

# MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... VIRDEN AREA, HIDALGO COUNTY, Projected 2010.  
FARM SIZE..... 200.00 ACRES  
IRRIGATION TYPE..... FLOOD  
NUMBER OF CROPS..... 4

VERSION 1.0

COPYRIGHT (C) 1984 by NEW MEXICO STATE UNIVERSITY BOARD OF REGENTS

New Mexico State University is an equal opportunity employer. All programs are available to everyone regardless of race, color, religion, sex, age, handicap, or national origin. New Mexico State University and the U.S. Department of Agriculture Cooperating.

\* YOU MAY ENTER DATA IN ANY INPUT TABLE WITH  
HIGHLIGHTED CELLS OR YOU MAY STRIKE  
[ENTER] AND RETURN TO THE MENU

\*\* BE SURE PRINTER IS ON AND PAPER IS ALIGNED  
BEFORE YOU PRINT

TABLE 1. Acreage Summary, Hidalgo County,  
Projected 2010.

BUDGET AREA.....	VIRDEN AREA, HIDALGO COUNTY		
FARM SIZE.....	200 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS...	4		
	WATER USE		
ACREAGE SUMMARY:	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		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 2010.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators	\$/hour		\$8.55
General & Irrigators	\$/hour		\$7.25
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Nitrogen (N)	\$/pound		\$0.58
Phosphate (P205)	\$/pound		\$0.51
<b>Seed:</b>			
Alfalfa	\$/pound		\$3.75
Upland Cotton (picker)	\$/pound		\$2.15
Corn for Silage	\$/bag		\$225.00
Grain Sorghum	\$/pound		\$2.10
Canal Water	\$/acre		\$24.50
Wire:	\$/lb.		\$0.61
<b>Energy:</b>			
Diesel fuel	\$/gallon		\$2.80
Gasoline	\$/gallon		\$2.50
Electricity	cents/KwHr		7.62
LP Gas	\$/gallon		\$2.60
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		7.50%
Land Interest Rate	percent		7.00%
Equipment Interest Rate	percent		7.50%
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 2010.

Item			
Electricity (Domestic & Shop)		\$177.00 per month	\$2,124
Telephone		\$94.40 per month	\$1,133
Accounting & Legal			\$1,168
Misc. Supplies & Hand Tools			\$1,676
Pickup and Auto			
miles	17,700	@ \$0.415 per mile	\$7,346
<b>Insurance</b>			
- general liability (non-employee)			\$1,416
- fire/theft			\$1,086
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$956
Dues, fees, publications			\$342
Farmstead Equipment			\$177
		Total	\$23,433
		Total per planted acre	\$123.33



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 2010.

Planting dates: August 15 - October 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL				
<b>PURCHASED INPUTS</b>								
SEED	\$3.75	25 LBS	\$93.75	\$93.75				
NITROGEN (N)	\$0.58	20 LBS	\$11.60	\$11.60				
PHOSPHATE (P2O5)	\$0.51	50 LBS	\$25.50	\$25.50				
PUMP WATER*		5 AC. IN.						
CANAL WATER		15 AC. IN.		\$0.00				
SUBTOTAL			\$130.85	\$130.85				
<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	\$3.93	\$1.15	\$2.71	\$9.24
PLOW	145 HP	0.67 HR		\$5.73	\$15.48	\$5.44	\$12.51	\$39.16
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
FLOAT	145 HP	0.24 HR		\$2.05	\$5.54	\$0.96	\$2.75	\$11.31
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.61	\$0.11	\$1.49	\$2.63
LISTER	65 HP	0.18 HR		\$1.54	\$2.19	\$0.59	\$1.52	\$5.84
MULCHER	145 HP	0.15 HR		\$1.28	\$3.46	\$1.29	\$4.43	\$10.47
SEEDER	65 HP	0.05 HR		\$0.43	\$0.61	\$0.11	\$1.49	\$2.63
MULCHER	145 HP	0.15 HR		\$1.28	\$3.46	\$1.29	\$4.43	\$10.47
LISTER	65 HP	0.18 HR		\$1.54	\$2.19	\$0.59	\$1.52	\$5.84
IRRIGATE (4X)		2.00 HR		\$14.50	\$4.56	\$0.00	\$1.93	\$20.99
SUBTOTAL		4.01 HR		\$31.69	\$45.95	\$12.69	\$37.51	\$127.83
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.50 HR		\$4.30				\$4.30
EMPLOYEE BENEFITS				\$5.70				\$5.70
INSURANCE			\$0.63					\$0.63
SUPERVISION AND MANAGEMENT				\$20.82				\$20.82
SUBTOTAL		0.50 HR	\$0.63	\$30.82				\$31.46
<b>TOTAL OPERATING EXPENSES</b>		4.51 HR	\$131.48	\$62.51	\$45.95	\$12.69	\$37.51	\$290.14

\* 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 2010.

Harvest dates: June 1 - October 10

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$130.00	6.50 TONS (IN FIELD)						\$845.00
GRAZING	\$15.00	1.00 ACRE						\$15.00
<b>TOTAL</b>							<b>\$860.00</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	0.61	56 LBS	\$33.98					\$33.98
: Interest		3 YEARS					\$96.71	\$96.71
CANAL WATER		36 AC. IN.					\$12.94	\$12.94
PUMP WATER*		18 AC. IN.					\$24.50	\$24.50
<b>SUBTOTAL</b>			<b>\$33.98</b>				<b>\$134.15</b>	<b>\$168.13</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (9X)		4.50 HR		\$32.63	\$16.41	\$0.00	\$6.96	\$56.00
<b>SUBTOTAL</b>		<b>4.50 HR</b>		<b>\$32.63</b>	<b>\$16.41</b>	<b>\$0.00</b>	<b>\$6.96</b>	<b>\$56.00</b>
<b>HARVEST OPERATIONS</b>								
SWATHER (5X)	14 FT	0.80 HR		\$6.84	\$8.39	\$0.46	\$34.60	\$50.30
BALER, PTO (5X)	145 HP	1.05 HR		\$8.98	\$24.25	\$4.33	\$19.90	\$57.46
<b>SUBTOTAL</b>		<b>1.85 HR</b>		<b>\$15.82</b>	<b>\$32.64</b>	<b>\$4.80</b>	<b>\$54.50</b>	<b>\$107.76</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.46 HR		\$3.95				\$3.95
EMPLOYEE BENEFITS				\$8.72				\$8.72
INSURANCE			\$0.97					\$0.97
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$65.63				\$65.63
OTHER EXPENSES			\$123.33					\$123.33
<b>SUBTOTAL</b>		<b>0.46 HR</b>	<b>\$124.30</b>	<b>\$78.30</b>			<b>\$2.57</b>	<b>\$205.17</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>6.81 HR</b>	<b>\$158.28</b>	<b>\$126.74</b>	<b>\$49.05</b>	<b>\$4.80</b>	<b>\$198.19</b>	<b>\$537.05</b>
<b>NET OPERATING PROFIT</b>							<b>\$322.95</b>	
INTEREST ON OPERATING CAPITAL		(	\$24.21	@	7.50%	)	\$1.82	
INTEREST ON EQUIPMENT INVESTMENT							\$26.87	
<b>RETURN TO LAND AND RISK</b>							<b>\$294.26</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$860.00	
VARIABLE OPERATING EXPENSES	\$212.13		
RETURN OVER VARIABLE EXPENSES	\$647.87	(GROSS MARGIN)	
FIXED EXPENSES	\$198.19		
NET FARM INCOME	\$449.69	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$126.74		
NET OPERATING PROFIT	\$322.95	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$28.69		
RETURN TO LAND AND RISK	\$294.26		

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 2010.

Planting dates: April 15 - May 31

Harvest dates: August 15 - October 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
CORN SILAGE	\$24.00	25.00 TONS (STANDING)	\$600.00
TOTAL			\$600.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.81	30 000	\$84.38		\$84.38
NITROGEN (N)	\$0.58	32 LBS	\$18.56		\$18.56
PHOSPHATE (P205)	\$0.51	40 LBS	\$20.40		\$20.40
CANAL WATER		36 AC. IN.		\$24.50	\$24.50
PUMP WATER*		14 AC. IN.			
SUBTOTAL			\$123.34	\$24.50	\$147.84

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.61	\$0.11	\$1.49	\$2.63
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
CHISEL	145 HP	0.20 HR		\$1.71	\$4.62	\$1.09	\$3.56	\$10.98
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
FLOAT	65 HP	0.24 HR		\$2.05	\$2.92	\$0.31	\$1.06	\$6.34
LISTER	65 HP	0.18 HR		\$1.54	\$2.19	\$0.59	\$1.52	\$5.84
PRE-IRRIGATE		0.75 HR		\$5.44	\$1.60	\$0.00	\$0.68	\$7.71
MULCHER	145 HP	0.15 HR		\$1.28	\$3.46	\$1.29	\$4.43	\$10.47
PLANTER	145 HP	0.26 HR		\$2.22	\$6.01	\$1.46	\$7.56	\$17.24
CULTIVATOR (2X)	65 HP	0.42 HR		\$3.59	\$5.11	\$1.32	\$2.24	\$12.26
ROTOBUCK (3X)	145 HP	0.09 HR		\$0.77	\$2.08	\$0.36	\$1.80	\$5.01
IRRIGATE (7X)		3.50 HR		\$25.38	\$11.17	\$0.00	\$4.74	\$41.28
SUBTOTAL		6.18 HR		\$47.31	\$47.60	\$8.84	\$34.49	\$138.25

OVERHEAD EXPENSES

DOWNTIME		0.46 HR		\$3.93				\$3.93
EMPLOYEE BENEFITS				\$8.52				\$8.52
INSURANCE			\$0.95					\$0.95
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$47.17				\$47.17
OTHER EXPENSES			\$123.33					\$123.33
SUBTOTAL		0.46 HR	\$124.28	\$59.62			\$2.57	\$186.47

TOTAL OPERATING EXPENSES 6.64 HR \$247.61 \$106.93 \$47.60 \$8.84 \$61.57 \$472.56

NET OPERATING PROFIT \$127.44

INTEREST ON OPERATING CAPITAL ( \$75.78 @ 7.50% ) \$5.68  
 INTEREST ON EQUIPMENT INVESTMENT \$24.91

RETURN TO LAND AND RISK \$96.85

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

BUDGET SUMMARY

GROSS RETURN		\$600.00	
VARIABLE OPERATING EXPENSES	\$304.06		
RETURN OVER VARIABLE EXPENSES	\$295.94	(GROSS MARGIN)	
FIXED EXPENSES	\$61.57		
NET FARM INCOME	\$234.38	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$106.93		
NET OPERATING PROFIT	\$127.44	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$30.59		
RETURN TO LAND AND RISK	\$96.85		

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 2010.

Planting dates: April 10 - April 30

Harvest dates: October 15 - December 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
LINT	\$0.80	600.00 LBS		\$480.00
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>\$670.91</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.15	17 LBS	\$36.55		\$36.55
NITROGEN (N)	\$0.58	80 LBS	\$46.40		\$46.40
PHOSPHATE (P205)	\$0.51	60 LBS	\$30.60		\$30.60
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>\$128.37</b>	<b>\$24.50</b>	<b>\$152.87</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		\$0.43	\$0.61	\$0.11	\$1.49	\$2.63
DISC	145 HP	0.17 HR		\$1.45	\$3.93	\$1.15	\$2.71	\$9.24
PLOW	145 HP	0.67 HR		\$5.73	\$15.48	\$5.44	\$12.51	\$39.16
DISC & SPRAY	145 HP	0.15 HR		\$1.28	\$3.46	\$1.11	\$3.61	\$9.47
FLOAT	65 HP	0.24 HR		\$2.05	\$2.92	\$0.31	\$1.06	\$6.34
LISTER	145 HP	0.18 HR		\$1.54	\$4.16	\$1.07	\$2.79	\$9.56
PRE-IRRIGATE		0.75 HR		\$5.44	\$1.22	\$0.00	\$0.52	\$7.17
MULCHER	145 HP	0.14 HR		\$1.20	\$3.23	\$1.21	\$4.14	\$9.77
PLANTER	145 HP	0.26 HR		\$2.22	\$6.01	\$1.46	\$7.56	\$17.24
CULTIVATOR (4X)	65 HP	0.84 HR		\$7.18	\$10.21	\$2.65	\$4.48	\$24.52
HOEING (CUSTOM)			\$24.00					\$24.00
ROTOBUCK (3X)	145 HP	0.03 HR		\$0.26	\$0.69	\$0.12	\$0.60	\$1.67
IRRIGATE (8X)		4.00 HR		\$29.00	\$9.73	\$0.00	\$4.13	\$42.85
<b>SUBTOTAL</b>		<b>7.48 HR</b>	<b>\$24.00</b>	<b>\$57.78</b>	<b>\$61.63</b>	<b>\$14.64</b>	<b>\$45.59</b>	<b>\$203.64</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$21.00	\$8.87	\$92.51	\$132.98
COTTON TRAILER (2X)	HALF TON	2.50 HR		\$21.38	\$39.38	\$1.72	\$18.07	\$80.54
GIN COTTON (CUSTOM)			\$68.52					\$68.52
<b>SUBTOTAL</b>		<b>3.74 HR</b>	<b>\$68.52</b>	<b>\$31.98</b>	<b>\$60.37</b>	<b>\$10.59</b>	<b>\$110.57</b>	<b>\$282.03</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	65 HP	0.29 HR		\$2.48	\$3.52	\$0.43	\$3.49	\$9.93
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$2.48</b>	<b>\$3.52</b>	<b>\$0.43</b>	<b>\$3.49</b>	<b>\$9.93</b>

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		1.56 HR		\$13.32				\$13.32
EMPLOYEE BENEFITS				\$16.60				\$16.60
INSURANCE			\$1.84					\$1.84
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$54.08				\$54.08
OTHER EXPENSES			\$123.33					\$123.33
<b>SUBTOTAL</b>		<b>1.56 HR</b>	<b>\$125.17</b>	<b>\$84.00</b>			<b>\$2.57</b>	<b>\$211.75</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>13.07 HR</b>	<b>\$346.06</b>	<b>\$176.23</b>	<b>\$125.53</b>	<b>\$25.66</b>	<b>\$186.74</b>	<b>\$860.22</b>
---------------------------------	--	-----------------	-----------------	-----------------	-----------------	----------------	-----------------	-----------------

<b>NET OPERATING PROFIT</b>								<b>(\$189.31)</b>
-----------------------------	--	--	--	--	--	--	--	-------------------

INTEREST ON OPERATING CAPITAL	(	\$95.86	@	7.50%	)			\$7.19
INTEREST ON EQUIPMENT INVESTMENT								\$103.85

<b>RETURN TO LAND AND RISK</b>								<b>(\$300.35)</b>
--------------------------------	--	--	--	--	--	--	--	-------------------

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

**BUDGET SUMMARY**

GROSS RETURN		\$670.91		
VARIABLE OPERATING EXPENSES	\$497.25			
RETURN OVER VARIABLE EXPENSES		\$173.66	(GROSS MARGIN)	
FIXED EXPENSES	\$186.74			
NET FARM INCOME		(\$13.08)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$176.23			
NET OPERATING PROFIT		(\$189.31)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$111.04			
RETURN TO LAND AND RISK		(\$300.35)		

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 2010.

Planting dates: May 1 - June 15

Harvesting dates: October 15 - November 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
GRAIN SORGHUM	\$7.70	60.00 CWT		\$462.00
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>\$472.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.10	8 LBS	\$16.80		\$16.80
NITROGEN (N)	\$0.58	32 LBS	\$18.56		\$18.56
PHOSPHATE (P205)	\$0.51	40 LBS	\$20.40		\$20.40
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>\$82.61</b>	<b>\$24.50</b>	<b>\$107.11</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZER	65 HP	0.15 HR		\$1.28	\$1.82	\$0.33	\$4.47	\$7.90
DISC	145 HP	0.20 HR		\$1.71	\$4.62	\$1.35	\$3.19	\$10.87
CHISEL	145 HP	0.40 HR		\$3.42	\$9.24	\$2.18	\$7.12	\$21.97
DISC	145 HP	0.20 HR		\$1.71	\$4.62	\$1.35	\$3.19	\$10.87
FLOAT	145 HP	0.25 HR		\$2.14	\$5.77	\$1.00	\$2.87	\$11.78
SPRAYER	65 HP	0.20 HR		\$1.71	\$2.43	\$0.39	\$2.25	\$6.78
LISTER	65 HP	0.50 HR		\$4.28	\$6.08	\$1.64	\$4.22	\$16.21
PRE-IRRIGATE		0.75 HR		\$5.44	\$1.82	\$0.00	\$0.77	\$8.03
MULCHER	145 HP	0.20 HR		\$1.71	\$4.62	\$1.72	\$5.91	\$13.96
PLANTER	145 HP	0.25 HR		\$2.14	\$5.77	\$1.40	\$7.27	\$16.58
SPRAYER	65 HP	0.20 HR		\$1.71	\$2.43	\$0.39	\$2.25	\$6.78
CULTIVATOR (2X)	65 HP	0.60 HR		\$5.13	\$7.29	\$1.89	\$3.20	\$17.52
ROTOBUCK (3X)	145 HP	0.25 HR		\$2.14	\$5.77	\$1.00	\$4.99	\$13.91
IRRIGATE (5X)		2.50 HR		\$18.13	\$9.12	\$0.00	\$3.87	\$31.11
<b>SUBTOTAL</b>		<b>6.65 HR</b>		<b>\$52.63</b>	<b>\$71.42</b>	<b>\$14.66</b>	<b>\$55.57</b>	<b>\$194.28</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				\$9.47				\$9.47
INSURANCE			\$1.05					\$1.05
LAND TAXES						\$2.57		\$2.57
SUPERVISION AND MANAGEMENT				\$35.07				\$35.07
OTHER EXPENSES			\$123.33					\$123.33
<b>SUBTOTAL</b>		<b>0.61 HR</b>		<b>\$124.38</b>	<b>\$49.78</b>		<b>\$2.57</b>	<b>\$176.73</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>7.26 HR</b>		<b>\$243.60</b>	<b>\$102.41</b>	<b>\$71.42</b>	<b>\$14.66</b>	<b>\$82.65</b>	<b>\$514.73</b>
---------------------------------	--	----------------	--	-----------------	-----------------	----------------	----------------	----------------	-----------------

<b>NET OPERATING PROFIT</b>									<b>(\$42.73)</b>
-----------------------------	--	--	--	--	--	--	--	--	------------------

INTEREST ON OPERATING CAPITAL	(	\$65.88	@	7.50%	)				\$4.94
INTEREST ON EQUIPMENT INVESTMENT									\$40.12

<b>RETURN TO LAND AND RISK</b>									<b>(\$87.79)</b>
--------------------------------	--	--	--	--	--	--	--	--	------------------

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

**BUDGET SUMMARY**

GROSS RETURN		\$472.00		
VARIABLE OPERATING EXPENSES	\$329.67			
RETURN OVER VARIABLE EXPENSES		\$142.33	(GROSS MARGIN)	
FIXED EXPENSES	\$82.65			
NET FARM INCOME		\$59.68	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$102.41			
NET OPERATING PROFIT		(\$42.73)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$45.06			
RETURN TO LAND AND RISK		(\$87.79)		



TABLE 11. Summary of per acre costs and returns for a 200 acre farm with above average management, Virden area, Hidalgo County, Projected 2010.

	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		\$130.00	\$24.00	\$0.80	\$7.70
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$123.71	\$0.00
SECOND INCOME		\$15.00	\$0.00	\$67.20	\$10.00
GROSS RETURN		\$860.00	\$600.00	\$670.91	\$472.00
CASH OPERATING EXPENSES					
SEED	\$93.75		\$84.38	\$36.55	\$16.80
FERTILIZER	\$37.10		\$38.96	\$77.00	\$38.96
CHEMICALS				\$14.08	\$25.38
CROP INSURANCE				\$0.74	\$1.47
OTHER PURCHASED INPUTS		\$33.98			
CANAL WATER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$41.39	\$32.64	\$34.84	\$114.59	\$60.48
FUEL-IRRIGATION	\$4.56	\$16.41	\$12.76	\$10.94	\$10.94
REPAIRS	\$12.69	\$4.80	\$8.84	\$25.66	\$14.66
CUSTOM CHARGES				\$92.52	\$36.60
LAND TAXES		\$2.57	\$2.57	\$2.57	\$2.57
OTHER EXPENSES	\$0.63	\$124.30	\$124.28	\$125.17	\$124.38
TOTAL CASH EXPENSES	\$190.12	\$214.70	\$306.63	\$499.82	\$332.24
RETURN OVER CASH EXPENSES	(\$190.12)	\$645.30	\$293.37	\$171.09	\$139.76
FIXED EXPENSES	\$37.51	\$195.61	\$58.99	\$184.16	\$80.07
TOTAL EXPENSES	\$227.63	\$410.31	\$365.62	\$683.99	\$412.32
NET FARM INCOME	(\$227.63)	\$449.69	\$234.38	(\$13.08)	\$59.68
LABOR AND MANAGEMENT COSTS	\$62.51	\$126.74	\$106.93	\$176.23	\$102.41
NET OPERATING PROFIT	(\$290.14)	\$322.95	\$127.44	(\$189.31)	(\$42.73)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$1.82	\$5.68	\$7.19	\$4.94
INTEREST ON EQUIPMENT INVESTMENT		\$26.87	\$24.91	\$103.85	\$40.12
TOTAL CAPITAL COSTS	\$0.00	\$28.69	\$30.59	\$111.04	\$45.06
RETURN TO LAND AND RISK	(\$290.14)	\$294.26	\$96.85	(\$300.35)	(\$87.79)

TABLE 12. Whole farm summary, Virden area, Hidalgo County,  
Projected 2010.

GROSS RETURNS		
ALFALFA HAY	45.00 ACRES	
CROP		\$38,025
GRAZING		\$675
CORN SILAGE	43.00 ACRES	
CROP		\$25,800
UPLAND COTTON	68.00 ACRES	
LINT		\$32,640
SEED		\$4,570
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$8,412
GRAIN SORGHUM	34.00 ACRES	
CROP		\$15,708
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$340
GROSS RETURN		<u>\$125,830</u>
CASH OPERATING EXPENSES		
SEED		\$8,091
FERTILIZER		\$8,792
CHEMICALS		\$1,820
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$1,529
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$13,436
FUEL-IRRIGATION		\$2,472
REPAIRS		\$3,029
CUSTOM CHARGES		\$7,536
LAND TAXES		\$489
OTHER EXPENSES		\$23,688
TOTAL CASH EXPENSES		<u>\$70,982</u>
RETURN OVER CASH EXPENSES		\$54,847
FIXED EXPENSES		\$22,796
TOTAL EXPENSES		\$93,778
NET FARM INCOME		\$32,052
LABOR AND MANAGEMENT COSTS		\$26,705
NET OPERATING PROFIT		\$5,347
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$983
INTEREST ON EQUIPMENT INVESTMENT		\$10,706
TOTAL CAPITAL COSTS		<u>\$11,689</u>
RETURN TO LAND AND RISK		<u>(\$6,342)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$10,542)	2.13%
\$900 /ACRE	(\$11,742)	1.84%
\$1,100 /ACRE	(\$12,942)	1.62%
\$1,300 /ACRE	(\$14,142)	1.44%
\$1,500 /ACRE	(\$15,342)	1.30%
\$1,700 /ACRE	(\$16,542)	1.19%
\$1,900 /ACRE	(\$17,742)	1.09%

\* 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)