

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

BUDGET AREA..... DELL CITY AREA, OTERO COUNTY			
FARM SIZE..... 640 ACRES			
IRRIGATION TYPE..... PIVOT/FLOOD			
NUMBER OF CROPS..... 5			
WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	55.00 *	6	330
ALFALFA	280.00	40	11,200
WHEAT	170.00	25	4,250
ARP	0.00		
FLEX IN COTTON	30.00	30	900
WHITE CORN	50.00	48	2,400
COTTON	42.50	30	1,275
ARP	0.00		
FLEX IN COTTON	7.50	30	225
GRAIN SORGHUM	25.50	36	918
ARP	0.00		
FLEX IN COTTON	4.50	30	135
ROADS, CORNERS, DITCHES, HOMESTEAD	30.00		
TOTAL	640.00		21,633
ACRE FEET PER ACRE OF WATER RIGHTS			2.82

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for Dell City area, Otero 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
Anhydrous Ammonia (NH3)		\$/ton	\$700.00
<b>Seed:</b>			
Alfalfa		\$/pound	\$6.50
Wheat		\$/pound	\$0.50
White Corn		\$/bag	\$185.00
Cotton		\$/pound	\$8.00
Diesel fuel		\$/gallon	\$3.00
Gasoline		\$/gallon	\$3.80
Electricity (Rio Grande Elec)		cents/KwHr	7.34
LP Gas		\$/gallon	\$2.95
Baling Wire		\$/pound	\$0.84
Employee Liability Insurance		\$/1,000 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	\$300.00	/acre (full value)	\$2.85
Personal Property Tax Rate	- NR - R	\$/1,000 (Assessed Value)	\$26.45 \$21.06
<b>Supervision Factors</b>			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for Dell City area, Otero County, Projected 2012.

Item			
Electricity (Domestic & Shop)		\$242.00 per month	\$2,904
Telephone		\$235.95 per month	\$2,831
Accounting & Legal			\$1,773
Misc. Supplies & Hand Tools			\$5,493
Pickup and Auto			
miles	62,315	@ \$0.500 per mile	\$31,158
<b>Insurance</b>			
- general liability (non-employee)			\$1,912
- fire/theft			\$1,513
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,452
Dues, fees, publications			\$436
Farmstead Equipment			\$194
Total			\$55,674
Total per planted acre			\$91.27

TABLE 6. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
APPEAL	10	200
...	...	...
TOTAL	100	1000

TABLE 7. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 8. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 9. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 10. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 11. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 12. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 13. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 14. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 15. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 16. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 17. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 18. Population and land use for member units, Other County

MEMBER UNIT	POPULATION	LAND USE
...	...	...
TOTAL	1000	10000

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2012.  
Planting dates: August 1 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	\$6.50	30 LBS	\$195.00					\$195.00
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$195.00					\$195.00
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$3.77	\$1.27	\$3.18	\$9.42
CHISEL	155 HP	0.20 HR		\$1.71	\$5.38	\$1.37	\$5.20	\$13.67
PLOW	155 HP	0.48 HR		\$4.10	\$12.91	\$4.97	\$13.42	\$35.41
DISC (2X)	155 HP	0.28 HR		\$2.39	\$7.53	\$2.55	\$6.36	\$18.84
DRAG (2X)	155 HP	0.30 HR		\$2.57	\$8.07	\$1.62	\$6.02	\$18.28
DRILL	93 HP	0.12 HR		\$1.03	\$2.78	\$0.46	\$3.66	\$7.92
IRRIGATE (3X)		0.30 HR		\$2.25	\$15.20	\$0.00	\$2.07	\$19.52
SUBTOTAL		1.82 HR		\$15.25	\$55.63	\$12.24	\$39.92	\$123.04
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.12 HR		\$0.98				\$0.98
EMPLOYEE BENEFITS				\$2.74				\$2.74
INSURANCE			\$0.30					\$0.30
SUPERVISION AND MANAGEMENT				\$22.79				\$22.79
SUBTOTAL		0.12	\$0.30	\$26.52				\$26.83
<u>TOTAL OPERATING EXPENSES</u>		1.94 HR	\$195.30	\$41.77	\$55.63	\$12.24	\$39.92	\$344.87

TABLE 7. Alfalfa hay, pivot sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2012.  
Harvesting dates: June 1 - October 10

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$265.00	6.50 TONS (STACKED)						\$1,722.50
GRAZING	\$15.00	1.00 ACRE						\$15.00
<b>TOTAL</b>								<b>\$1,737.50</b>
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.89	75 LBS	\$66.75					\$66.75
PHOSPHATE (P2O5)	\$0.75	200 LBS	\$150.00					\$150.00
INSECTICIDE	\$16.03	2 X/ACRE	\$32.05					\$32.05
ESTABLISHMENT: Principal		5 YEARS					\$68.97	\$68.97
: Interest							\$13.38	\$13.38
BALING TWINE	\$0.84	56 LBS	\$0.47					\$0.47
PUMP WATER*		40 AC. IN.						
<b>SUBTOTAL</b>			<b>\$249.27</b>				<b>\$82.36</b>	<b>\$331.63</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DRAG	93 HP	0.15 HR		\$1.28	\$3.47	\$0.31	\$0.49	\$5.56
IRRIGATE (11X)		1.10 HR		\$8.25	\$101.31	\$0.00	\$13.80	\$123.36
<b>SUBTOTAL</b>		<b>1.25 HR</b>		<b>\$9.53</b>	<b>\$104.78</b>	<b>\$0.31</b>	<b>\$14.29</b>	<b>\$128.92</b>
<b>HARVEST OPERATIONS</b>								
SWATHER (5X)	16 FT	0.55 HR		\$4.70	\$6.18	\$0.80	\$14.07	\$25.75
BALER (5X)	93 HP	0.85 HR		\$7.27	\$19.67	\$1.95	\$4.40	\$33.28
LOAD (5X)	93 HP	1.00 HR		\$8.55	\$23.14	\$24.76	\$11.40	\$67.85
<b>SUBTOTAL</b>		<b>2.40 HR</b>		<b>\$20.52</b>	<b>\$48.99</b>	<b>\$27.51</b>	<b>\$29.87</b>	<b>\$126.88</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.60 HR		\$5.13				\$5.13
EMPLOYEE BENEFITS				\$5.41				\$5.41
INSURANCE			\$0.60					\$0.60
LAND TAXES							\$2.65	\$2.65
SUPERVISION AND MANAGEMENT				\$123.93				\$123.93
OTHER EXPENSES			\$91.27					\$91.27
<b>SUBTOTAL</b>		<b>0.60 HR</b>		<b>\$91.87</b>	<b>\$134.46</b>		<b>\$2.65</b>	<b>\$228.98</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.25 HR</b>		<b>\$341.14</b>	<b>\$164.52</b>	<b>\$153.77</b>	<b>\$27.82</b>	<b>\$129.16</b>
<b>NET OPERATING PROFIT</b>								<b>\$921.09</b>
INTEREST ON OPERATING CAPITAL		( \$157.28 @	7.00%	)				\$11.01
INTEREST ON EQUIPMENT INVESTMENT								\$25.08
<b>RETURN TO LAND AND RISK</b>								<b>\$885.00</b>
* Pump water costs are shown under irrigation in the preharvest operations section.								
<b>BUDGET SUMMARY</b>								
GROSS RETURN		\$1,737.50						
VARIABLE OPERATING EXPENSES	\$522.73							
RETURN OVER VARIABLE EXPENSES		\$1,214.77	(GROSS MARGIN)					
FIXED EXPENSES	\$129.16							
NET FARM INCOME		\$1,085.61	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$164.52							
NET OPERATING PROFIT		\$921.09	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$36.09							
RETURN TO LAND AND RISK			<b>\$885.00</b>					

TABLE 8. Wheat, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Projected 2012.  
Planting dates: August 15 - September 15  
Harvesting dates: July 15 - July 15

ITEM	PRICE	YIELD	BASE					TOTAL	
<b>GROSS RETURNS</b>									
WHEAT	\$10.83	35.00 CWT						\$379.17	
DIRECT PAYMENT	\$0.00	35.00 CWT	0.85					\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00	
GRAZING	\$25.00	1.00 ACRE						\$25.00	
<b>TOTAL</b>								<b>\$404.17</b>	
<b>PURCHASED INPUTS</b>									
	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$0.50	150 LBS	\$75.00					\$75.00	
ANHYDROUS (NH3)	\$0.35	125 LBS	\$43.75					\$43.75	
LIVESTOCK FAC & EQUIP							\$5.00	\$5.00	
PUMP WATER*		25 AC. IN.						\$0.00	
CROP INSURANCE	\$0.29		\$0.29					\$0.29	
<b>SUBTOTAL</b>			<b>\$119.04</b>				<b>\$5.00</b>	<b>\$124.04</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	155 HP	0.14 HR		\$1.20	\$3.77	\$1.27	\$3.18	\$9.42	
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$5.38	\$1.08	\$3.89	\$19.06	
DISC	155 HP	0.14 HR		\$1.20	\$3.77	\$1.27	\$3.18	\$9.42	
DRILL	93 HP	0.12 HR		\$1.03	\$2.78	\$0.46	\$3.66	\$7.92	
IRRIGATE (5X)		2.50 HR		\$18.75	\$63.32	\$0.00	\$4.00	\$86.07	
<b>SUBTOTAL</b>		<b>3.10 HR</b>	<b>\$7.00</b>	<b>\$23.88</b>	<b>\$79.01</b>	<b>\$4.08</b>	<b>\$17.92</b>	<b>\$131.89</b>	
<b>HARVEST OPERATIONS</b>									
COMBINE (CUSTOM)			\$26.00					\$26.00	
<b>SUBTOTAL</b>			<b>\$26.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$26.00</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.15 HR		\$1.28				\$1.28	
EMPLOYEE BENEFITS				\$4.30				\$4.30	
INSURANCE			\$0.48					\$0.48	
LAND TAXES							\$2.65	\$2.65	
SUPERVISION AND MANAGEMENT				\$31.09				\$31.09	
OTHER EXPENSES			\$91.27					\$91.27	
<b>SUBTOTAL</b>		<b>0.15 HR</b>	<b>\$91.75</b>	<b>\$36.67</b>			<b>\$2.65</b>	<b>\$131.06</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>3.25 HR</b>	<b>\$243.79</b>	<b>\$60.55</b>	<b>\$79.01</b>	<b>\$4.08</b>	<b>\$25.57</b>	<b>\$413.00</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$8.83)</b>	
INTEREST ON OPERATING CAPITAL		( \$80.29 @	7.00%	)				\$5.62	
INTEREST ON EQUIPMENT INVESTMENT								\$7.92	
<b>RETURN TO LAND AND RISK</b>								<b>(\$22.37)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$404.17	
VARIABLE OPERATING EXPENSES	\$326.88		
RETURN OVER VARIABLE EXPENSES		\$77.28	(GROSS MARGIN)
FIXED EXPENSES	\$25.57		
NET FARM INCOME		\$51.72	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$60.55		
NET OPERATING PROFIT		(\$8.83)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.54		
<b>RETURN TO LAND AND RISK</b>		<b>(\$22.37)</b>	

TABLE 9. White corn, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2012.  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 1 - November 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
CORN	\$7.50	70.00 CWT	\$525.00
GRAZING	\$20.00	1.00 ACRE	\$20.00
TOTAL			\$545.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.85	25 000	\$46.25		\$46.25
NITROGEN (N)	\$0.89	30 LBS	\$26.70		\$26.70
PHOSPHATE (P2O5)	\$0.75	70 LBS	\$52.50		\$52.50
TRACE ELEMENTS	\$0.15	65 LBS	\$9.75		\$9.75
ANHYDROUS (NH3)	\$0.35	175 LBS	\$61.25		\$61.25
INSECTICIDE (CUSTOM)	\$16.03	3 ACRE	\$48.08		\$48.08
HERBICIDE	\$9.45	1 ACRE	\$9.45		\$9.45
LIVESTOCK FAC & EQUIP				\$5.00	\$5.00
PUMP WATER*		48 AC. IN.			\$0.00
SUBTOTAL			\$253.97	\$5.00	\$258.97

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$3.77	\$1.27	\$3.18	\$9.42
CHISEL	155 HP	0.20 HR		\$1.71	\$5.38	\$1.37	\$5.20	\$13.67
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$5.38	\$1.08	\$3.89	\$19.06
DISC & SPRAY	155 HP	0.19 HR		\$1.62	\$5.11	\$1.87	\$7.14	\$15.74
LISTER	155 HP	0.12 HR		\$1.03	\$3.23	\$0.88	\$3.76	\$8.90
PLANTER	93 HP	0.17 HR		\$1.45	\$3.93	\$0.70	\$6.00	\$12.09
ROLLING CULT (3X)	93 HP	0.39 HR		\$3.33	\$9.02	\$2.26	\$3.30	\$17.92
IRRIGATE (8X)		4.00 HR		\$30.00	\$121.57	\$0.00	\$7.69	\$159.26
SUBTOTAL		5.41 HR	\$7.00	\$42.06	\$157.39	\$9.44	\$40.17	\$256.05

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$23.25					\$23.25
HAUL (CUSTOM)			\$14.00					\$14.00
SUBTOTAL			\$37.25	\$0.00	\$0.00	\$0.00	\$0.00	\$37.25

OVERHEAD EXPENSES								
DOWNTIME		0.27 HR		\$2.33				\$2.33
EMPLOYEE BENEFITS				\$7.57				\$7.57
INSURANCE			\$0.84					\$0.84
LAND TAXES						\$2.65		\$2.65
SUPERVISION AND MANAGEMENT				\$44.27				\$44.27
OTHER EXPENSES			\$91.27					\$91.27
SUBTOTAL		0.27 HR	\$92.11	\$54.16		\$2.65		\$148.92

TOTAL OPERATING EXPENSES 5.68 HR \$390.33 \$96.22 \$157.39 \$9.44 \$47.81 \$701.20

NET OPERATING PROFIT (\$156.20)

INTEREST ON OPERATING CAPITAL ( \$168.69 @ 7.00% ) \$11.81  
 INTEREST ON EQUIPMENT INVESTMENT \$17.57

RETURN TO LAND AND RISK (\$185.58)

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

BUDGET SUMMARY

GROSS RETURN		\$545.00		
VARIABLE OPERATING EXPENSES	\$557.17			
RETURN OVER VARIABLE EXPENSES		(\$12.17)	(GROSS MARGIN)	
FIXED EXPENSES	\$47.81			
NET FARM INCOME		(\$59.98)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$96.22			
NET OPERATING PROFIT		(\$156.20)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$29.38			
RETURN TO LAND AND RISK		(\$185.58)		

TABLE 10. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2012.  
 Planting dates: April 15 - May 15  
 Harvesting dates: November 1 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.81	1,000.00 LBS		\$810.00
COTTON SEED	\$0.07	1,600.00 LBS		\$112.00
DIRECT PAYMENT	\$0.0000	1,000.00 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	720.00 LBS	0.85	\$84.03
<b>TOTAL</b>				<b>\$1,006.03</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$8.00	25 LBS	\$200.00		\$200.00
NITROGEN (N)	\$0.89	72 LBS	\$64.08		\$64.08
PHOSPHATE (P2O5)	\$0.75	184 LBS	\$138.00		\$138.00
HERBICIDE (CUSTOM)	\$19.93	1 X/ACRE	\$19.93		\$19.93
INSECTICIDE (CUSTOM)	\$18.91	1 X/ACRE	\$18.91		\$18.91
CROP INSURANCE	\$0.59	FCIC	\$0.59		\$0.59
PUMP WATER*		30 AC. IN.			
<b>SUBTOTAL</b>			<b>\$441.51</b>		<b>\$441.51</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$3.77	\$1.27	\$3.18	\$9.42
PLOW	155 HP	0.48 HR		\$4.10	\$12.91	\$4.97	\$13.42	\$35.41
DISC (2X)	155 HP	0.28 HR		\$2.39	\$7.53	\$2.55	\$6.36	\$18.84
FLOAT (2X)	93 HP	0.32 HR		\$2.74	\$7.40	\$0.67	\$1.61	\$12.42
LISTER	155 HP	0.12 HR		\$1.03	\$3.23	\$0.88	\$3.76	\$8.90
PLANTER	155 HP	0.17 HR		\$1.45	\$4.57	\$1.26	\$8.86	\$16.15
ROLLING CULT. (4X)	93 HP	0.52 HR		\$4.45	\$12.03	\$3.01	\$4.40	\$23.90
HAND HOE (CUSTOM)			\$25.00					\$25.00
IRRIGATE (6X)		3.00 HR		\$22.50	\$75.98	\$0.00	\$4.80	\$103.29
<b>SUBTOTAL</b>		<b>5.03 HR</b>	<b>\$25.00</b>	<b>\$39.86</b>	<b>\$127.43</b>	<b>\$14.62</b>	<b>\$46.40</b>	<b>\$253.31</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	93 HP	0.62 HR		\$5.30	\$14.35	\$4.19	\$50.85	\$74.69
HAUL	93 HP	1.00 HR		\$8.55	\$23.14	\$2.12	\$8.84	\$42.65
GIN COTTON (CUSTOM)			\$204.40					\$204.40
<b>SUBTOTAL</b>		<b>1.62 HR</b>	<b>\$204.40</b>	<b>\$13.85</b>	<b>\$37.49</b>	<b>\$6.31</b>	<b>\$59.69</b>	<b>\$321.74</b>

POST HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	93 HP	0.29 HR		\$2.48	\$6.71	\$0.66	\$2.87	\$12.72

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.91 HR		\$7.74				\$7.74
EMPLOYEE BENEFITS			\$9.67				\$9.67
INSURANCE		\$1.07					\$1.07
LAND TAXES						\$2.65	\$2.65
SUPERVISION AND MANAGEMENT			\$76.51				\$76.51
OTHER EXPENSES		\$91.27					\$91.27
<b>SUBTOTAL</b>	<b>0.91 HR</b>	<b>\$92.34</b>	<b>\$93.91</b>			<b>\$2.65</b>	<b>\$188.90</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>7.85 HR</b>	<b>\$763.25</b>	<b>\$150.10</b>	<b>\$171.63</b>	<b>\$21.59</b>	<b>\$111.61</b>	<b>\$1,218.18</b>
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<b>NET OPERATING PROFIT</b>							<b>(\$212.15)</b>
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INTEREST ON OPERATING CAPITAL	(	\$259.92	@	7.00%	)		\$18.19
INTEREST ON EQUIPMENT INVESTMENT							\$49.91

<b>RETURN TO LAND AND RISK</b>							<b>(\$280.25)</b>
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\* Pump water costs are shown under irrigation in the preharvest operations section.  
 BUDGET SUMMARY

GROSS RETURN		\$1,006.03	
VARIABLE OPERATING EXPENSES	\$956.47		
RETURN OVER VARIABLE EXPENSES	\$49.56	(GROSS MARGIN)	
FIXED EXPENSES	\$111.61		
NET FARM INCOME	(\$62.05)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$150.10		
NET OPERATING PROFIT	(\$212.15)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$68.10		
<b>RETURN TO LAND AND RISK</b>		<b>(\$280.25)</b>	

TABLE 11. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero 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	50.00 CWT		\$431.25
DIRECT PAYMENT	\$0.00	50.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	0.00 CWT		\$0.00
GRAZING	\$10.00	1 ACRE		\$10.00
<b>TOTAL</b>				<b>\$441.25</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.04	12 LBS	\$12.48		\$12.48
ANHYDROUS (NH3)	\$0.35	150 LBS	\$52.50		\$52.50
NITROGEN (N)	\$0.89	18 LBS	\$16.02		\$16.02
PHOSPHATE (P2O5)	\$0.75	46 LBS	\$34.50		\$34.50
INSECTICIDE	\$14.17	1 ACRE	\$14.17		\$14.17
HERBICIDE	\$12.26	1 ACRE	\$12.26		\$12.26
LIVESTOCK FAC & EQUIP				\$5.00	\$5.00
PUMP WATER		36 AC. IN.	\$0.00		\$0.00
CROP INSURANCE	\$1.96				\$1.96
<b>SUBTOTAL</b>			<b>\$141.93</b>	<b>\$5.00</b>	<b>\$148.89</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$3.77	\$1.27	\$3.18	\$9.42
CHISEL	155 HP	0.20 HR		\$1.71	\$5.38	\$1.37	\$5.20	\$13.67
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$5.38	\$1.08	\$3.89	\$19.06
DISC & SPRAY	155 HP	0.19 HR		\$1.62	\$5.11	\$1.87	\$7.14	\$15.74
LISTER	155 HP	0.12 HR		\$1.03	\$3.23	\$0.88	\$3.76	\$8.90
PLANTER	155 HP	0.17 HR		\$1.45	\$4.57	\$1.26	\$8.86	\$16.15
ROLLING CULT (3X)	93 HP	0.39 HR		\$3.33	\$9.02	\$2.26	\$3.30	\$17.92
IRRIGATE (6X)		3.00 HR		\$25.65	\$91.18	\$0.00	\$5.76	\$122.59
<b>SUBTOTAL</b>		<b>4.41 HR</b>	<b>\$7.00</b>	<b>\$37.71</b>	<b>\$127.64</b>	<b>\$10.00</b>	<b>\$41.10</b>	<b>\$223.45</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COMBINE (CUSTOM)	14 FT SP		\$15.00					\$15.00
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$15.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$15.00</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	1.10 HR		\$9.43				\$9.43
EMPLOYEE BENEFITS			\$6.79				\$6.79
INSURANCE		\$0.75					\$0.75
LAND TAXES						\$2.65	\$2.65
SUPERVISION AND MANAGEMENT			\$33.09				\$33.09
OTHER EXPENSES		\$91.27					\$91.27
<b>SUBTOTAL</b>	<b>1.10 HR</b>	<b>\$92.02</b>	<b>\$49.31</b>			<b>\$2.65</b>	<b>\$143.97</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>5.51 HR</b>	<b>\$255.96</b>	<b>\$87.01</b>	<b>\$127.64</b>	<b>\$10.00</b>	<b>\$48.75</b>	<b>\$531.32</b>
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<b>NET OPERATING PROFIT</b>							<b>(\$90.07)</b>
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INTEREST ON OPERATING CAPITAL	(	\$108.86	@	7.00%	)		\$7.62
INTEREST ON EQUIPMENT INVESTMENT							\$18.20

<b>RETURN TO LAND AND RISK</b>							<b>(\$115.89)</b>
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**BUDGET SUMMARY**

GROSS RETURN		\$441.25	
VARIABLE OPERATING EXPENSES	\$393.60		
RETURN OVER VARIABLE EXPENSES		\$47.65	(GROSS MARGIN)
FIXED EXPENSES	\$48.75		
NET FARM INCOME		(\$1.10)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$87.01		
NET OPERATING PROFIT		(\$88.11)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$25.82		
<b>RETURN TO LAND AND RISK</b>		<b>(\$113.93)</b>	



TABLE 12. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2012.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	WHITE CORN	STRIPPER COTTON	GRAIN SORGHUM
		TONS	CWT	CWT	LBS	CWT
PRIMARY YIELD		6.50	35.00	70.00	1,000.00	50.00
PRIMARY PRICE		\$265.00	\$10.83	\$27.50	\$0.81	\$8.63
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$84.03	\$0.00
SECOND INCOME		\$15.00	\$25.00	\$20.00	\$112.00	\$10.00
GROSS RETURN		\$1,737.50	\$404.17	\$545.00	\$1,006.03	\$441.25
CASH OPERATING EXPENSES						
SEED	\$195.00		\$75.00	\$46.25	\$200.00	\$12.48
FERTILIZER		\$248.80	\$43.75	\$150.20	\$64.08	\$103.02
CHEMICALS				\$57.52	\$38.84	\$26.43
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.47			\$138.00	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$40.44	\$52.46	\$15.69	\$35.82	\$95.65	\$36.46
FUEL-IRRIGATION	\$15.20	\$101.31	\$63.32	\$121.57	\$75.98	\$91.18
REPAIRS	\$12.24	\$27.82	\$4.08	\$9.44	\$21.59	\$10.00
CUSTOM CHARGES			\$33.00	\$44.25	\$229.40	\$22.00
LAND TAXES		\$2.65	\$2.65	\$2.65	\$2.65	\$2.65
OTHER EXPENSES	\$0.30	\$91.87	\$91.75	\$92.11	\$92.34	\$92.02
TOTAL CASH EXPENSES	\$263.18	\$525.37	\$329.53	\$559.81	\$959.11	\$398.20
RETURN OVER CASH EXPENSES	(\$263.18)	\$1,212.13	\$74.64	(\$14.81)	\$46.92	\$43.05
FIXED EXPENSES	\$39.92	\$126.52	\$22.92	\$45.17	\$108.97	\$46.10
TOTAL EXPENSES	\$303.10	\$651.89	\$352.45	\$604.98	\$1,068.08	\$444.31
NET FARM INCOME	(\$303.10)	\$1,085.61	\$51.72	(\$59.98)	(\$62.05)	(\$3.06)
LABOR AND MANAGEMENT COSTS	\$41.77	\$164.52	\$60.55	\$96.22	\$150.10	\$87.01
NET OPERATING PROFIT	(\$344.87)	\$921.09	(\$8.83)	(\$156.20)	(\$212.15)	(\$90.07)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$11.01	\$5.62	\$11.81	\$18.19	\$7.62
INTEREST ON EQUIPMENT INVESTMENT		\$25.08	\$7.92	\$17.57	\$49.91	\$18.20
TOTAL CAPITAL COSTS	\$0.00	\$36.09	\$13.54	\$29.38	\$68.10	\$25.82
RETURN TO LAND AND RISK	(\$344.87)	\$885.00	(\$22.37)	(\$185.58)	(\$280.25)	(\$115.89)

TABLE 13. Whole farm summary, Dell City area, Otero County,  
Projected 2012.

GROSS RETURNS		
ALFALFA HAY	280.00 ACRES	
CROP		\$486,500
WHEAT	170.00 ACRES	
CROP		\$64,458
GRAZING		\$4,250
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHITE CORN	50.00 ACRES	
CROP		\$26,250
GRAZING		\$1,000
COTTON	84.50 ACRES	
LINT		\$68,445
SEED		\$9,464
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$7,100
GRAIN SORGHUM	25.50 ACRES	
CROP		\$10,997
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$255
GROSS RETURN		<u>\$678,720</u>
CASH OPERATING EXPENSES		
SEED		\$43,006
FERTILIZER		\$92,654
CHEMICALS		\$6,832
CROP INSURANCE		\$266
OTHER PURCHASED INPUTS		\$11,792
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$30,383
FUEL-IRRIGATION		\$54,791
REPAIRS		\$11,707
CUSTOM CHARGES		\$27,768
LAND TAXES		\$1,613
OTHER EXPENSES		\$56,093
TOTAL CASH EXPENSES		<u>\$336,904</u>
RETURN OVER CASH EXPENSES		\$341,816
FIXED EXPENSES		\$34,847
TOTAL EXPENSES		\$371,750
NET FARM INCOME		\$306,969
LABOR AND MANAGEMENT COSTS		\$78,369
NET OPERATING PROFIT		\$228,600
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$6,360
INTEREST ON EQUIPMENT INVESTMENT		\$13,929
TOTAL CAPITAL COSTS		<u>\$20,290</u>
RETURN TO LAND AND RISK		<u>\$208,310</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$198,710	43.95%
\$750 /ACRE	\$193,910	33.61%
\$1,000 /ACRE	\$189,110	27.21%
\$1,250 /ACRE	\$184,310	22.86%
\$1,500 /ACRE	\$179,510	19.70%

\* 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)