\$63.00				\$63.00	
HERBICIDE	9.455	1 ACRE	\$9.46				\$9.46	
INSECTICIDE (CUSTOM)	10.065	1 ACRE	\$10.07				\$10.07	
PUMP WATER*		30 AC. IN.						
CROP INSURANCE	0.367647		\$0.37				\$0.37	
SUBTOTAL			\$98.65				\$98.65	
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$6.33	\$1.78	\$6.29	\$16.11
DISC	185 HP	0.14 HR		\$1.20	\$4.43	\$1.37	\$4.47	\$11.47
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.58	\$0.40	\$1.37	\$3.79
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$4.09	\$2.38	\$1.08	\$9.26
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$4.75	\$1.87	\$5.42	\$13.33
LISTER	185 HP	0.18 HR		\$1.54	\$5.70	\$1.64	\$5.66	\$14.53
PRE-IRRIGATE		0.75 HR		\$5.63	\$8.34	\$0.29	\$2.87	\$17.12
ROLLING CULT	96 HP	0.21 HR		\$1.80	\$4.30	\$2.74	\$1.91	\$10.75
PLANTER	96 HP	0.26 HR		\$2.22	\$5.32	\$5.08	\$3.70	\$16.32
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$8.60	\$4.96	\$2.63	\$19.78
ROTO BUCK (7X)	96 HP	0.105 HR		\$0.90	\$2.15	\$1.27	\$0.94	\$5.25
IRRIGATE (5X)		2.5 HR		\$18.75	\$41.69	\$1.46	\$14.35	\$76.25
SUBTOTAL		5.165 HR		\$40.75	\$97.27	\$25.25	\$50.70	\$213.97
HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$22.94					\$22.94
HAUL TO STORAGE (CUSTOM)			\$11.78					\$11.78
SUBTOTAL			\$34.72	\$0.00	\$0.00	\$0.00	\$0.00	\$34.72
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		\$1.20	\$2.87	\$1.91	\$1.62	\$7.60
OVERHEAD EXPENSES								
DOWNTIME		0.51375 HR		\$4.39				\$4.39
EMPLOYEE BENEFITS				\$7.55				\$7.55
INSURANCE			\$0.84					\$0.84
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$29.23				\$29.23
OTHER EXPENSES			\$80.68					\$80.68
SUBTOTAL		0.51375 HR	\$81.52	\$41.18			\$2.57	\$125.27
TOTAL OPERATING EXPENSES		5.81875 HR	\$214.89	\$83.12	\$100.14	\$27.16	\$54.90	\$480.20
NET OPERATING PROFIT								
INTEREST ON OPERATING CAPITAL (84.04133 @ \$0.07)								
INTEREST ON EQUIPMENT INVESTMENT								
RETURN TO LAND AND RISK								

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

BUDGET SUMMARY

GROSS RETURN		356.5	
VARIABLE OPERATING EXPENSES	342.1831		
RETURN OVER VARIABLE EXPENSES	14.31691	(GROSS MARGIN)	
FIXED EXPENSES	54.89505		
NET FARM INCOME	-40.5781	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	83.12046		
NET OPERATING PROFIT	-123.699	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	29.54116		
RETURN TO LAND AND RISK	-153.24		

TABLE 7. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, Projected 2012.
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
COTTON LINT	\$0.69	1060 LBS						\$731.40
COTTON SEED	\$0.05	1696 LBS						\$82.68
ASCS DEFICIENCY	\$0.06	1060 LBS						\$59.36
FARM LOAN DEFICIENCY	\$0.04	600 LBS						\$24.00
TOTAL							\$897.44	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$8.00	25 LBS	\$200.00					\$200.00
NITROGEN (N)	\$0.89	32 LBS	\$28.48					\$28.48
PHOSPHATE (P2O5)	\$0.75	40 LBS	\$30.00					\$30.00
HERBICIDE	\$9.46	1 ACRE	\$9.46					\$9.46
CROP INSURANCE	\$0.00	1 DOLLAR	\$0.00					\$0.00
PUMP WATER*		28 AC. IN.						
SUBTOTAL			\$267.94					\$267.94
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.1 HR		\$0.86	\$3.17	\$0.89	\$3.15	\$8.06
DISC	185 HP	0.14 HR		\$1.20	\$4.43	\$1.37	\$4.47	\$11.47
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.58	\$0.40	\$1.37	\$3.79
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$4.09	\$2.38	\$1.08	\$9.26
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$4.75	\$1.87	\$5.42	\$13.33
LISTER	185 HP	0.18 HR		\$1.54	\$5.70	\$1.64	\$5.66	\$14.53
PRE-IRRIGATE		1 HR		\$7.50	\$9.34	\$0.33	\$3.21	\$20.38
ROLLING CULT.	96 HP	0.21 HR		\$1.80	\$4.30	\$2.74	\$1.91	\$10.75
PLANTER	96 HP	0.26 HR		\$2.22	\$5.32	\$5.08	\$3.70	\$16.32
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$8.60	\$4.96	\$2.63	\$19.78
HAND HOE (CUSTOM)			\$15.00					\$15.00
ROTO BUCK (5X)	96 HP	0.075 HR		\$0.64	\$1.53	\$0.90	\$0.67	\$3.75
IRRIGATE (4X)		4 HR		\$30.00	\$37.35	\$1.31	\$12.86	\$81.52
SUBTOTAL			\$15.00	\$52.76	\$90.16	\$23.88	\$46.14	\$227.93
HARVEST OPERATIONS								
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$22.87	\$57.35	\$41.11	\$131.94
COTTON TRAILER (2X)	HALF TON	1 HR		\$8.55	\$23.94	\$2.79	\$8.41	\$43.69
GIN COTTON (CUSTOM)			\$115.75					\$115.75
SUBTOTAL			\$115.75	\$19.15	\$46.81	\$60.14	\$49.52	\$291.38
POSTHARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		\$1.20	\$2.87	\$1.91	\$1.62	\$7.60
OVERHEAD EXPENSES								
DOWNTIME		1.04125 HR		\$8.90				\$8.90
EMPLOYEE BENEFITS				\$13.16				\$13.16
INSURANCE			\$1.46				\$1.46	
LAND TAXES						\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$69.90				\$69.90
OTHER EXPENSES			\$80.68				\$80.68	
SUBTOTAL			\$82.14	\$91.97			\$2.57	\$176.68
TOTAL OPERATING EXPENSES		10.20625 HR	\$480.83	\$165.08	\$139.84	\$85.93	\$99.86	\$971.53
NET OPERATING PROFIT							-\$74.09	
INTEREST ON OPERATING CAPITAL		(182.2295 @	\$0.07)					\$12.76
INTEREST ON EQUIPMENT INVESTMENT							\$45.38	
RETURN TO LAND AND RISK							-\$132.22	

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

BUDGET SUMMARY

GROSS RETURN		\$897.44	
VARIABLE OPERATING EXPENSES	706.5955		
RETURN OVER VARIABLE EXPENSES	\$190.84	(GROSS MARGIN)	
FIXED EXPENSES	99.8551		
NET FARM INCOME	\$90.99	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	165.0767		
NET OPERATING PROFIT	-\$74.09	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	58.13714		
RETURN TO LAND AND RISK	-\$132.22		

TABLE 8. Green chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas Area, Hidalgo County, Projected 2012.
 Planting dates: March 15 - May 1
 Harvesting dates: August 15 - September 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GREEN CHILE	\$380.00	10 TONS						\$3,800.00
RED CHILE	0	0 LBS						\$0.00
TOTAL							\$3,800.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$38.00	4 LBS	\$152.00					\$152.00
ANHYDROUS AMMONIA (NH ₃)	\$0.35	300 LBS	\$105.00					\$105.00
NITROGEN (N)	\$0.89	60 LBS	\$53.40					\$53.40
PHOSPHATE (P ₂ O ₅)	\$0.75	150 LBS	\$112.50					\$112.50
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.						
SUBTOTAL			\$448.03					\$448.03
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$4.43	\$1.37	\$4.47	\$11.47
PLOW	185 HP	0.48 HR		\$4.10	\$15.19	\$5.38	\$27.27	\$51.95
DISC	185 HP	0.14 HR		\$1.20	\$4.43	\$1.37	\$4.47	\$11.47
LASER (CUSTOM)			\$73.33					\$73.33
LISTER & SPRAY	185 HP	0.13 HR		\$1.11	\$4.12	\$1.53	\$4.63	\$11.39
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.58	\$0.40	\$1.37	\$3.79
PRE-IRRIGATE		0.75 HR		\$6.41	\$45.02	\$0.07	\$0.67	\$52.17
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$2.66	\$1.70	\$4.13	\$9.60
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$3.48	\$2.20	\$8.60	\$15.73
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$13.30	\$7.68	\$5.92	\$32.46
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$4.30	\$2.53	\$1.88	\$10.50
IRRIGATE (8X)		4 HR		\$34.20	\$80.04	\$3.28	\$3.55	\$121.07
SUBTOTAL			\$163.33	\$58.57	\$178.56	\$27.51	\$66.96	\$494.93
HARVEST OPERATIONS								
HARVEST GREEN (CUSTOM)			\$900.00					\$900.00
HARVEST RED (CUSTOM)			\$0.00					\$0.00
HAUL	3/4 TON	6 HR		\$51.30	\$143.64	\$13.26	\$17.34	\$225.54
SUBTOTAL			\$900.00	\$51.30	\$143.64	\$13.26	\$17.34	\$1,125.54
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		\$2.48	\$5.93	\$3.96	\$3.36	\$15.74
SUBTOTAL			\$0.00	\$2.48	\$5.93	\$3.96	\$3.36	\$15.74
OVERHEAD EXPENSES								
DOWNTIME		0.5975 HR		\$3.45				\$3.45
EMPLOYEE BENEFITS				\$20.22				\$20.22
INSURANCE			\$2.25				\$2.25	
LAND TAXES						\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$200.00				\$200.00
OTHER EXPENSES			\$80.68				\$80.68	
SUBTOTAL			0.5975 HR	\$82.93	\$223.67		\$2.57	\$309.17
TOTAL OPERATING EXPENSES		13.7375 HR	\$1,594.29	\$336.02	\$328.13	\$44.73	\$90.24	\$2,393.41
NET OPERATING PROFIT							\$1,406.59	
INTEREST ON OPERATING CAPITAL (363.6085 @ \$0.07)							\$25.45	
INTEREST ON EQUIPMENT INVESTMENT							\$59.50	
RETURN TO LAND AND RISK							\$1,321.64	

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

BUDGET SUMMARY

GROSS RETURN	\$3,800.00	
VARIABLE OPERATING EXPENSES	1967.155	
RETURN OVER VARIABLE EXPENSES	\$1,832.85	(GROSS MARGIN)
FIXED EXPENSES	90.23538	
NET FARM INCOME	\$1,742.61	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	336.016	
NET OPERATING PROFIT	\$1,406.59	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	84.95528	
RETURN TO LAND AND RISK	\$1,321.64	

TABLE 9. Red chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas Area, Hidalgo County, Projected 2012.
 Planting dates: March 15 - May 1
 Harvesting dates: September 15 - January 31

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
RED CHILE	1	3500 LBS						\$3,500.00
TOTAL							\$3,500.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	18.00	4 LBS	\$72.00			\$72.00		
ANHYDROUS AMMONIA (NH)	0.35	230 LBS	\$80.50			\$80.50		
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*		48 AC. IN.						
SUBTOTAL			\$251.92			\$251.92		
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$4.43	\$1.37	\$4.47	\$11.47
PLOW	185 HP	0.48 HR		\$4.10	\$15.19	\$5.38	\$27.27	\$51.95
DISC	185 HP	0.14 HR		\$1.20	\$4.43	\$1.37	\$4.47	\$11.47
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$4.09	\$2.38	\$1.08	\$9.26
LISTER	185 HP	0.12 HR		\$1.03	\$3.80	\$1.09	\$3.77	\$9.69
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.58	\$0.40	\$1.37	\$3.79
PRE-IRRIGATE		0.75 HR		\$6.41	\$40.02	\$0.07	\$0.67	\$47.17
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$2.66	\$1.70	\$1.18	\$6.65
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$3.48	\$2.20	\$8.60	\$15.73
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$13.30	\$7.68	\$4.07	\$30.61
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$5.03	\$2.53	\$1.88	\$11.23
IRRIGATE (11X)		5.5 HR		\$47.03	\$73.37	\$0.50	\$4.88	\$125.78
SUBTOTAL		8.54 HR	\$90.00	\$73.02	\$171.39	\$26.67	\$63.72	\$424.80
HARVEST OPERATIONS								
HARVEST (CUSTOM)			\$700.00					\$700.00
HAUL	3/4 TON	3 HR		\$25.65	\$71.82	\$6.63	\$8.67	\$112.77
SUBTOTAL		3 HR	\$700.00	\$25.65	\$71.82	\$6.63	\$8.67	\$812.77
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		\$2.48	\$5.93	\$3.96	\$3.36	\$15.74
SUBTOTAL		0.29 HR	\$0.00	\$2.48	\$5.93	\$3.96	\$3.36	\$15.74
OVERHEAD EXPENSES								
DOWNTIME		1.395 HR		\$11.93				\$11.93
EMPLOYEE BENEFITS				\$18.21				\$18.21
INSURANCE			\$2.02				\$2.02	\$2.02
LAND TAXES						\$2.57		\$2.57
SUPERVISION AND MANAGEMENT				\$101.10				\$101.10
OTHER EXPENSES			\$80.68					\$80.68
SUBTOTAL		1.395 HR	\$82.70	\$131.24	\$0.00	\$0.00	\$2.57	\$216.51
TOTAL OPERATING EXPENSES		13.225 HR	\$1,124.62	\$232.38	\$249.15	\$37.26	\$78.33	\$1,721.75
NET OPERATING PROFIT							\$1,778.25	
INTEREST ON OPERATING CAPITAL	(241.1721	@	\$0.07)		\$16.88	
INTEREST ON EQUIPMENT INVESTMENT							\$48.04	
RETURN TO LAND AND RISK							\$1,713.34	

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

BUDGET SUMMARY

GROSS RETURN		\$3,500.00	
VARIABLE OPERATING EXPENSES	\$1,411.03		
RETURN OVER VARIABLE EXPENSES	\$2,088.97		(GROSS MARGIN)
FIXED EXPENSES	\$78.33		
NET FARM INCOME	\$2,010.64		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$232.38		
NET OPERATING PROFIT	\$1,778.25		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$64.92		
RETURN TO LAND AND RISK	\$1,713.34		

TABLE 10. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, Projected 2012.

	GRAIN SORGHUM	PICKER COTTON FLOOD	GREEN CHILE	RED CHILE
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	\$5.75	\$0.69	\$380.00	\$1.00
GOVERNMENT PAYMENTS	\$0.00	\$83.36	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$82.68	\$0.00	\$0.00
GROSS RETURN	\$356.50	\$897.44	\$3,800.00	\$3,500.00
CASH OPERATING EXPENSES				
SEED	\$15.76	\$200.00	\$152.00	\$72.00
FERTILIZER	\$63.00	\$58.48	\$270.90	\$151.60
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	\$50.11	\$93.15	\$203.07	\$135.76
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	\$2.57	\$2.57	\$2.57	\$2.57
OTHER EXPENSES	\$81.52	\$82.14	\$82.93	\$82.70
TOTAL CASH EXPENSES	\$344.76	\$709.17	\$1,969.73	\$1,413.61
RETURN OVER CASH EXPENSES	\$11.74	\$188.27	\$1,830.27	\$2,086.39
FIXED EXPENSES	\$52.32	\$97.28	\$87.66	\$75.75
TOTAL EXPENSES	\$397.08	\$806.45	\$2,057.39	\$1,489.36
NET FARM INCOME	-\$40.58	\$90.99	\$1,742.61	\$2,010.64
LABOR AND MANAGEMENT COSTS	\$83.12	\$165.08	\$266.00	\$232.38
NET OPERATING PROFIT	-\$123.70	-\$74.09	\$1,476.61	\$1,778.25
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$5.88	\$12.76	\$25.45	\$16.88
INTEREST ON EQUIPMENT INVESTMENT	\$23.66	\$45.38	\$59.50	\$48.04
TOTAL CAPITAL COSTS	\$29.54	\$58.14	\$84.96	\$64.92
RETURN TO LAND AND RISK	-\$153.24	-\$132.22	\$1,391.65	\$1,713.34

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County,
Projected 2012.

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$48,484
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
UPLAND COTTON	153 ACRES	
LINT		\$111,904
SEED		\$12,650
ASCS DEFICIENCY		\$9,082
ASCS DIVERSION		\$3,672
GREEN CHILE	20 ACRES	
GREEN		\$76,000
RED		\$0
RED CHILE	20 ACRES	
CROP		\$70,000
GROSS RETURN		<u>\$331,792</u>
CASH OPERATING EXPENSES		
SEED		\$37,223
FERTILIZER		\$25,965
CHEMICALS		\$5,170
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$27,843
FUEL-IRRIGATION		\$18,716
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$846
OTHER EXPENSES		\$26,967
TOTAL CASH EXPENSES		<u>\$225,216</u>
RETURN OVER CASH EXPENSES		\$106,576
FIXED EXPENSES		\$25,268
TOTAL EXPENSES		\$250,485
NET FARM INCOME		\$81,308
LABOR AND MANAGEMENT COSTS		\$46,529
NET OPERATING PROFIT		\$34,779
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,598
INTEREST ON EQUIPMENT INVESTMENT		\$12,312
TOTAL CAPITAL COSTS		<u>\$15,910</u>
RETURN TO LAND AND RISK		<u>\$18,869</u>
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LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
500 /ACRE	12,868.89	9.25%
700 /ACRE	10,468.89	7.63%
900 /ACRE	8,068.89	6.49%
1100 /ACRE	5,668.89	5.65%
1300 /ACRE	3,268.89	5.00%
1500 /ACRE	868.89	4.48%

* 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 -77.2593 10.4389