

TABLE 1. Acreage Summary, Hidalgo County,  
Projected 2012.

BUDGET AREA.....	VIRDEN AREA, HIDALGO COUNTY
FARM SIZE.....	200 ACRES
IRRIGATION TYPE.....	FLOOD
NUMBER OF CROPS...	4

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMENT *	15.00	20	300
ALFALFA	45.00	54	2,430
CORN SILAGE	25.00	50	1,250
COTTON	68.00	36	2,448
ARP	0.00		
FLEX IN CORN SILAGE	12.00	36	432
GRAIN SORGHUM	34.00	40	1,360
ARP	0.00		
FLEX IN CORN SILAGE	6.00	36	216
ROADS, DITCHES	10.00		
TOTAL	200.00		8,436
ACRE FEET PER ACRE OF WATER RIGHTS			3.52

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Virden area, Hidalgo County,  
Projected 2012.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$8.55
General & Irrigators	\$/hour	\$7.50
<b>Purchased Inputs:</b>		
<b>Fertilizer:</b>		
Nitrogen (N)	\$/pound	\$0.89
Phosphate (P205)	\$/pound	\$0.75
<b>Seed:</b>		
Alfalfa	\$/pound	\$6.50
Upland Cotton (picker)	\$/pound	\$8.00
Corn for Silage	\$/bag	\$237.50
Grain Sorghum	\$/pound	\$1.97
Canal Water	\$/acre	\$24.50
Wire:	\$/lb.	\$0.84
<b>Energy:</b>		
Diesel fuel	\$/gallon	\$3.00
Gasoline	\$/gallon	\$3.80
Electricity	cents/KwHr	8.45
LP Gas	\$/gallon	\$2.85
Employee Liability Insurance	\$/1000 wages	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
<b>Financial Rates:</b>		
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	\$348.00 /acre (full value)	\$2.57
Personal Property Tax Rate	- NR \$/1,000 (Assessed Value)	\$22.18
	- R	\$22.03
<b>Supervision Factors</b>		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for Virden area, Hidalgo County,  
Projected 2012.

Item		
Electricity (Domestic & Shop)	\$181.50 per month	\$2,178
Telephone	\$96.80 per month	\$1,162
Accounting & Legal		\$1,198
Misc. Supplies & Hand Tools		\$1,718
Pickup and Auto		
miles	18,150 @ \$0.500 per mile	\$9,075
<b>Insurance</b>		
- general liability (non-employee)		\$1,452
- fire/theft		\$1,113
<b>Property Taxes</b>		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$980
Dues, fees, publications		\$351
Farmstead Equipment		\$182
	Total	\$25,418
	Total per planted acre	\$133.78



TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2012.

Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL				
<b>PURCHASED INPUTS</b>								
SEED	\$6.50	25 LBS	\$162.50	\$162.50				
NITROGEN (N)	\$0.89	20 LBS	\$17.80	\$17.80				
PHOSPHATE (P2O5)	\$0.75	50 LBS	\$37.50	\$37.50				
PUMP WATER*		5 AC. IN.						
CANAL WATER		15 AC. IN.		\$0.00				
SUBTOTAL			\$217.80	\$217.80				
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$4.21	\$1.15	\$2.71	\$9.52
PLOW	145 HP	0.67 HR		\$5.73	\$16.58	\$5.44	\$12.51	\$40.27
DISC	145 HP	0.17 HR		\$1.45	\$4.21	\$1.15	\$2.71	\$9.52
FLOAT	145 HP	0.24 HR		\$2.05	\$5.94	\$0.96	\$2.75	\$11.70
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.92	\$0.11	\$1.49	\$2.95
LISTER	65 HP	0.18 HR		\$1.54	\$3.33	\$0.59	\$1.52	\$6.97
MULCHER	145 HP	0.15 HR		\$1.28	\$3.71	\$1.29	\$4.43	\$10.72
SEEDER	65 HP	0.05 HR		\$0.43	\$0.92	\$0.11	\$1.49	\$2.95
MULCHER	145 HP	0.15 HR		\$1.28	\$3.71	\$1.29	\$4.43	\$10.72
LISTER	65 HP	0.18 HR		\$1.54	\$3.33	\$0.59	\$1.52	\$6.97
IRRIGATE (4X)		2.00 HR		\$15.00	\$5.05	\$0.00	\$1.93	\$21.98
SUBTOTAL		4.01 HR		\$32.19	\$51.91	\$12.69	\$37.51	\$134.29
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.50 HR		\$4.30				\$4.30
EMPLOYEE BENEFITS				\$5.79				\$5.79
INSURANCE			\$0.64					\$0.64
SUPERVISION AND MANAGEMENT				\$27.36				\$27.36
SUBTOTAL		0.50 HR	\$0.64	\$37.45				\$38.09
<b>TOTAL OPERATING EXPENSES</b>		4.51 HR	\$218.44	\$69.64	\$51.91	\$12.69	\$37.51	\$390.18

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

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2012.

Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
ALFALFA HAY	\$255.00	6.50 TONS (IN FIELD)	\$1,657.50
GRAZING	\$15.00	1.00 ACRE	\$15.00
<b>TOTAL</b>			<b>\$1,672.50</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
WIRE	0.84	56 LBS	\$46.79		\$46.79
ESTABLISHMENT: Principal		3 YEARS		\$130.06	\$130.06
: Interest				\$16.83	\$16.83
CANAL WATER		36 AC. IN.		\$24.50	\$24.50
PUMP WATER*		18 AC. IN.			
<b>SUBTOTAL</b>			<b>\$46.79</b>	<b>\$171.39</b>	<b>\$218.18</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (9X)		4.50 HR		\$33.75	\$18.18	\$0.00	\$6.96	\$58.90
<b>SUBTOTAL</b>		<b>4.50 HR</b>		<b>\$33.75</b>	<b>\$18.18</b>	<b>\$0.00</b>	<b>\$6.96</b>	<b>\$58.90</b>

**HARVEST OPERATIONS**

SWATHER (5X)	14 FT	0.80 HR		\$6.84	\$8.99	\$0.46	\$34.60	\$50.89
BALER, PTO (5X)	145 HP	1.05 HR		\$8.98	\$25.98	\$4.33	\$19.90	\$59.19
<b>SUBTOTAL</b>		<b>1.85 HR</b>		<b>\$15.82</b>	<b>\$34.97</b>	<b>\$4.80</b>	<b>\$54.50</b>	<b>\$110.09</b>

**OVERHEAD EXPENSES**

DOWNTIME		0.46 HR		\$3.95				\$3.95
EMPLOYEE BENEFITS				\$8.92				\$8.92
INSURANCE			\$0.99					\$0.99
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$122.50				\$122.50
OTHER EXPENSES			\$133.78					\$133.78
<b>SUBTOTAL</b>		<b>0.46 HR</b>	<b>\$134.77</b>	<b>\$135.38</b>			<b>\$2.57</b>	<b>\$272.72</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>6.81 HR</b>	<b>\$181.56</b>	<b>\$184.94</b>	<b>\$53.15</b>	<b>\$4.80</b>	<b>\$235.43</b>	<b>\$659.88</b>
---------------------------------	--	----------------	-----------------	-----------------	----------------	---------------	-----------------	-----------------

<b>NET OPERATING PROFIT</b>								<b>\$1,012.62</b>
-----------------------------	--	--	--	--	--	--	--	-------------------

INTEREST ON OPERATING CAPITAL	(	\$31.26	@	7.00%	)			\$2.19
INTEREST ON EQUIPMENT INVESTMENT								\$25.08

<b>RETURN TO LAND AND RISK</b>								<b>\$985.35</b>
--------------------------------	--	--	--	--	--	--	--	-----------------

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,672.50	
VARIABLE OPERATING EXPENSES	\$239.51		
RETURN OVER VARIABLE EXPENSES	\$1,432.99	(GROSS MARGIN)	
FIXED EXPENSES	\$235.43		
NET FARM INCOME	\$1,197.56	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$184.94		
NET OPERATING PROFIT	\$1,012.62	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$27.27		
RETURN TO LAND AND RISK	\$985.35		

TABLE 8. Corn silage, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2012.

Planting dates: April 15 - May 31  
Harvest dates: August 15 - October 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
CORN SILAGE	\$48.00	25.00 TONS (STANDING)	\$1,200.00
TOTAL			\$1,200.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.97	30 000	\$89.06		\$89.06
NITROGEN (N)	\$0.89	32 LBS	\$28.48		\$28.48
PHOSPHATE (P205)	\$0.75	40 LBS	\$30.00		\$30.00
CANAL WATER		36 AC. IN.		\$24.50	\$24.50
PUMP WATER*		14 AC. IN.			
SUBTOTAL			\$147.54	\$24.50	\$172.04

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.92	\$0.11	\$1.49	\$2.95
DISC	145 HP	0.17 HR		\$1.45	\$4.21	\$1.15	\$2.71	\$9.52
CHISEL	145 HP	0.20 HR		\$1.71	\$4.95	\$1.09	\$3.56	\$11.31
DISC	145 HP	0.17 HR		\$1.45	\$4.21	\$1.15	\$2.71	\$9.52
FLOAT	65 HP	0.24 HR		\$2.05	\$4.43	\$0.31	\$1.06	\$7.86
LISTER	65 HP	0.18 HR		\$1.54	\$3.33	\$0.59	\$1.52	\$6.97
PRE-IRRIGATE		0.75 HR		\$5.63	\$1.77	\$0.00	\$0.68	\$8.07
MULCHER	145 HP	0.15 HR		\$1.28	\$3.71	\$1.29	\$4.43	\$10.72
PLANTER	145 HP	0.26 HR		\$2.22	\$6.43	\$1.46	\$7.56	\$17.67
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.59	\$7.76	\$1.32	\$2.24	\$14.92
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.77	\$2.23	\$0.36	\$1.80	\$5.15
IRRIGATE (7X)		3.50 HR		\$26.25	\$12.37	\$0.00	\$4.74	\$43.36
SUBTOTAL		6.18 HR		\$48.38	\$56.32	\$8.84	\$34.49	\$148.03

OVERHEAD EXPENSES

DOWNTIME		0.46 HR		\$3.93				\$3.93
EMPLOYEE BENEFITS				\$8.71				\$8.71
INSURANCE			\$0.97					\$0.97
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$89.17				\$89.17
OTHER EXPENSES			\$133.78					\$133.78
SUBTOTAL		0.46 HR		\$134.75	\$101.81		\$2.57	\$239.13

TOTAL OPERATING EXPENSES 6.64 HR \$282.29 \$150.19 \$56.32 \$8.84 \$61.57 \$559.21

NET OPERATING PROFIT \$640.79

INTEREST ON OPERATING CAPITAL ( \$90.06 @ 7.00% ) \$6.30  
INTEREST ON EQUIPMENT INVESTMENT \$23.25

RETURN TO LAND AND RISK \$611.24

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

GROSS RETURN		\$1,200.00	
VARIABLE OPERATING EXPENSES	\$347.45		
RETURN OVER VARIABLE EXPENSES		\$852.55	(GROSS MARGIN)
FIXED EXPENSES	\$61.57		
NET FARM INCOME		\$790.98	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$150.19		
NET OPERATING PROFIT		\$640.79	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$29.55		
RETURN TO LAND AND RISK		\$611.24	

TABLE 9. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with average management, Virden area, Hidalgo County, Projected 2012.

Planting dates: April 10 - April 30

Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
LINT	\$0.85	600.00 LBS		\$510.00
SEED	\$0.07	960.00 LBS		\$67.20
DIRECT PAYMENT	\$0.0000	600.00 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	1,060.00 LBS	0.85	\$123.71
<b>TOTAL</b>				<b>\$700.91</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$8.00	17 LBS	\$136.00		\$136.00
NITROGEN (N)	\$0.89	80 LBS	\$71.20		\$71.20
PHOSPHATE (P205)	\$0.75	60 LBS	\$45.00		\$45.00
HERBICIDE	\$14.08	1 ACRE	\$14.08		\$14.08
CANAL WATER		24 AC. IN.	\$0.00	\$24.50	\$24.50
PUMP WATER*		12 AC. IN.			
CROP INSURANCE	\$0.74		\$0.74		\$0.74
<b>SUBTOTAL</b>			<b>\$267.02</b>	<b>\$24.50</b>	<b>\$291.52</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.92	\$0.11	\$1.49	\$2.95
DISC	145 HP	0.17 HR		\$1.45	\$4.21	\$1.15	\$2.71	\$9.52
PLOW	145 HP	0.67 HR		\$5.73	\$16.58	\$5.44	\$12.51	\$40.27
DISC & SPRAY	145 HP	0.15 HR		\$1.28	\$3.71	\$1.11	\$3.61	\$9.72
FLOAT	65 HP	0.24 HR		\$2.05	\$4.43	\$0.31	\$1.06	\$7.86
LISTER	145 HP	0.18 HR		\$1.54	\$4.45	\$1.07	\$2.79	\$9.86
PRE-IRRIGATE		0.75 HR		\$5.63	\$1.35	\$0.00	\$0.52	\$7.49
MULCHER	145 HP	0.14 HR		\$1.20	\$3.46	\$1.21	\$4.14	\$10.01
PLANTER	145 HP	0.26 HR		\$2.22	\$6.43	\$1.46	\$7.56	\$17.67
CULTIVATOR (4X)	65 HP	0.84 HR		\$7.18	\$15.52	\$2.65	\$4.48	\$29.83
HOEING (CUSTOM)			\$24.00					\$24.00
ROTOBUCK (3X)	145 HP	0.03 HR		\$0.26	\$0.74	\$0.12	\$0.60	\$1.72
IRRIGATE (8X)		4.00 HR		\$30.00	\$10.77	\$0.00	\$4.13	\$44.90
<b>SUBTOTAL</b>		<b>7.48 HR</b>	<b>\$24.00</b>	<b>\$58.97</b>	<b>\$72.59</b>	<b>\$14.64</b>	<b>\$45.59</b>	<b>\$215.79</b>

HARVEST OPERATIONS								
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$22.50	\$8.87	\$92.51	\$134.48
COTTON TRAILER (2X)	HALF TON	2.50 HR		\$21.38	\$59.85	\$1.82	\$18.84	\$101.89
GIN COTTON (CUSTOM)			\$68.52					\$68.52
<b>SUBTOTAL</b>		<b>3.74 HR</b>	<b>\$68.52</b>	<b>\$31.98</b>	<b>\$82.35</b>	<b>\$10.69</b>	<b>\$111.35</b>	<b>\$304.88</b>

POSTHARVEST OPERATIONS								
SHREDDER	65 HP	0.29 HR		\$2.48	\$5.36	\$0.43	\$3.49	\$11.76
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$2.48</b>	<b>\$5.36</b>	<b>\$0.43</b>	<b>\$3.49</b>	<b>\$11.76</b>

OVERHEAD EXPENSES								
DOWNTIME		1.56 HR		\$13.32				\$13.32
EMPLOYEE BENEFITS				\$16.82				\$16.82
INSURANCE			\$1.87					\$1.87
LAND TAXES						\$2.57		\$2.57
SUPERVISION AND MANAGEMENT				\$56.18				\$56.18
OTHER EXPENSES			\$133.78					\$133.78
<b>SUBTOTAL</b>		<b>1.56 HR</b>	<b>\$135.65</b>	<b>\$86.31</b>		<b>\$2.57</b>		<b>\$224.53</b>

TOTAL OPERATING EXPENSES		13.07 HR	\$495.18	\$179.73	\$160.30	\$25.76	\$187.51	\$1,048.49
--------------------------	--	----------	----------	----------	----------	---------	----------	------------

NET OPERATING PROFIT								(\$347.58)
----------------------	--	--	--	--	--	--	--	------------

INTEREST ON OPERATING CAPITAL	(	\$170.23	@	7.00%	)			\$11.92
INTEREST ON EQUIPMENT INVESTMENT								\$97.95

RETURN TO LAND AND RISK								(\$457.45)
-------------------------	--	--	--	--	--	--	--	------------

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

BUDGET SUMMARY

GROSS RETURN		\$700.91		
VARIABLE OPERATING EXPENSES	\$681.24			
RETURN OVER VARIABLE EXPENSES		\$19.66	(GROSS MARGIN)	
FIXED EXPENSES	\$187.51			
NET FARM INCOME		(\$167.85)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$179.73			
NET OPERATING PROFIT		(\$347.58)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$109.87			
RETURN TO LAND AND RISK		(\$457.45)		

TABLE 10. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2012.

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
GRAIN SORGHUM	\$8.63	60.00 CWT		\$517.50
DIRECT PAYMENT	\$0.00	60.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$10.00	1.00 ACRE		\$10.00
<b>TOTAL</b>				<b>\$527.50</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.97	8 LBS	\$15.76		\$15.76
NITROGEN (N)	\$0.89	32 LBS	\$28.48		\$28.48
PHOSPHATE (P205)	\$0.75	40 LBS	\$30.00		\$30.00
HERBICIDE	\$14.08	1 ACRE	\$14.08		\$14.08
INSECTICIDE	\$11.30	1 ACRE	\$11.30		\$11.30
CANAL WATER		28 AC. IN.		\$24.50	\$24.50
PUMP WATER*		12 AC. IN.			
CROP INSURANCE	\$1.47		\$1.47		\$1.47
<b>SUBTOTAL</b>			<b>\$101.09</b>	<b>\$24.50</b>	<b>\$125.59</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZER	65 HP	0.15 HR		\$1.28	\$2.77	\$0.33	\$4.47	\$8.85
DISC	145 HP	0.20 HR		\$1.71	\$4.95	\$1.35	\$3.19	\$11.20
CHISEL	145 HP	0.40 HR		\$3.42	\$9.90	\$2.18	\$7.12	\$22.63
DISC	145 HP	0.20 HR		\$1.71	\$4.95	\$1.35	\$3.19	\$11.20
FLOAT	145 HP	0.25 HR		\$2.14	\$6.19	\$1.00	\$2.87	\$12.19
SPRAYER	65 HP	0.20 HR		\$1.71	\$3.70	\$0.39	\$2.25	\$8.05
LISTER	65 HP	0.50 HR		\$4.28	\$9.24	\$1.64	\$4.22	\$19.37
PRE-IRRIGATE		0.75 HR		\$5.63	\$2.02	\$0.00	\$0.77	\$8.42
MULCHER	145 HP	0.20 HR		\$1.71	\$4.95	\$1.72	\$5.91	\$14.29
PLANTER	145 HP	0.25 HR		\$2.14	\$6.19	\$1.40	\$7.27	\$16.99
SPRAYER	65 HP	0.20 HR		\$1.71	\$3.70	\$0.39	\$2.25	\$8.05
CULTIVATOR (2X)	65 HP	0.60 HR		\$5.13	\$11.09	\$1.89	\$3.20	\$21.31
ROTOBUCK (3X)	145 HP	0.25 HR		\$2.14	\$6.19	\$1.00	\$4.99	\$14.32
IRRIGATE (5X)		2.50 HR		\$18.75	\$10.10	\$0.00	\$3.87	\$32.72
<b>SUBTOTAL</b>		<b>6.65 HR</b>		<b>\$53.45</b>	<b>\$85.91</b>	<b>\$14.66</b>	<b>\$55.57</b>	<b>\$209.59</b>

HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$25.20				\$25.20
HAUL (CUSTOM)				\$11.40				\$11.40
<b>SUBTOTAL</b>		<b>0.00 HR</b>		<b>\$36.60</b>				<b>\$36.60</b>

OVERHEAD EXPENSES								
DOWNTIME		0.61 HR		\$5.24				\$5.24
EMPLOYEE BENEFITS				\$9.62				\$9.62
INSURANCE				\$1.07				\$1.07
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$38.95				\$38.95
OTHER EXPENSES				\$133.78				\$133.78
<b>SUBTOTAL</b>		<b>0.61 HR</b>		<b>\$134.85</b>	<b>\$53.81</b>		<b>\$2.57</b>	<b>\$191.23</b>

TOTAL OPERATING EXPENSES 7.26 HR \$272.54 \$107.25 \$85.91 \$14.66 \$82.65 \$563.01

NET OPERATING PROFIT (\$35.51)

INTEREST ON OPERATING CAPITAL ( \$78.74 @ 7.00% ) \$5.51  
 INTEREST ON EQUIPMENT INVESTMENT \$37.45

RETURN TO LAND AND RISK (\$78.47)

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

BUDGET SUMMARY

GROSS RETURN		\$527.50	
VARIABLE OPERATING EXPENSES	\$373.11		
RETURN OVER VARIABLE EXPENSES		\$154.39	(GROSS MARGIN)
FIXED EXPENSES	\$82.65		
NET FARM INCOME		\$71.74	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$107.25		
NET OPERATING PROFIT		(\$35.51)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$42.96		
RETURN TO LAND AND RISK		(\$78.47)	

TABLE 11. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2012.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN SILAGE	PICKER COTTON	GRAIN SORGHUM
		TONS	TONS	LBS	CWT
PRIMARY YIELD		6.50	25.00	600.00	60.00
PRIMARY PRICE		\$255.00	\$48.00	\$0.85	\$8.63
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$123.71	\$0.00
SECOND INCOME		\$15.00	\$0.00	\$67.20	\$10.00
GROSS RETURN		\$1,672.50	\$1,200.00	\$700.91	\$527.50
CASH OPERATING EXPENSES					
SEED	\$162.50		\$89.06	\$136.00	\$15.76
FERTILIZER	\$55.30		\$58.48	\$116.20	\$58.48
CHEMICALS				\$14.08	\$25.38
CROP INSURANCE				\$0.74	\$1.47
OTHER PURCHASED INPUTS		\$46.79			
CANAL WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$46.86	\$34.97	\$42.18	\$148.18	\$73.79
FUEL-IRRIGATION	\$5.05	\$18.18	\$14.14	\$12.12	\$12.12
REPAIRS	\$12.69	\$4.80	\$8.84	\$25.76	\$14.66
CUSTOM CHARGES				\$92.52	\$36.60
LAND TAXES		\$2.57	\$2.57	\$2.57	\$2.57
OTHER EXPENSES	\$0.64	\$134.77	\$134.75	\$135.65	\$134.85
TOTAL CASH EXPENSES	\$283.04	\$242.09	\$350.03	\$683.82	\$375.69
RETURN OVER CASH EXPENSES	(\$283.04)	\$1,430.41	\$849.97	\$17.09	\$151.81
FIXED EXPENSES	\$37.51	\$232.86	\$58.99	\$184.94	\$80.07
TOTAL EXPENSES	\$320.54	\$474.94	\$409.02	\$868.75	\$455.76
NET FARM INCOME	(\$320.54)	\$1,197.56	\$790.98	(\$167.85)	\$71.74
LABOR AND MANAGEMENT COSTS	\$69.64	\$184.94	\$150.19	\$179.73	\$107.25
NET OPERATING PROFIT	(\$390.18)	\$1,012.62	\$640.79	(\$347.58)	(\$35.51)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$2.19	\$6.30	\$11.92	\$5.51
INTEREST ON EQUIPMENT INVESTMENT		\$25.08	\$23.25	\$97.95	\$37.45
TOTAL CAPITAL COSTS	\$0.00	\$27.27	\$29.55	\$109.87	\$42.96
RETURN TO LAND AND RISK	(\$390.18)	\$985.35	\$611.24	(\$457.45)	(\$78.47)



TABLE 12. Whole farm summary, Virden area, Hidalgo County,  
Projected 2012.

GROSS RETURNS		
ALFALFA HAY	45.00 ACRES	
CROP		\$74,588
GRAZING		\$675
CORN SILAGE	43.00 ACRES	
CROP		\$51,600
UPLAND COTTON	68.00 ACRES	
LINT		\$34,680
SEED		\$4,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$8,412
GRAIN SORGHUM	34.00 ACRES	
CROP		\$17,595
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$340
GROSS RETURN		<u>\$192,119</u>
CASH OPERATING EXPENSES		
SEED		\$16,051
FERTILIZER		\$13,234
CHEMICALS		\$1,820
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$2,106
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$16,675
FUEL-IRRIGATION		\$2,738
REPAIRS		\$3,036
CUSTOM CHARGES		\$7,536
LAND TAXES		\$489
OTHER EXPENSES		\$25,678
TOTAL CASH EXPENSES		<u>\$89,463</u>
RETURN OVER CASH EXPENSES		\$102,656
FIXED EXPENSES		\$23,023
TOTAL EXPENSES		\$112,487
NET FARM INCOME		\$79,632
LABOR AND MANAGEMENT COSTS		\$31,694
NET OPERATING PROFIT		\$47,939
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,367
INTEREST ON EQUIPMENT INVESTMENT		\$10,062
TOTAL CAPITAL COSTS		<u>\$11,430</u>
RETURN TO LAND AND RISK		<u>\$36,509</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	\$32,309	19.14%
\$900 /ACRE	\$31,109	16.51%
\$1,100 /ACRE	\$29,909	14.51%
\$1,300 /ACRE	\$28,709	12.94%
\$1,500 /ACRE	\$27,509	11.68%
\$1,700 /ACRE	\$26,309	10.64%
\$1,900 /ACRE	\$25,109	9.78%

\* 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)