

BUDGET AREA..... COTTON CITY-ANIMAS AREA, HIDALGO COUNTY.
 FARM SIZE: 400 ACRES Projected 2010.
 IRRIGATION TYPE..... FLOOD/SPRINKLER
 NUMBER OF CROPS..... 4

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
GRAIN SORGHUM	136	30	4080
ARP	0		
FLEX IN COTTON	0	28	0
COTTON	153	28	4284
ARP	0		
FLEX IN COTTON	0	28	0
GREEN CHILE	20	54	1080
RED CHILE	20	48	960
ROADS, HOMESTEAD	20		
TOTAL	349		10404
ACRE FEET PER ACRE OF WATER RIGHTS			2.4842407

TABLE 1. Basic cost information for the Cotton City-Animas area. Projected 2010.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.25
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.58
Phosphate (P205)		\$/pound	\$0.51
Anhydrous Ammonia (NH3)		\$/ton	\$525.00
Seed:			
Grain Sorghum		\$/pound	\$2.10
Cotton (picker)		\$/pound	\$2.15
Chile			
green		\$/pound	\$35.00
red		\$/pound	\$35.00
wheat		\$/pound	\$0.26
Energy:			
Natural gas (Gas Co NM)		\$/MCF	\$5.87
(service charge)		\$/month	\$10.00
Diesel fuel		\$/gallon	\$2.85
Gasoline		\$/gallon	\$2.50
Electricity (Columbus)		cents/KwHr	\$8.47
LP Gas		\$/gallon	\$5.87
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	7.50%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	7.50%
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, 2007.

ITEM			
Electricity (Domestic & Shop)		\$236.00 per month	\$236.00
Telephone		\$112.10 per month	\$112.10
Accounting & Legal			\$1,675.60
Misc. Supplies & Hand Tools			\$2,601.90
Pickup and Auto			
miles	20000	@ 0.415 per mile	8300
Insurance			
- general liability (non-employee)			\$1,758.20
- fire/theft			\$1,416.00
Property Taxes			
- non-planted land			11,015
- other than land & machinery			560
Building repairs and maintenance			\$1,333.40
Dues, fees, publications			
Farmstead Equipment			\$165.20
		Total	\$18,169.42
		Total Per Planted Acre	\$55.23

TABLE 2. Pumping costs and data for irrigation wells, Cotton City-Animas area, Hidalgo County. Projected 2010.

INPUT DATA			
DEPTH CHARACTERISTICS:			
	STATIC.....		150
	DRAW DOWN		50
	TOTAL HEAD.....		200
	CASING.....		300
GALLONS PER MINUTE (GPM)...	700		
WORK HORSEPOWER.....	35.353535		
EFFICIENCY FACTOR:			
ELECTRICITY....	0.54		
NATURAL GAS....	0.154		
LP GAS.....	0.154		
DIESEL.....	0.16		
FUEL COST PER UNIT:			
ELECTRICITY....	8.47	CENTS/K	wHr
NATURAL GAS....	5.87	\$/MCF	
LP GAS.....	2.55	\$/GAL	
DIESEL.....	2.85	\$/GAL	
FUEL PUMPING COSTS:			
ELECTRIC WELL:			
	COST PER HOUR.....\$	4.1686678	
	COST PER ACRE INCH.....\$	2.695143	
NATURAL GAS WELL:			
	COST PER HOUR.....\$	3.7897395	
	COST PER ACRE INCH.....\$	2.4501568	
LP GAS WELL:			
	COST PER HOUR.....\$	16.242758	
	COST PER ACRE INCH.....\$	10.504239	
DIESEL WELL:			
	COST PER HOUR.....\$	11.341151	
	COST PER ACRE INCH.....\$	7.3323244	

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

EQUIPMENT	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS					FIXED COSTS		
			TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 80 HP	443	1	\$26,855.00	\$5,967.58	\$5,234.29	\$13.46	\$11.81	\$1,929.67	\$214.00	\$4.84
TRACTOR 155 HP	230	1	\$38,035.00	\$6,808.43	\$1,862.80	\$29.58	\$8.09	\$5,994.67	\$332.40	\$27.49
PICKUP 1/2 TON	333	1	\$13,000.00	\$5,244.75	\$834.00	\$15.75	\$2.50	\$2,600.00	\$96.11	\$2.89
COTTON PICKER 2 ROW	190	1	\$9,430.00	\$3,270.17	\$9,653.00	\$17.24	\$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	\$27,497.36	\$656.64	\$3.79	\$0.09	\$5,642.86	\$438.06	\$0.89
			\$175,895.00	\$48,788.29	\$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.
 PLANTING DATES: DECEMBER 10 - DECEMBER 20 Projected 2010.
 HARVEST DATES: JUNE 15 - JULY 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	\$10.00	50 CWT						\$500.00
ASCS DEFICIENCY	\$0.77	0 CWT						\$0.00
TOTAL							\$500.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.26	100 LBS	26					\$26.00
ANHYDROUS AMMONIA (NH3)	\$0.26	250 LBS	65.625					\$65.63
NITROGEN (N)	\$0.58	30 LBS	17.4					\$17.40
PHOSPHATE (P2O5)	\$0.51	80 LBS	40.8					\$40.80
PUMP WATER*		24 ACRE IN.						
CROP INSURANCE								
SUBTOTAL							149.825	\$149.83
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$4.14	\$1.13	\$3.85	\$10.32
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.48	\$0.40	\$1.37	\$3.69
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$2.96	\$0.81	\$0.00	\$4.62
DRILL	96 HP	0.18 HR		\$1.54	\$2.42	\$2.13	\$0.00	\$6.09
IRRIGATE (4X)		0.6 HR		\$4.35	\$4.35	\$0.00	\$31.54	\$40.24
DISC	96 HP	0.25 HR		\$2.14	\$3.37	\$2.95	\$0.00	\$8.46
SUBTOTAL	1.52 HR			\$12.22	\$21.41	\$9.80	\$37.84	\$81.27
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				\$2.20				\$2.20
INSURANCE			0.24432					\$0.24
LAND TAXES						\$2.57		\$2.57
SUPERVISION AND MANAGEMENT				\$36.01				\$36.01
OTHER EXPENSES			55.2261854					\$55.23
SUBTOTAL	0.155 HR		55.4705054	\$39.53			\$2.57	\$97.58
TOTAL OPERATING EXPENSES	1.675 HR		269.515505	\$51.75	\$21.41	\$9.80	\$40.41	\$392.89
NET OPERATING PROFIT								\$107.11
INTEREST ON OPERATING CAPITAL	(	88.0679379	@	0.075	)			\$6.61
INTEREST ON EQUIPMENT INVESTMENT								\$8.84
RETURN TO LAND AND RISK								\$91.66

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

BUDGET SUMMARY

GROSS RETURN		\$500.00	
VARIABLE OPERATING EXPENSES	300.73059		
RETURN OVER VARIABLE EXPENSES		\$199.27	(GROSS MARGIN)
FIXED EXPENSES	40.4141641		
NET FARM INCOME		\$158.86	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	51.75013		
NET OPERATING PROFIT		\$107.11	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	15.4481002		
RETURN TO LAND AND RISK		\$91.66	

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 COUNT Projected 2010.
 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								
	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	\$0.91	32 000	29			\$29.00		
ANHYDROUS AMMONIA (NH3)	\$0.26	250 LBS	65.625			\$65.63		
NITROGEN (N)	\$0.58	80 LBS	46.4			\$46.40		
PHOSPHATE (P2O5)	\$0.51	100 LBS	51			\$51.00		
HERBICIDE	\$7.83	1 ACRE	7.8324			\$7.83		
PUMP WATER*		40 AC. IN.						
CROP INSURANCE								
SUBTOTAL			199.8574			\$199.86		
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$5.92	\$1.78	\$6.29	\$15.70
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	\$1.48	\$0.40	\$1.37	\$3.69
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$2.96	\$0.81	\$2.75	\$7.37
PLANTER	185 HP	0.26 HR		\$2.22	\$7.69	\$2.10	\$3.45	\$15.47
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84
IRRIGATE (12X)		1.8 HR		\$13.05	\$24.24	\$24.34	\$16.70	\$78.32
SUBTOTAL		2.98 HR		\$23.14	\$49.22	\$34.40	\$44.17	\$150.92
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	\$1.88	\$1.91	\$1.62	\$6.62
OVERHEAD EXPENSES								
DOWNTIME		0.33 HR		\$2.82				\$2.82
EMPLOYEE BENEFITS				\$4.38				\$4.38
INSURANCE			0.48672					\$0.49
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$39.65				\$39.65
OTHER EXPENSES			55.226185					\$55.23
SUBTOTAL		0.33 HR	55.712905	\$46.85			\$2.57	\$105.14
TOTAL OPERATING EXPENSES		3.45 HR	341.42031	\$71.19	\$51.10	\$36.31	\$48.36	\$548.38
NET OPERATING PROFIT								-\$17.13
INTEREST ON OPERATING CAPITAL	(	128.93485	@	0.075	)			\$9.67
INTEREST ON EQUIPMENT INVESTMENT								\$15.97
RETURN TO LAND AND RISK								-\$42.77

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

GROSS RETURN		\$531.25	
VARIABLE OPERATING EXPENSES	428.82824		
RETURN OVER VARIABLE EXPENSES		\$102.42	(GROSS MARGIN)
FIXED EXPENSES	48.363781		
NET FARM INCOME		\$54.06	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	71.18548		
NET OPERATING PROFIT		-\$17.13	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	25.642292		
RETURN TO LAND AND RISK		-\$42.77	

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.
 Planting dates: May 1 - May 20 Projected 2010.
 Harvesting dates: November 1 - November 25

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAIN SORGHUM	\$7.70	62 CWT						\$477.40
ASCS DIVERSION	0	0 CWT						\$0.00
ASCS DEFICIENCY	0	0 CWT						\$0.00
TOTAL							\$477.40	
PURCHASED INPUTS								
ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	2.1	8 LBS	\$16.80					\$16.80
ANHYDROUS AMMONIA (NH3)	0.2625	180 LBS	\$47.25					\$47.25
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	0.36764706		\$0.37					\$0.37
SUBTOTAL			\$83.94					\$83.94
PREHARVEST OPERATIONS								
ITEM	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$5.92	\$1.78	\$6.29	\$15.70
DISC	185 HP	0.14 HR		\$1.20	\$4.14	\$1.37	\$4.47	\$11.18
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.48	\$0.40	\$1.37	\$3.69
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$4.44	\$1.87	\$5.42	\$13.02
LISTER	185 HP	0.18 HR		\$1.54	\$5.32	\$1.64	\$5.66	\$14.16
PRE-IRRIGATE		0.75 HR		\$5.44	\$12.25	\$0.29	\$2.87	\$20.85
ROLLING CULT	96 HP	0.21 HR		\$1.80	\$2.83	\$2.74	\$1.91	\$9.28
PLANTER	96 HP	0.26 HR		\$2.22	\$3.50	\$5.08	\$3.70	\$14.50
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84
ROTO BUCK (7X)	96 HP	0.105 HR		\$0.90	\$1.41	\$1.27	\$0.94	\$4.52
IRRIGATE (5X)		2.5 HR		\$18.13	\$61.25	\$1.46	\$14.35	\$95.19
SUBTOTAL		5.165 HR		\$39.94	\$110.89	\$25.25	\$50.70	\$226.77
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	\$1.88	\$1.91	\$1.62	\$6.62
OVERHEAD EXPENSES								
DOWNTIME		0.51375 HR		\$4.39				\$4.39
EMPLOYEE BENEFITS				\$7.40				\$7.40
INSURANCE			\$0.82					\$0.82
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$37.70				\$37.70
OTHER EXPENSES			\$55.23					\$55.23
SUBTOTAL		0.51375 HR	\$56.05	\$49.49			\$2.57	\$108.11
TOTAL OPERATING EXPENSES		5.81875 HR	\$174.71	\$90.62	\$112.78	\$27.16	\$54.90	\$460.16
NET OPERATING PROFIT							\$17.24	
INTEREST ON OPERATING CAPITAL	(	79.8458837	@	\$0.08			\$5.99	
INTEREST ON EQUIPMENT INVESTMENT							\$25.35	
RETURN TO LAND AND RISK							-\$14.10	

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

BUDGET SUMMARY

GROSS RETURN		477.4	
VARIABLE OPERATING EXPENSES	314.641395		
RETURN OVER VARIABLE EXPENSES		162.758605	(GROSS MARGIN)
FIXED EXPENSES	54.8950524		
NET FARM INCOME		107.863553	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	90.6247075		
NET OPERATING PROFIT		17.2388452	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	31.3365812		
RETURN TO LAND AND RISK		-14.097736	

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. Planting dates: April 15 - May 15 Projected 2010. 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									
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED	\$2.15	25 LBS	\$53.75					\$53.75	
NITROGEN (N)	\$0.58	32 LBS	\$18.56					\$18.56	
PHOSPHATE (P2O5)	\$0.51	40 LBS	\$20.40					\$20.40	
HERBICIDE	\$9.46	1 ACRE	\$9.46					\$9.46	
CROP INSURANCE	\$0.00	1 DOLLARS	\$0.00					\$0.00	
PUMP WATER*		28 AC. IN.							
SUBTOTAL			\$102.17					\$102.17	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
RIPPER	185 HP	0.1 HR		\$0.86	\$2.96	\$0.89	\$3.15	\$7.85	
DISC	185 HP	0.14 HR		\$1.20	\$4.14	\$1.37	\$4.47	\$11.18	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.48	\$0.40	\$1.37	\$3.69	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86	
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$4.44	\$1.87	\$5.42	\$13.02	
LISTER	185 HP	0.18 HR		\$1.54	\$5.32	\$1.64	\$5.66	\$14.16	
PRE-IRRIGATE		1 HR		\$7.25	\$13.72	\$0.33	\$3.21	\$24.51	
ROLLING CULT.	96 HP	0.21 HR		\$1.80	\$2.83	\$2.74	\$1.91	\$9.28	
PLANTER	96 HP	0.26 HR		\$2.22	\$3.50	\$5.08	\$3.70	\$14.50	
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84	
HAND HOE (CUSTOM)			\$15.00					\$15.00	
ROTO BUCK (5X)	96 HP	0.075 HR		\$0.64	\$1.01	\$0.90	\$0.67	\$3.23	
IRRIGATE (4X)		4 HR		\$29.00	\$54.88	\$1.31	\$12.86	\$98.05	
SUBTOTAL			\$15.00	\$51.51	\$102.63	\$23.88	\$46.14	\$239.15	
HARVEST OPERATIONS									
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$21.37	\$57.35	\$41.11	\$130.44	
COTTON TRAILER (2X)	HALF TON	1 HR		\$8.55	\$15.75	\$2.79	\$8.41	\$35.50	
GIN COTTON (CUSTOM)			\$115.75					\$115.75	
SUBTOTAL			\$115.75	\$19.15	\$37.12	\$60.14	\$49.52	\$281.69	
POSTHARVEST OPERATIONS									
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.88	\$1.91	\$1.62	\$6.62	
OVERHEAD EXPENSES									
DOWNTIME		1.04125 HR		\$8.90				\$8.90	
EMPLOYEE BENEFITS				\$12.93				\$12.93	
INSURANCE			\$1.44					\$1.44	
LAND TAXES							\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$69.90				\$69.90	
OTHER EXPENSES			\$55.23					\$55.23	
SUBTOTAL			1.04125 HR	\$56.66	\$91.74			\$2.57	\$150.98
TOTAL OPERATING EXPENSES			10.20625 HR	\$289.58	\$163.60	\$141.64	\$85.93	\$99.86	\$780.60
NET OPERATING PROFIT								\$116.84	
INTEREST ON OPERATING CAPITAL	(	101.40966	@	\$0.08				\$7.61
INTEREST ON EQUIPMENT INVESTMENT								\$48.62	
RETURN TO LAND AND RISK								\$60.61	

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

BUDGET SUMMARY

GROSS RETURN		\$897.44	
VARIABLE OPERATING EXPENSES	517.14745		
RETURN OVER VARIABLE EXPENSES		\$380.29	(GROSS MARGIN)
FIXED EXPENSES	99.855097		
NET FARM INCOME		\$280.44	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	163.60167		
NET OPERATING PROFIT		\$116.84	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	56.228299		
RETURN TO LAND AND RISK		\$60.61	

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.
 Planting dates: March 15 - May 1 Projected 2010.
 Harvesting dates: August 15 - September 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GREEN CHILE	\$475.00	10 TONS						\$4,750.00
RED CHILE	\$1.00	0 LBS						\$0.00
TOTAL							\$4,750.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$35.00	4 LBS	\$140.00					\$140.00
ANHYDROUS AMMONIA (NH3)	\$0.26	300 LBS	\$78.75					\$78.75
NITROGEN (N)	\$0.58	60 LBS	\$34.80					\$34.80
PHOSPHATE (P2O5)	\$0.51	150 LBS	\$76.50					\$76.50
HERBICIDE	\$12.57	1 ACRE	\$12.57					\$12.57
INSECTICIDE	\$12.57	1 ACRE	\$12.57					\$12.57
CROP INSURANCE	\$0.00	1 DOLLARS	\$0.00					\$0.00
PUMP WATER*		54 AC. IN.						
SUBTOTAL			\$355.18					\$355.18
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$4.14	\$1.37	\$4.47	\$11.18
FLOW	185 HP	0.48 HR		\$4.10	\$14.20	\$5.38	\$27.27	\$50.95
DISC	185 HP	0.14 HR		\$1.20	\$4.14	\$1.37	\$4.47	\$11.18
LASER (CUSTOM)			\$73.33					\$73.33
LISTER & SPRAY	185 HP	0.13 HR		\$1.11	\$3.85	\$1.53	\$4.63	\$11.12
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.48	\$0.40	\$1.37	\$3.69
PRE-IRRIGATE		0.75 HR		\$6.41	\$66.15	\$0.07	\$0.67	\$73.30
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.75	\$1.70	\$4.13	\$8.69
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.29	\$2.20	\$8.60	\$14.54
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.75	\$7.68	\$5.92	\$27.91
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$2.83	\$2.53	\$1.88	\$9.03
IRRIGATE (8X)		4 HR		\$34.20	\$117.61	\$3.28	\$3.55	\$158.63
SUBTOTAL		6.85 HR	\$163.33	\$58.57	\$227.18	\$27.51	\$66.96	\$543.56
HARVEST OPERATIONS								
HARVEST GREEN (CUSTOM)			\$900.00					\$900.00
HARVEST RED (CUSTOM)			\$0.00					\$0.00
HAUL	3/4 TON	6 HR		\$51.30	\$94.50	\$13.26	\$17.34	\$176.40
SUBTOTAL		6 HR	\$900.00	\$51.30	\$94.50	\$13.26	\$17.34	\$1,076.40
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.90	\$3.96	\$3.36	\$13.71
SUBTOTAL		0.29 HR	\$0.00	\$2.48	\$3.90	\$3.96	\$3.36	\$13.71
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			\$55.23				\$55.23	
SUBTOTAL		0.5975 HR	\$57.47	\$223.67			\$2.57	\$283.71
TOTAL OPERATING EXPENSES		13.7375 HR	\$1,475.99	\$336.02	\$325.59	\$44.73	\$90.24	\$2,272.56
NET OPERATING PROFIT							\$2,477.44	
INTEREST ON OPERATING CAPITAL	(	325.24497	@	\$0.08			\$24.39	
INTEREST ON EQUIPMENT INVESTMENT							\$63.75	
RETURN TO LAND AND RISK							\$2,389.30	

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

BUDGET SUMMARY

GROSS RETURN		\$4,750.00	
VARIABLE OPERATING EXPENSES	1846.3069		
RETURN OVER VARIABLE EXPENSES	\$2,903.69	(GROSS MARGIN)	
FIXED EXPENSES	90.235381		
NET FARM INCOME	\$2,813.46	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	336.01596		
NET OPERATING PROFIT	\$2,477.44	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	88.146245		
RETURN TO LAND AND RISK	\$2,389.30		

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.
 Planting dates: March 15 - May 1 Projected 2010.
 Harvesting dates: September 15 - January 31

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
RED CHILE	\$1.00	3500 LBS						\$3,500.00
TOTAL								\$3,500.00
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	35.00	4 LBS	\$140.00					\$140.00
ANHYDROUS AMMONIA (NH3)	0.26	230 LBS	\$60.38					\$60.38
NITROGEN (N)	0.58	60 LBS	\$34.80					\$34.80
PHOSPHATE (P2O5)	0.51	150 LBS	\$76.50					\$76.50
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			\$340.00					\$340.00
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$4.14	\$1.37	\$4.47	\$11.18
PLOW	185 HP	0.48 HR		\$4.10	\$14.20	\$5.38	\$27.27	\$50.95
DISC	185 HP	0.14 HR		\$1.20	\$4.14	\$1.37	\$4.47	\$11.18
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86
LISTER	185 HP	0.12 HR		\$1.03	\$3.55	\$1.09	\$3.77	\$9.44
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.48	\$0.40	\$1.37	\$3.69
PRE-IRRIGATE		0.75 HR		\$6.41	\$58.80	\$0.07	\$0.67	\$65.95
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.75	\$1.70	\$1.18	\$5.74
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.29	\$2.20	\$8.60	\$14.54
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.75	\$7.68	\$4.07	\$26.06
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$3.31	\$2.53	\$1.88	\$9.51
IRRIGATE (11X)		5.5 HR		\$47.03	\$107.81	\$0.50	\$4.88	\$160.21
SUBTOTAL		8.54 HR	\$90.00	\$73.02	\$212.91	\$26.67	\$63.72	\$466.32
HARVEST OPERATIONS								
HARVEST (CUSTOM)			\$700.00					\$700.00
HAUL	3/4 TON	3 HR		\$25.65	\$47.25	\$6.63	\$8.67	\$88.20
SUBTOTAL		3 HR	\$700.00	\$25.65	\$47.25	\$6.63	\$8.67	\$788.20
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.90	\$3.96	\$3.36	\$13.71
SUBTOTAL		0.29 HR	\$0.00	\$2.48	\$3.90	\$3.96	\$3.36	\$13.71
OVERHEAD EXPENSES								
DOWNTIME		1.395 HR		\$11.93				\$11.93
EMPLOYEE BENEFITS				\$18.21				\$18.21
INSURANCE			\$2.02					\$2.02
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$108.86				\$108.86
OTHER EXPENSES			\$55.23					\$55.23
SUBTOTAL		1.395 HR	\$57.25	\$138.99	\$0.00	\$0.00	\$2.57	\$198.81
TOTAL OPERATING EXPENSES		13.225 HR	\$1,187.25	\$240.14	\$264.06	\$37.26	\$78.33	\$1,807.04
NET OPERATING PROFIT								
INTEREST ON OPERATING CAPITAL	(	293.37246 @	\$0.08)					\$22.00
INTEREST ON EQUIPMENT INVESTMENT							\$51.47	
RETURN TO LAND AND RISK							\$1,619.49	

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

BUDGET SUMMARY

GROSS RETURN		\$3,500.00	
VARIABLE OPERATING EXPENSES	\$1,488.57		
RETURN OVER VARIABLE EXPENSES	\$2,011.43	(GROSS MARGIN)	
FIXED EXPENSES	\$78.33		
NET FARM INCOME	\$1,933.10	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$240.14		
NET OPERATING PROFIT	\$1,692.96	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$73.47		
RETURN TO LAND AND RISK	\$1,619.49		

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 2010.

	GRAIN SORGHUM	PICKER COTTON	GREEN CHILE	RED CHILE
	-----FLOOD-----			
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	\$7.70	\$0.69	\$475.00	\$1.00
GOVERNMENT PAYMENTS	\$0.00	\$83.36	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$82.68	\$0.00	\$0.00
GROSS RETURN	\$477.40	\$897.44	\$4,750.00	\$3,500.00
CASH OPERATING EXPENSES				
SEED	\$16.80	\$53.75	\$140.00	\$140.00
FERTILIZER	\$47.25	\$38.96	\$190.05	\$171.68
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	\$39.27	\$73.03	\$141.83	\$97.45
FUEL-IRRIGATION	\$73.50	\$68.60	\$183.76	\$166.61
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	\$56.05	\$56.66	\$57.47	\$57.25
TOTAL CASH EXPENSES	\$317.21	\$519.72	\$1,848.88	\$1,491.15
RETURN OVER CASH EXPENSES	\$160.19	\$377.72	\$2,901.12	\$2,008.85
FIXED EXPENSES	\$52.32	\$97.28	\$87.66	\$75.75
TOTAL EXPENSES	\$369.54	\$617.00	\$1,936.54	\$1,566.90
NET FARM INCOME	\$107.86	\$280.44	\$2,813.46	\$1,933.10
LABOR AND MANAGEMENT COSTS	\$90.62	\$163.60	\$332.50	\$240.14
NET OPERATING PROFIT	\$17.24	\$116.84	\$2,480.96	\$1,692.96
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$5.99	\$7.61	\$24.39	\$22.00
INTEREST ON EQUIPMENT INVESTMENT	\$25.35	\$48.62	\$63.75	\$51.47
TOTAL CAPITAL COSTS	\$31.34	\$56.23	\$88.15	\$73.47
RETURN TO LAND AND RISK	-\$14.10	\$60.61	\$2,392.81	\$1,619.49

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County, 2010

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$64,926
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		\$95,000
RED		\$0
RED CHILE	20 ACRES	
CROP		\$70,000
GROSS RETURN		<u>\$367,235</u>
CASH OPERATING EXPENSES		
SEED		\$16,109
FERTILIZER		\$19,621
CHEMICALS		\$5,170
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$21,301
FUEL-IRRIGATION		\$27,501
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$846
OTHER EXPENSES		\$18,587
TOTAL CASH EXPENSES		<u>\$191,619</u>
RETURN OVER CASH EXPENSES		\$175,616
FIXED EXPENSES		\$25,268
TOTAL EXPENSES		\$216,887
NET FARM INCOME		\$150,348
LABOR AND MANAGEMENT COSTS		\$48,809
NET OPERATING PROFIT		\$101,539
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,906
INTEREST ON EQUIPMENT INVESTMENT		\$13,191
TOTAL CAPITAL COSTS		<u>\$16,097</u>
RETURN TO LAND AND RISK		<u>\$85,442</u>
=====		

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
500 /ACRE	79,441.72	27.01%
700 /ACRE	77,041.72	22.27%
900 /ACRE	74,641.72	18.95%
1100 /ACRE	72,241.72	16.49%
1300 /ACRE	69,841.72	14.59%
1500 /ACRE	67,441.72	13.09%

* RETURN TO LAND AND RISK MINUS (INTEREST RATE TIMES LAND VALUE TIMES ACREAGE)

** NET OPERATING PROFIT DIVIDED BY (MACHINERY AND EQUIPMENT VALUE PLUS LAND VALUE)