

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

TABLE 1. Basic cost information for the Cotton City-Animas area
 Projected 2011.

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		\$7.20
FLEX IN COTTON	0	28	0	General & Irrigators	\$/hour		\$7.25
COTTON	153	28	4284	Purchased Inputs:			
ARP	0			Fertilizer:			
FLEX IN COTTON	0	28	0	Nitrogen (N)	\$/pound		\$0.71
GREEN CHILE	20	54	1080	Phosphate (P205)	\$/pound		\$0.65
RED CHILE	20	48	960	Anhydrous Ammonia (NH3)	\$/ton		\$625.00
ROADS, HOMESTEAD	20			Seed:			
TOTAL	349		10404	Grain Sorghum	\$/pound		\$1.78
ACRE FEET PER ACRE OF WATER RIGHTS			2.484241	Cotton (picker)	\$/pound		\$2.15
				Chile			
				green	\$/pound		\$22.00
				red	\$/pound		\$22.00
				wheat	\$/pound		\$0.32
				Energy:			
				Natural gas (Gas Co NM)	\$/MCF		\$3.73
				(service charge)	\$/month		\$10.00
				Diesel fuel	\$/gallon		\$3.00
				Gasoline	\$/gallon		\$3.05
				Electricity (Columbus)	cents/KwHr		\$8.81
				LP Gas	\$/gallon		\$2.55
				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		4.00%
				Land Taxes	348 /acre	(full value)	\$2.43
				Personal Property Tax Rate - NR	\$/1,000	(Assessed Value)	\$20.95
				- R			\$19.81
				Supervision Factors			
				Field Crop-Irrigation	\$/labor hour		\$0.00
				Field Crop-Equipment & General	\$/labor hour		\$0.00
				Vegetable Crop-Irrigation	\$/labor hour		\$0.07
				Vegetable Crop-Equipment & General	\$/labor hour		\$0.06
				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)		\$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	20000	@	0.5 per mile 10000
Insurance			
- general liability (non-employee)			\$1,802.90
- fire/theft			\$1,452.00
Property Taxes			
- non-planted land			9.905
- other than land & machinery			560
Building repairs and maintenance			\$1,367.30
Dues, fees, publications			\$411.40
Farmstead Equipment			\$169.40
			Total \$24,442.56
			Total Per Planted Acre \$74.29

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

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.....	8.8088	CENTS/k wHr	
NATURAL GAS.....	3.73	\$/MCF	
LP GAS.....	2.55	\$/GAL	
DIESEL.....	3	\$/GAL	
FUEL PUMPING COSTS:			
ELECTRIC WELL:			
COST PER HOUR.....\$	4.334214		
COST PER ACRE INCH.....\$	2.802173		
NATURAL GAS WELL:			
COST PER HOUR.....\$	2.419068		
COST PER ACRE INCH.....\$	1.563985		
LP GAS WELL:			
COST PER HOUR.....\$	16.24726		
COST PER ACRE INCH.....\$	10.50424		
DIESEL WELL:			
COST PER HOUR.....\$	11.93648		
COST PER ACRE INCH.....\$	7.717215		

TABLE 3. Equipment summary for a 400 acre, flood/sprinkler-irrigated farm with above average management, Cotton City-Animas area, Hidalgo County, 2007.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
				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	\$7,280.45	\$5,234.29	\$16.43	\$11.81	\$1,929.67	\$202.13	\$4.81
TRACTOR 155 HP	230	1	\$38,035.00	\$7,166.77	\$1,862.80	\$31.14	\$8.09	\$5,994.67	\$313.97	\$27.41
PICKUP 1/2 TON	333	1	\$13,000.00	\$6,398.60	\$834.00	\$19.22	\$2.50	\$2,600.00	\$90.78	\$2.88
COTTON PICKER 2 ROW	190	1	\$9,430.00	\$3,442.28	\$9,653.00	\$18.14	\$50.88	\$5,960.00	\$312.16	\$33.06
SHREDDER 4 ROW	52	1	\$2,500.00	\$96.31	\$96.31		\$1.85	\$333.33	\$17.46	\$6.74
ROLLING CULT 4 ROW	66	1	\$2,000.00	\$81.70	\$81.70		\$1.24	\$266.67	\$13.97	\$4.26
CULTIVATOR 4 ROW	147	1	\$1,500.00	\$0.00	\$0.00		\$0.00	\$200.00	\$10.48	\$1.43
DISC 14 FT.	95	1	\$3,000.00	\$162.47	\$162.47		\$1.71	\$400.00	\$20.95	\$4.43
ROTO BUCK	34	1	\$1,000.00	\$8.20	\$8.20		\$0.24	\$133.33	\$6.98	\$4.11
RIPPER 4 ROW (7-SHANK)	43	1	\$1,200.00	\$34.68	\$34.68		\$0.82	\$160.00	\$8.38	\$3.96
LISTER 4 ROW	57	1	\$1,600.00	\$56.56	\$56.56		\$0.99	\$213.33	\$11.17	\$3.94
PLANTER 4 ROW	75	1	\$3,400.00	\$579.93	\$579.93		\$7.72	\$680.00	\$23.74	\$9.37
VEG PLANTER 4 ROW	7	1	\$1,500.00	\$7.75	\$7.75		\$1.14	\$300.00	\$10.48	\$45.66
SPRAYER 12 FT	46	1	\$1,375.00	\$123.84	\$123.84		\$2.70	\$183.33	\$9.60	\$4.20
DRAG 8-24 FT.	62	1	\$250.00	\$5.56	\$5.56		\$0.09	\$33.33	\$1.75	\$0.57
PLOW 4-14	19	1	\$4,000.00	\$59.90	\$59.90		\$3.12	\$533.33	\$27.93	\$29.23
COTTON TRAILER 8 BALE	153	5	\$6,000.00	\$44.06	\$44.06		\$0.29	\$800.00	\$41.90	\$5.50
FERT SPREADER DLR FURN	16									
NATURAL GAS WELL	7256	3	\$59,250.00	\$17,552.12	\$656.64	\$2.42	\$0.09	\$5,642.86	\$413.76	\$0.88
			\$175,895.00	\$41,840.22	\$19,501.71			\$26,363.86	\$1,537.59	

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 2011.
 HARVEST DATES: JUNE 15 - JULY 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	\$10.83	50 CWT						\$541.67
ASCS DEFICIENCY		0 CWT						\$0.00
TOTAL							\$541.67	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	\$0.32	100 LBS	32				\$32.00	
ANHYDROUS AMMONIA (NH ₃)	\$0.31	250 LBS	78.125				\$78.13	
NITROGEN (N)	\$0.71	30 LBS	21.3				\$21.30	
PHOSPHATE (P ₂ O ₅)	\$0.65	80 LBS	52				\$52.00	
PUMP WATER*		24 ACRE IN.						
CROP INSURANCE								
SUBTOTAL			183.425				\$183.43	
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.01	\$4.36	\$1.13	\$3.84	\$10.34
FERTILIZE	185 HP	0.05 HR		\$0.36	\$1.56	\$0.40	\$1.37	\$3.69
DRAG (2X)	96 HP	0.2 HR		\$1.44	\$3.29	\$2.38	\$1.08	\$8.18
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.72	\$3.11	\$0.81	\$0.00	\$4.64
DRILL	96 HP	0.18 HR		\$1.30	\$2.96	\$2.13	\$0.00	\$6.38
IRRIGATE (4X)		0.6 HR		\$4.35	\$4.35	\$0.00	\$31.54	\$40.24
DISC	96 HP	0.25 HR		\$1.80	\$4.11	\$2.95	\$0.00	\$8.86
SUBTOTAL			1.52 HR	\$10.97	\$23.73	\$9.80	\$37.82	\$82.33
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		\$1.12				\$1.12
EMPLOYEE BENEFITS				\$1.98				\$1.98
INSURANCE			0.21948				\$0.22	\$0.22
LAND TAXES						\$2.43		\$2.43
SUPERVISION AND MANAGEMENT				\$37.92				\$37.92
OTHER EXPENSES			74.29348					\$74.29
SUBTOTAL			0.155 HR	74.51296	\$41.01		\$2.43	\$117.95
TOTAL OPERATING EXPENSES		1.675 HR	322.158	\$51.98	\$23.73	\$9.80	\$40.25	\$447.92
NET OPERATING PROFIT							\$93.74	
INTEREST ON OPERATING CAPITAL	(	105.4473	@	0.075				\$7.91
INTEREST ON EQUIPMENT INVESTMENT							\$8.84	
RETURN TO LAND AND RISK							\$76.99	

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

BUDGET SUMMARY

GROSS RETURN		\$541.67	
VARIABLE OPERATING EXPENSES	355.6906		
RETURN OVER VARIABLE EXPENSES	\$185.98		(GROSS MARGIN)
FIXED EXPENSES	40.25058		
NET FARM INCOME	\$145.73		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	51.98199		
NET OPERATING PROFIT	\$93.74		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	16.75155		
RETURN TO LAND AND RISK	\$76.99		

TABLE 5 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
 Harvesting dates: November 1 - November 25
 Projected 2011.

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAIN SORGHUM	\$8.63	62 CWT					\$534.75	
ASCS DIVERSION	0	0 CWT					\$0.00	
ASCS DEFICIENCY	0	0 CWT					\$0.00	
TOTAL							\$534.75	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	1.78	8 LBS	\$14.24				\$14.24	
ANHYDROUS AMMONIA (NH)	\$0.00	180 LBS	\$0.00				\$0.00	
HERBICIDE	9.455	1 ACRE	\$9.46				\$9.46	
INSECTICIDE (CUSTOM)		1 ACRE	\$0.00				\$0.00	
PUMP WATER*		30 AC. IN.						
CROP INSURANCE	0.367647		\$0.37				\$0.37	
SUBTOTAL			\$24.06				\$24.06	
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		\$1.44	\$6.23	\$1.78	\$6.27	\$15.72
DISC	185 HP	0.14 HR		\$1.01	\$4.36	\$1.37	\$4.46	\$11.20
FERTILIZE	185 HP	0.05 HR		\$0.36	\$1.56	\$0.40	\$1.37	\$3.69
DRAG (2X)	96 HP	0.2 HR		\$1.44	\$3.29	\$2.38	\$1.08	\$8.18
DISC & SPRAY	185 HP	0.15 HR		\$1.08	\$4.67	\$1.87	\$5.41	\$13.03
LISTER	185 HP	0.18 HR		\$1.30	\$5.60	\$1.64	\$5.64	\$14.18
PRE-IRRIGATE		0.75 HR		\$5.44	\$7.82	\$0.29	\$2.86	\$16.41
ROLLING CULT	96 HP	0.21 HR		\$1.51	\$3.45	\$2.74	\$1.90	\$9.61
PLANTER	96 HP	0.26 HR		\$1.87	\$4.27	\$5.08	\$3.69	\$14.91
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.02	\$6.90	\$4.96	\$2.62	\$17.50
ROTO BUCK (7X)	96 HP	0.105 HR		\$0.76	\$1.72	\$1.27	\$0.94	\$4.68
IRRIGATE (5X)		2.5 HR		\$18.13	\$39.10	\$1.46	\$14.29	\$72.98
SUBTOTAL		5.165 HR		\$37.35	\$88.97	\$25.25	\$50.52	\$202.09
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		\$1.01	\$2.30	\$1.91	\$1.62	\$6.84
OVERHEAD EXPENSES								
DOWNTIME		0.51375 HR		\$3.70				\$3.70
EMPLOYEE BENEFITS				\$6.90				\$6.90
INSURANCE			\$0.77					\$0.77
LAND TAXES							\$2.43	\$2.43
SUPERVISION AND MANAGEMENT				\$37.43				\$37.43
OTHER EXPENSES			\$74.29					\$74.29
SUBTOTAL		0.51375 HR	\$75.06	\$48.04			\$2.43	\$125.53
TOTAL OPERATING EXPENSES		5.81875 HR	\$133.84	\$86.39	\$91.27	\$27.16	\$54.57	\$393.23
NET OPERATING PROFIT							\$141.52	
INTEREST ON OPERATING CAPITAL	(	44.53091	@	\$0.08	)			\$3.34
INTEREST ON EQUIPMENT INVESTMENT								\$25.35
RETURN TO LAND AND RISK							\$112.83	

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

BUDGET SUMMARY

GROSS RETURN		\$534.75
VARIABLE OPERATING EXPENSES	\$252.27	
RETURN OVER VARIABLE EXPENSES	\$282.48	(GROSS MARGIN)
FIXED EXPENSES	\$54.57	
NET FARM INCOME	\$227.91	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$86.39	
NET OPERATING PROFIT	141.5167	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.69	
RETURN TO LAND AND RISK	\$112.83	

TABLE 6 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
 Harvesting dates: October 15 - January 1
 Projected 2011.

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)	\$0.71	32 LBS	\$22.72					\$22.72
PHOSPHATE (P2O5)	\$0.65	40 LBS	\$26.00					\$26.00
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			\$111.93					\$111.93
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.1 HR		\$0.72	\$3.11	\$0.89	\$3.14	\$7.86
DISC	185 HP	0.14 HR		\$1.01	\$4.36	\$1.37	\$4.46	\$11.20
FERTILIZE	185 HP	0.05 HR		\$0.36	\$1.56	\$0.40	\$1.37	\$3.69
DRAG (2X)	96 HP	0.2 HR		\$1.44	\$3.29	\$2.38	\$1.08	\$8.18
DISC & SPRAY	185 HP	0.15 HR		\$1.08	\$4.67	\$1.87	\$5.41	\$13.03
LISTER	185 HP	0.18 HR		\$1.30	\$5.60	\$1.64	\$5.64	\$14.18
PRE-IRRIGATE		1 HR		\$7.25	\$8.76	\$0.33	\$3.20	\$19.54
ROLLING CULT.	96 HP	0.21 HR		\$1.51	\$3.45	\$2.74	\$1.90	\$9.61
PLANTER	96 HP	0.26 HR		\$1.87	\$4.27	\$5.08	\$3.69	\$14.91
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.02	\$6.90	\$4.96	\$2.62	\$17.50
HAND HOE (CUSTOM)			\$15.00					\$15.00
ROTO BUCK (5X)	96 HP	0.075 HR		\$0.54	\$1.23	\$0.90	\$0.67	\$3.34
IRRIGATE (4X)		4 HR		\$29.00	\$35.03	\$1.31	\$12.81	\$78.15
SUBTOTAL		6.785 HR	\$15.00	\$49.10	\$82.23	\$23.88	\$45.98	\$216.19
HARVEST OPERATIONS								
COTTON PICKER (2X)	2 ROW	1.24 HR		\$8.93	\$22.50	\$57.35	\$40.99	\$129.77
COTTON TRAILER (2X)	HALF TON	1 HR		\$7.20	\$19.22	\$2.79	\$8.39	\$37.59
GIN COTTON (CUSTOM)			\$115.75					\$115.75
SUBTOTAL		2.24 HR	\$115.75	\$16.13	\$41.71	\$60.14	\$49.38	\$283.11
POSTHARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		\$1.01	\$2.30	\$1.91	\$1.62	\$6.84
OVERHEAD EXPENSES								
DOWNTIME		1.04125 HR		\$7.50				\$7.50
EMPLOYEE BENEFITS				\$11.92				\$11.92
INSURANCE			\$1.32				\$1.32	
LAND TAXES						\$2.43	\$2.43	
SUPERVISION AND MANAGEMENT				\$62.82				\$62.82
OTHER EXPENSES			\$74.29				\$74.29	
SUBTOTAL		1.04125 HR	\$75.62	\$82.24			\$2.43	\$160.29
TOTAL OPERATING EXPENSES		10.20625 HR	\$318.30	\$148.48	\$126.25	\$85.93	\$99.40	\$778.35
NET OPERATING PROFIT							\$119.09	
INTEREST ON OPERATING CAPITAL	(	\$101.68	@	\$0.08			\$7.63	
INTEREST ON EQUIPMENT INVESTMENT							\$48.62	
RETURN TO LAND AND RISK							\$62.84	

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

BUDGET SUMMARY

GROSS RETURN		\$897.44	
VARIABLE OPERATING EXPENSES	\$530.47		
RETURN OVER VARIABLE EXPENSES	\$366.97	(GROSS MARGIN)	
FIXED EXPENSES	\$99.40		
NET FARM INCOME	\$267.57	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	148.4786		
NET OPERATING PROFIT	\$119.09	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$56.25		
RETURN TO LAND AND RISK	\$62.84		

TABLE 7 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 2011.
 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								<u>\$3,800.00</u>	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL			
SEED	\$22.00	4 LBS	\$88.00			\$88.00			
ANHYDROUS AMMONIA (NH)	\$0.31	300 LBS	\$93.75			\$93.75			
NITROGEN (N)	\$0.71	60 LBS	\$42.60			\$42.60			
PHOSPHATE (P2O5)	\$0.65	150 LBS	\$97.50			\$97.50			
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			<u>\$346.98</u>			<u>\$346.98</u>			
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		\$1.01	\$4.36	\$1.37	\$4.46	\$11.20	
PLOW	185 HP	0.48 HR		\$3.46	\$14.95	\$5.38	\$27.19	\$50.97	
DISC	185 HP	0.14 HR		\$1.01	\$4.36	\$1.37	\$4.46	\$11.20	
LASER (CUSTOM)			\$73.33					\$73.33	
LISTER & SPRAY	185 HP	0.13 HR		\$0.94	\$4.05	\$1.53	\$4.62	\$11.14	
FERTILIZE	185 HP	0.05 HR		\$0.36	\$1.56	\$0.40	\$1.37	\$3.69	
PRE-IRRIGATE		0.75 HR		\$5.40	\$42.23	\$0.07	\$0.66	\$48.36	
ROLLING CULT	96 HP	0.13 HR		\$0.94	\$2.14	\$1.70	\$4.12	\$8.88	
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.22	\$2.79	\$2.20	\$8.58	\$14.80	
CULTIVATOR (5X)	96 HP	0.65 HR		\$4.68	\$10.68	\$7.68	\$5.89	\$28.93	
THIN & HOE (CUSTOM)			\$90.00					\$90.00	
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.51	\$3.45	\$2.53	\$1.87	\$9.36	
IRRIGATE (8X)		4 HR		\$28.80	\$75.07	\$3.28	\$3.54	\$110.69	
SUBTOTAL			<u>\$163.33</u>	<u>\$49.32</u>	<u>\$165.62</u>	<u>\$27.51</u>	<u>\$66.76</u>	<u>\$472.54</u>	
HARVEST OPERATIONS									
HARVEST GREEN (CUSTOM)			\$900.00					\$900.00	
HARVEST RED (CUSTOM)			\$0.00					\$0.00	
HAUL	3/4 TON	6 HR		\$43.20	\$115.29	\$13.26	\$17.30	\$189.05	
SUBTOTAL			<u>\$900.00</u>	<u>\$43.20</u>	<u>\$115.29</u>	<u>\$13.26</u>	<u>\$17.30</u>	<u>\$1,089.05</u>	
POST HARVEST OPERATIONS									
SHREDDER	80 HP	0.29 HR		\$2.09	\$4.76	\$3.96	\$3.35	\$14.16	
SUBTOTAL			<u>\$0.00</u>	<u>\$2.09</u>	<u>\$4.76</u>	<u>\$3.96</u>	<u>\$3.35</u>	<u>\$14.16</u>	
OVERHEAD EXPENSES									
DOWNTIME		0.5975 HR		\$3.45				\$3.45	
EMPLOYEE BENEFITS				\$17.03				\$17.03	
INSURANCE			\$1.89					\$1.89	
LAND TAXES						\$2.43		\$2.43	
SUPERVISION AND MANAGEMENT				\$200.00				\$200.00	
OTHER EXPENSES			\$74.29					\$74.29	
SUBTOTAL			<u>0.5975 HR</u>	<u>\$76.19</u>	<u>\$220.48</u>		<u>\$2.43</u>	<u>\$299.09</u>	
TOTAL OPERATING EXPENSES		13.7375 HR	\$1,486.50	\$315.08	\$285.67	\$44.73	\$89.84	\$2,221.83	
NET OPERATING PROFIT								\$1,578.17	
INTEREST ON OPERATING CAPITAL (307.4866 @ \$0.08)								\$23.06	
INTEREST ON EQUIPMENT INVESTMENT								\$63.75	
RETURN TO LAND AND RISK								\$1,491.36	

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

BUDGET SUMMARY

GROSS RETURN		\$3,800.00	
VARIABLE OPERATING EXPENSES	\$1,816.90		
RETURN OVER VARIABLE EXPENSES	\$1,983.10		(GROSS MARGIN)
FIXED EXPENSES	\$89.84		
NET FARM INCOME	\$1,893.25		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$315.08		
NET OPERATING PROFIT	\$1,578.17		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$86.81		
RETURN TO LAND AND RISK	\$1,491.36		

TABLE 8 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
 Harvesting dates: September 15 - January 31
 Projected 2011.

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	22.00	4 LBS	\$88.00			\$88.00		
ANHYDROUS AMMONIA (NH)	0.31	230 LBS	\$71.88			\$71.88		
NITROGEN (N)	0.71	60 LBS	\$42.60			\$42.60		
PHOSPHATE (P2O5)	0.65	150 LBS	\$97.50			\$97.50		
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			\$328.30			\$328.30		
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.01	\$4.36	\$1.37	\$4.46	\$11.20
PLOW	185 HP	0.48 HR		\$3.46	\$14.95	\$5.38	\$27.19	\$50.97
DISC	185 HP	0.14 HR		\$1.01	\$4.36	\$1.37	\$4.46	\$11.20
DRAG (2X)	96 HP	0.2 HR		\$1.44	\$3.29	\$2.38	\$1.08	\$8.18
LISTER	185 HP	0.12 HR		\$0.86	\$3.74	\$1.09	\$3.76	\$9.45
FERTILIZE	185 HP	0.05 HR		\$0.36	\$1.56	\$0.40	\$1.37	\$3.69
PRE-IRRIGATE		0.75 HR		\$5.40	\$37.54	\$0.07	\$0.66	\$43.67
ROLLING CULT	96 HP	0.13 HR		\$0.94	\$2.14	\$1.70	\$1.18	\$5.95
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.22	\$2.79	\$2.20	\$8.58	\$14.80
CULTIVATOR (5X)	96 HP	0.65 HR		\$4.68	\$10.68	\$7.68	\$4.05	\$27.09
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.51	\$4.04	\$2.53	\$1.87	\$9.95
IRRIGATE (11X)		5.5 HR		\$39.60	\$68.82	\$0.50	\$4.86	\$113.78
SUBTOTAL		8.54 HR	\$90.00	\$61.49	\$158.23	\$26.67	\$63.52	\$399.91
HARVEST OPERATIONS								
HARVEST (CUSTOM)			\$700.00					\$700.00
HAUL	3/4 TON	3 HR		\$21.60	\$57.65	\$6.63	\$8.65	\$94.53
SUBTOTAL		3 HR	\$700.00	\$21.60	\$57.65	\$6.63	\$8.65	\$794.53
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		\$2.09	\$4.76	\$3.96	\$3.35	\$14.16
SUBTOTAL		0.29 HR	\$0.00	\$2.09	\$4.76	\$3.96	\$3.35	\$14.16
OVERHEAD EXPENSES								
DOWNTIME		1.395 HR		\$10.04				\$10.04
EMPLOYEE BENEFITS				\$15.33				\$15.33
INSURANCE			\$1.70					\$1.70
LAND TAXES						\$2.43		\$2.43
SUPERVISION AND MANAGEMENT				\$94.07				\$94.07
OTHER EXPENSES			\$74.29					\$74.29
SUBTOTAL		1.395 HR	\$76.00	\$119.45	\$0.00	\$0.00	\$2.43	\$197.87
TOTAL OPERATING EXPENSES		13.225 HR	\$1,194.29	\$204.62	\$220.64	\$37.26	\$77.95	\$1,734.77
NET OPERATING PROFIT							\$1,765.23	
INTEREST ON OPERATING CAPITAL	(	274.7908	@	\$0.08	)		\$20.61	
INTEREST ON EQUIPMENT INVESTMENT							\$51.47	
RETURN TO LAND AND RISK							\$1,693.15	

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

BUDGET SUMMARY

GROSS RETURN		\$3,500.00	
VARIABLE OPERATING EXPENSES	\$1,452.20		
RETURN OVER VARIABLE EXPENSES	\$2,047.80	(GROSS MARGIN)	
FIXED EXPENSES	\$77.95		
NET FARM INCOME	\$1,969.85	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$204.62		
NET OPERATING PROFIT	\$1,765.23	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$72.08		
RETURN TO LAND AND RISK	\$1,693.15		

TABLE 9. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County

	GRAIN SORGHUM	PICKER COTTON	GREEN CHILE	RED CHILE
	-----FLOOD-----			
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	\$8.63	\$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	\$534.75	\$897.44	\$3,800.00	\$3,500.00
CASH OPERATING EXPENSES				
SEED	\$14.24	\$53.75	\$88.00	\$88.00
FERTILIZER	\$0.00	\$48.72	\$233.85	\$211.98
CHEMICALS	\$9.46	\$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	\$44.35	\$82.45	\$168.38	\$114.29
FUEL-IRRIGATION	\$46.92	\$43.79	\$117.30	\$106.35
REPAIRS	\$27.16	\$85.93	\$44.73	\$37.26
CUSTOM CHARGES	\$34.72	\$130.75	\$1,063.33	\$790.00
LAND TAXES	\$2.43	\$2.43	\$2.43	\$2.43
OTHER EXPENSES	\$75.06	\$75.62	\$76.19	\$76.00
TOTAL CASH EXPENSES	\$254.70	\$532.90	\$1,819.34	\$1,454.63
RETURN OVER CASH EXPENSES	\$280.05	\$364.54	\$1,980.66	\$2,045.37
FIXED EXPENSES	\$52.14	\$96.97	\$87.41	\$75.52
TOTAL EXPENSES	\$306.84	\$629.87	\$1,906.75	\$1,530.15
NET FARM INCOME	\$227.91	\$267.57	\$1,893.25	\$1,969.85
LABOR AND MANAGEMENT COSTS	\$86.39	\$148.48	\$315.08	\$204.62
NET OPERATING PROFIT	\$141.52	\$119.09	\$1,578.17	\$1,765.23
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$3.34	\$7.63	\$23.06	\$20.61
INTEREST ON EQUIPMENT INVESTMENT	\$25.35	\$48.62	\$63.75	\$51.47
TOTAL CAPITAL COSTS	\$28.69	\$56.25	\$86.81	\$72.08
RETURN TO LAND AND RISK	\$112.83	\$62.84	\$1,491.36	\$1,693.15

TABLE 10. Whole farm summary, Cotton City-Animas Area, Hidalgo County
Projected 2011.

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$72,726
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>\$356,034</u>
CASH OPERATING EXPENSES		
SEED		\$13,680
FERTILIZER		\$16,371
CHEMICALS		\$3,802
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$24,300
FUEL-IRRIGATION		\$17,554
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$800
OTHER EXPENSES		\$24,821
TOTAL CASH EXPENSES		<u>\$183,812</u>
RETURN OVER CASH EXPENSES		\$172,222
FIXED EXPENSES		\$25,187
TOTAL EXPENSES		\$208,999
NET FARM INCOME		\$147,036
LABOR AND MANAGEMENT COSTS		\$43,879
NET OPERATING PROFIT		\$103,156
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,494
INTEREST ON EQUIPMENT INVESTMENT		\$13,191
TOTAL CAPITAL COSTS		<u>\$15,685</u>
RETURN TO LAND AND RISK		<u>\$87,471</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
500 /ACRE	79,470.95	27.44%
700 /ACRE	76,270.95	22.63%
900 /ACRE	73,070.95	19.25%
1100 /ACRE	69,870.95	16.75%
1300 /ACRE	66,670.95	14.82%
1500 /ACRE	63,470.95	13.30%

* 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)