

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

BUDGET AREA.....	DELL CITY AREA, OTERO COUNTY
FARM SIZE.....	640 ACRES
IRRIGATION TYPE.....	SIDEROLL/FLOOD
NUMBER OF CROPS...	5

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	56.00 *	6	336
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, DITCHES, HOMESTEAD	30.00		
TOTAL	640.00		21,639
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			
Labor Wage Rate:			
Equipment operators	\$/hour		\$8.55
General & Irrigators	\$/hour		\$7.50
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.89
Phosphate (P205)	\$/pound		\$0.75
Anhydrous Ammonia (NH3)	\$/ton		\$700.00
Seed:			
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%
Financial Rates:			
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)		\$2.65
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$26.45
	- R		\$21.06
Supervision Factors			
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
Insurance			
- general liability (non-employee)			\$1,912
- fire/theft			\$1,513
Property Taxes			
- 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. 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	\$4.77	\$1.27	\$3.17	\$10.41
CHISEL	155 HP	0.20 HR		\$1.71	\$6.81	\$1.37	\$5.18	\$15.07
PLOW	155 HP	0.48 HR		\$4.10	\$16.35	\$4.97	\$13.35	\$38.78
DISC (2X)	155 HP	0.28 HR		\$2.39	\$9.54	\$2.55	\$6.34	\$20.82
DRAG (2X)	155 HP	0.30 HR		\$2.57	\$10.22	\$1.62	\$6.00	\$20.40
DRILL	93 HP	0.12 HR		\$1.03	\$2.78	\$0.46	\$3.65	\$7.90
IRRIGATE (3X)		0.75 HR		\$5.63	\$15.20	\$0.00	\$1.15	\$21.97
SUBTOTAL		2.27 HR		\$18.62	\$65.67	\$12.24	\$38.82	\$135.36
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.12 HR		\$0.98				\$0.98
EMPLOYEE BENEFITS				\$3.35				\$3.35
INSURANCE			\$0.37					\$0.37
SUPERVISION AND MANAGEMENT				\$24.11				\$24.11
SUBTOTAL		0.12	\$0.37	\$28.44				\$28.81
<u>TOTAL OPERATING EXPENSES</u>		2.39 HR	\$195.37	\$47.06	\$65.67	\$12.24	\$38.82	\$359.17

TABLE 7. Alfalfa hay, sideroll 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
GROSS RETURNS			
ALFALFA HAY	\$265.00	6.50 TONS (STACKED)	\$1,722.50
GRAZING	\$15.00	1.00 ACRE	\$15.00
TOTAL			\$1,737.50

PURCHASED INPUTS	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		\$71.83	\$71.83
: Interest				\$14.06	\$14.06
BALING TWINE	\$0.84	56 LBS	\$0.47		\$0.47
PUMP WATER*		40 AC. IN.			
SUBTOTAL			\$249.27	\$85.90	\$335.16

PREHARVEST OPERATIONS	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)		2.75 HR		\$20.63	\$101.31	\$0.00	\$7.64	\$129.57
SUBTOTAL		2.90 HR		\$21.91	\$104.78	\$0.31	\$8.12	\$135.13

HARVEST OPERATIONS

SWATHER (5X)	16 FT	0.55 HR		\$4.70	\$7.82	\$0.80	\$14.07	\$27.39
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	\$25.89	\$11.40	\$68.98
SUBTOTAL		2.40 HR		\$20.52	\$50.63	\$28.64	\$29.87	\$129.66

OVERHEAD EXPENSES

DOWNTIME		0.60 HR		\$5.13				\$5.13
EMPLOYEE BENEFITS				\$7.64				\$7.64
INSURANCE			\$0.85					\$0.85
LAND TAXES						\$2.65		\$2.65
SUPERVISION AND MANAGEMENT				\$125.58				\$125.58
OTHER EXPENSES			\$91.27					\$91.27
SUBTOTAL		0.60 HR		\$92.12	\$138.34		\$2.65	\$233.11

TOTAL OPERATING EXPENSES		5.90 HR		\$341.39	\$180.77	\$155.42	\$28.95	\$126.53	\$833.05
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NET OPERATING PROFIT									\$904.45
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INTEREST ON OPERATING CAPITAL	(\$157.51	@	7.00%)				\$11.03
INTEREST ON EQUIPMENT INVESTMENT									\$22.05

RETURN TO LAND AND RISK									\$871.37
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* Pump water costs are shown under the irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$1,737.50	
VARIABLE OPERATING EXPENSES	\$525.75		
RETURN OVER VARIABLE EXPENSES	\$1,211.75	(GROSS MARGIN)	
FIXED EXPENSES	\$126.53		
NET FARM INCOME	\$1,085.22	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$180.77		
NET OPERATING PROFIT	\$904.45	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$33.07		
RETURN TO LAND AND RISK	\$871.37		

TABLE 8. Wheat, 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: August 15 - September 15

Harvesting dates: July 15 - July 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
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
TOTAL				\$404.17

PURCHASED INPUTS	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
SUBTOTAL			\$118.75	\$5.00	\$124.04

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$4.77	\$1.27	\$3.17	\$10.41
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$6.81	\$1.08	\$3.88	\$20.48
DISC	155 HP	0.14 HR		\$1.20	\$4.77	\$1.27	\$3.17	\$10.41
DRILL	93 HP	0.12 HR		\$1.03	\$2.78	\$0.46	\$3.65	\$7.90
IRRIGATE (5X)		2.50 HR		\$18.75	\$63.32	\$0.00	\$4.00	\$86.07
SUBTOTAL		3.10 HR	\$7.00	\$23.88	\$82.45	\$4.08	\$17.86	\$135.28

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$26.00					\$26.00
SUBTOTAL			\$26.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26.00

OVERHEAD EXPENSES								
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
SUBTOTAL		0.15 HR	\$91.75	\$36.67			\$2.65	\$131.06

TOTAL OPERATING EXPENSES		3.25 HR	\$243.50	\$60.55	\$82.45	\$4.08	\$25.51	\$416.38
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NET OPERATING PROFIT								(\$12.22)
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INTEREST ON OPERATING CAPITAL	(\$81.16	@	7.00%)			\$5.68
INTEREST ON EQUIPMENT INVESTMENT								\$7.89

RETURN TO LAND AND RISK								(\$25.79)
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*Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$404.17	
VARIABLE OPERATING EXPENSES	\$330.03		
RETURN OVER VARIABLE EXPENSES		\$74.14	(GROSS MARGIN)
FIXED EXPENSES	\$25.51		
NET FARM INCOME		\$48.63	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$60.55		
NET OPERATING PROFIT		(\$11.92)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.57		
RETURN TO LAND AND RISK		(\$25.50)	

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	\$4.77	\$1.27	\$3.17	\$10.41
CHISEL	155 HP	0.20 HR		\$1.71	\$6.81	\$1.37	\$5.18	\$15.07
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$6.81	\$1.08	\$3.88	\$20.48
DISC & SPRAY	155 HP	0.19 HR		\$1.62	\$6.47	\$1.87	\$7.12	\$17.09
LISTER	155 HP	0.12 HR		\$1.03	\$4.09	\$0.88	\$3.75	\$9.75
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	\$7.68	\$159.26
SUBTOTAL		5.41 HR	\$7.00	\$42.06	\$163.49	\$9.44	\$40.08	\$262.06

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	\$163.49	\$9.44	\$47.72	\$707.21
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NET OPERATING PROFIT							(\$162.21)
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INTEREST ON OPERATING CAPITAL	(\$170.22	@	7.00%)		\$11.92
INTEREST ON EQUIPMENT INVESTMENT							\$18.17

RETURN TO LAND AND RISK							(\$192.29)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$545.00		
VARIABLE OPERATING EXPENSES	\$563.26			
RETURN OVER VARIABLE EXPENSES		(\$18.26)	(GROSS MARGIN)	
FIXED EXPENSES	\$47.72			
NET FARM INCOME		(\$65.99)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$96.22			
NET OPERATING PROFIT		(\$162.21)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$30.08			
RETURN TO LAND AND RISK		(\$192.29)		

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
TOTAL				\$1,006.03

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		FCIC	\$0.59		\$0.59
PUMP WATER*		30 AC. IN.			
SUBTOTAL			\$441.51		\$441.51

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$4.77	\$1.27	\$3.17	\$10.41
PLOW	155 HP	0.48 HR		\$4.10	\$16.35	\$4.97	\$13.35	\$38.78
DISC (2X)	155 HP	0.28 HR		\$2.39	\$9.54	\$2.55	\$6.34	\$20.82
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	\$4.09	\$0.88	\$3.75	\$9.75
PLANTER	155 HP	0.17 HR		\$1.45	\$5.79	\$1.26	\$8.84	\$17.35
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	\$103.28
SUBTOTAL		5.03 HR	\$25.00	\$39.86	\$135.97	\$14.62	\$46.27	\$261.71

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	\$1.86	\$11.32	\$32.82
HAUL	93 HP	1.00 HR		\$8.55	\$23.14	\$2.12	\$8.84	\$42.65
GIN COTTON (CUSTOM)			\$204.40					\$204.40
SUBTOTAL		1.62 HR	\$204.40	\$13.85	\$37.49	\$3.98	\$20.16	\$279.88

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
SUBTOTAL	0.91 HR	\$92.34	\$93.91			\$2.65	\$188.90

TOTAL OPERATING EXPENSES	7.85 HR	\$763.25	\$150.10	\$180.17	\$19.26	\$71.94	\$1,184.71
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NET OPERATING PROFIT							(\$178.69)
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INTEREST ON OPERATING CAPITAL	(\$261.86	@	7.00%)		\$18.33
INTEREST ON EQUIPMENT INVESTMENT							\$31.01

RETURN TO LAND AND RISK							(\$228.03)
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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	\$962.67		
RETURN OVER VARIABLE EXPENSES	\$43.36	(GROSS MARGIN)	
FIXED EXPENSES	\$71.94		
NET FARM INCOME		(\$28.59)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$150.10		
NET OPERATING PROFIT		(\$178.69)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$49.34		
RETURN TO LAND AND RISK		(\$228.03)	

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
GROSS RETURNS				
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	\$13.00	1.00 ACRE		\$13.00
TOTAL				\$444.25

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	\$15.07	1 ACRE	\$15.07		\$15.07
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
SUBTOTAL			\$142.83	\$5.00	\$149.79

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	155 HP	0.14 HR		\$1.20	\$4.77	\$1.27	\$3.17	\$10.41
CHISEL	155 HP	0.20 HR		\$1.71	\$6.81	\$1.37	\$5.18	\$15.07
ANHYDROUS APPL	155 HP	0.20 HR	\$7.00	\$1.71	\$6.81	\$1.08	\$3.88	\$20.48
DISC & SPRAY	155 HP	0.19 HR		\$1.62	\$6.47	\$1.87	\$7.12	\$17.09
LISTER	155 HP	0.12 HR		\$1.03	\$4.09	\$0.88	\$3.75	\$9.75
PLANTER	155 HP	0.17 HR		\$1.45	\$5.79	\$1.26	\$8.84	\$17.35
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
SUBTOTAL		4.41 HR	\$7.00	\$37.71	\$134.96	\$10.00	\$41.00	\$230.67

HARVEST OPERATIONS								
COMBINE (CUSTOM)	14 FT SP		\$15.00					\$15.00
SUBTOTAL		0.00 HR	\$15.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15.00

OVERHEAD EXPENSES								
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				\$33.30				\$33.30
OTHER EXPENSES			\$91.27					\$91.27
SUBTOTAL		1.10 HR	\$92.02	\$49.52		\$2.65		\$144.18

TOTAL OPERATING EXPENSES 5.51 HR \$256.85 \$87.22 \$134.96 \$10.00 \$48.65 \$539.64

NET OPERATING PROFIT (\$95.39)

INTEREST ON OPERATING CAPITAL (\$111.13 @ 7.00%) \$7.78
 INTEREST ON EQUIPMENT INVESTMENT \$18.79

RETURN TO LAND AND RISK (\$121.96)

BUDGET SUMMARY

GROSS RETURN		\$444.25	
VARIABLE OPERATING EXPENSES	\$401.81		
RETURN OVER VARIABLE EXPENSES		\$42.44	(GROSS MARGIN)
FIXED EXPENSES	\$48.65		
NET FARM INCOME		(\$6.21)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$87.22		
NET OPERATING PROFIT		(\$93.43)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$26.57		
RETURN TO LAND AND RISK		(\$120.00)	

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	\$7.50	\$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	\$13.00
GROSS RETURN		\$1,737.50	\$404.17	\$545.00	\$1,006.03	\$444.25
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	\$27.33
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.47			\$138.00	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$50.48	\$54.11	\$19.13	\$41.92	\$104.18	\$43.78
FUEL-IRRIGATION	\$15.20	\$101.31	\$63.32	\$121.57	\$75.98	\$91.18
REPAIRS	\$12.24	\$28.95	\$4.08	\$9.44	\$19.26	\$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	\$0.37	\$92.12	\$91.75	\$92.11	\$92.34	\$92.02
TOTAL CASH EXPENSES	\$273.29	\$528.40	\$332.97	\$565.91	\$965.32	\$406.42
RETURN OVER CASH EXPENSES	(\$273.29)	\$1,209.10	\$71.20	(\$20.91)	\$40.71	\$37.83
FIXED EXPENSES	\$38.82	\$123.89	\$22.86	\$45.08	\$69.30	\$46.00
TOTAL EXPENSES	\$312.11	\$652.28	\$355.83	\$610.99	\$1,034.61	\$452.42
NET FARM INCOME	(\$312.11)	\$1,085.22	\$48.33	(\$65.99)	(\$28.59)	(\$8.17)
LABOR AND MANAGEMENT COSTS	\$47.06	\$180.77	\$60.55	\$96.22	\$150.10	\$87.22
NET OPERATING PROFIT	(\$359.17)	\$904.45	(\$12.22)	(\$162.21)	(\$178.69)	(\$95.39)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$11.03	\$5.68	\$11.92	\$18.33	\$7.78
INTEREST ON EQUIPMENT INVESTMENT		\$22.05	\$7.89	\$18.17	\$31.01	\$18.79
TOTAL CAPITAL COSTS	\$0.00	\$33.07	\$13.57	\$30.08	\$49.34	\$26.57
RETURN TO LAND AND RISK	(\$359.17)	\$871.37	(\$25.79)	(\$192.29)	(\$228.03)	(\$121.96)

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		\$332
GROSS RETURN		<u>\$678,796</u>
CASH OPERATING EXPENSES		
SEED		\$43,201
FERTILIZER		\$92,654
CHEMICALS		\$6,855
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$11,792
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$33,245
FUEL-IRRIGATION		\$54,806
REPAIRS		\$11,839
CUSTOM CHARGES		\$27,768
LAND TAXES		\$1,613
OTHER EXPENSES		\$56,166
TOTAL CASH EXPENSES		<u>\$340,088</u>
RETURN OVER CASH EXPENSES		\$338,708
FIXED EXPENSES		\$29,919
TOTAL EXPENSES		\$370,007
NET FARM INCOME		\$308,789
LABOR AND MANAGEMENT COSTS		\$83,263
NET OPERATING PROFIT		\$225,526
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$6,396
INTEREST ON EQUIPMENT INVESTMENT		\$11,522
TOTAL CAPITAL COSTS		<u>\$17,919</u>
RETURN TO LAND AND RISK		<u>\$207,607</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$198,007	44.73%
\$750 /ACRE	\$193,207	33.96%
\$1,000 /ACRE	\$188,407	27.36%
\$1,250 /ACRE	\$183,607	22.92%
\$1,500 /ACRE	\$178,807	19.71%

* 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)