

TABLE 1. Acreage Summary, Chaves County, Roswell-Hagermand Area, Projected 2012.

BUDGET AREA..... ROSWELL-HAGERMAN AREA, CHAVES COUNTY			
FARM SIZE.....	320	ACRES	
IRRIGATION TYPE.....	SPRINKLER		
NUMBER OF CROPS.....	5		
		WATER USE	
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	35.00 *	16	560
ALFALFA	175.00	54	9,450
WHEAT	25.50	28	714
ARP	0.00		
FLEX IN OAT HAY	4.50	28	126
OAT HAY	25.00	21	525
PICKER COTTON	34.00	28	952
ARP	0.00		
FLEX IN OAT HAY	6.00	28	168
STRIPPER COTTON	34.00	28	952
ARP	0.00		
FLEX IN OAT HAY	6.00	28	168
ROADS, DITCHES, HOMESTEAD	10.00		
TOTAL	320.0		13,615
ACRE FEET PER ACRE OF WATER RIGHTS			3.55

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Roswell-Hagerman area, Chaves 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
Seed:			
Alfalfa		\$/pound	\$6.50
Cotton picker		\$/pound	\$8.00
stripper		\$/pound	\$8.00
Oat Hay		\$/pound	\$0.85
Wheat		\$/pound	\$0.50
Plastic Twine:		\$/box	\$0.57
Natural gas		\$/MCF	\$4.00
Diesel fuel		\$/gallon	\$3.00
Gasoline		\$/gallon	\$3.80
Electricity		cents/KwHr	\$7.84
LP Gas		\$/gallon	\$2.65
Employee Liability Insurance		\$/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	\$185.00	/acre (full value)	\$1.08
Personal Property Tax Rate - NR	\$/1,000	(Assessed Value)	\$17.47
- R			\$19.20
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 Roswell-Hagerman area, Chaves County, Projected 2012.

Item			
Electricity (Domestic & Shop)	\$229.90	per month	\$2,759
Telephone	\$114.95	per month	\$1,379
Accounting & Legal			\$1,700
Misc. Supplies & Hand Tools			\$2,565
Pickup and Auto			
miles	24,200	@	\$0.500 per mile
Insurance			\$12,100
- general liability (non-employee)			\$1,839
- fire/theft			\$1,458
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$0
Building repairs and maintenance			\$1,398
Dues, fees, publications			\$424
Farmstead Equipment			\$182
Total			\$25,803
Total Per Planted Acre			\$83.24



TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2012.  
Planting dates: September 1 - September 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
<b>PURCHASED INPUTS</b>									
SEED	\$6.50	30 LBS		\$195.00				\$195.00	
INSECTICIDE (CUSTOM)	\$8.77	1 ACRE		\$8.77				\$8.77	
PUMP WATER*		16 AC. IN.							
SUBTOTAL				\$203.77				\$203.77	
<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	\$1.89	\$5.43	\$12.98	
PLOW	145 HP	0.48 HR		\$4.10	\$11.88	\$4.94	\$13.28	\$34.21	
DISC (2X)	145 HP	0.34 HR		\$2.91	\$8.41	\$3.77	\$10.87	\$25.96	
DRILL	96 HP	0.21 HR		\$1.80	\$4.86	\$0.65	\$5.57	\$12.88	
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.47	\$0.40	\$3.99	\$7.72	
IRRIGATE (2X)		0.50 HR		\$3.75	\$66.65	\$0.66	\$5.81	\$76.86	
SUBTOTAL		1.80 HR		\$14.87	\$98.48	\$12.31	\$44.96	\$170.62	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.33 HR		\$2.78				\$2.78	
EMPLOYEE BENEFITS				\$2.68				\$2.68	
INSURANCE			\$0.30					\$0.30	
SUPERVISION AND MANAGEMENT				\$27.31				\$27.31	
SUBTOTAL		0.33 HR	\$0.30	\$32.76				\$33.06	
<b>TOTAL OPERATING EXPENSES</b>			2.13 HR	\$204.07	\$47.63	\$98.48	\$12.31	\$44.96	\$407.44

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2012.  
Harvesting dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL		
GROSS RETURNS										
ALFALFA HAY	\$275.00	6.50 TONS (DELIVERED)						\$1,787.50		
TOTAL								\$1,787.50		
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST	TOTAL			
FERTILIZER (10-26-10)	\$0.41	200 LBS	\$82.00				\$82.00			
INSECTICIDE (CUSTOM)	\$19.52	2 X/ACRE	\$39.04				\$39.04			
HERBICIDE (CUSTOM)	\$26.09	1 X/ACRE	\$26.09				\$26.09			
PLASTIC TWINE	\$0.57	170 FT/TON	\$0.16				\$0.16			
ESTABLISHMENT: Principal		5 YEARS				\$81.49	\$81.49			
: Interest						\$15.91	\$15.91			
PUMP WATER*		54 AC. IN.								
SUBTOTAL			\$147.28			\$97.40	\$244.68			
PREHARVEST OPERATIONS		POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (6X)			1.50 HR		\$11.25	\$224.94	\$2.21	\$19.61	\$258.01	
SUBTOTAL			1.50 HR		\$11.25	\$224.94	\$2.21	\$19.61	\$258.01	
HARVEST OPERATIONS										
SWATHER (5X)	16 FT		0.55 HR		\$4.70	\$6.18	\$0.80	\$20.48	\$32.16	
RAKE (5X)	96 HP		0.25 HR		\$2.14	\$5.79	\$0.76	\$3.43	\$12.11	
BALER (5X)	145 HP		0.35 HR		\$2.99	\$8.66	\$2.00	\$39.18	\$52.84	
FRONT END LOADER (5X)	130 HP		0.25 HR		\$2.14	\$6.19	\$1.78	\$8.89	\$18.99	
HAUL	SEMI		0.50 HR		\$4.28	\$7.88	\$1.40	\$16.64	\$30.19	
SUBTOTAL			1.90 HR		\$16.25	\$34.69	\$6.74	\$88.62	\$146.29	
OVERHEAD EXPENSES										
DOWNTIME			0.48 HR		\$4.06				\$4.06	
EMPLOYEE BENEFITS					\$4.95				\$4.95	
INSURANCE					\$0.55				\$0.55	
LAND TAXES							\$1.08		\$1.08	
SUPERVISION AND MANAGEMENT					\$127.58				\$127.58	
OTHER EXPENSES					\$83.24				\$83.24	
SUBTOTAL			0.48 HR		\$83.79	\$136.59		\$1.08	\$221.45	
TOTAL OPERATING EXPENSES			3.88 HR		\$231.07	\$164.08	\$259.63	\$8.95	\$206.70	\$870.42
NET OPERATING PROFIT									\$917.08	
INTEREST ON OPERATING CAPITAL		(	\$133.88	@	7.00%	)			\$9.37	
INTEREST ON EQUIPMENT INVESTMENT									\$56.37	
RETURN TO LAND AND RISK									\$851.34	

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

BUDGET SUMMARY

GROSS RETURN		\$1,787.50
VARIABLE OPERATING EXPENSES	\$499.64	
RETURN OVER VARIABLE EXPENSES	\$1,287.86	(GROSS MARGIN)
FIXED EXPENSES	\$206.70	
NET FARM INCOME	\$1,081.16	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$164.08	
NET OPERATING PROFIT	\$917.08	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$65.74	
RETURN TO LAND AND RISK		\$851.34

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2012.  
Planting dates: August 15 - November 1  
Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	BASE					TOTAL
<b>GROSS RETURNS</b>								
WHEAT	\$10.83	40.00 CWT						\$433.33
DIRECT PAYMENT	\$0.00	40.00 CWT	0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00
GRAZING	\$44.00	1.00 ACRE						\$44.00
<b>TOTAL</b>								<b>\$477.33</b>
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$2.65	100.00 LBS	\$265.00					\$265.00
NITROGEN (N)	\$0.89	150.00 LBS	\$133.50					\$133.50
PHOSPHATE (P205)	\$0.75	50.00 LBS	\$37.50					\$37.50
INSECTICIDE (CUSTOM)	\$18.62	1.00 ACRE	\$18.62					\$18.62
PUMP WATER*		28.00 AC. IN.						
CROP INSURANCE	\$1.96		\$1.96					\$1.96
<b>SUBTOTAL</b>			<b>\$456.58</b>					<b>\$456.58</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$4.10	\$11.88	\$4.94	\$13.28	\$34.21
DISC (2X)	145 HP	0.28 HR		\$2.39	\$6.93	\$3.11	\$8.95	\$21.38
FERTILIZE	DEALER APPLIED							
DRILL	96 HP	0.21 HR		\$1.80	\$4.86	\$0.65	\$5.57	\$12.88
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.47	\$0.40	\$3.99	\$7.72
IRRIGATE (4X)		1.00 HR		\$7.50	\$116.64	\$1.15	\$10.17	\$135.45
<b>SUBTOTAL</b>		<b>2.07 HR</b>		<b>\$16.65</b>	<b>\$142.78</b>	<b>\$10.25</b>	<b>\$41.96</b>	<b>\$211.64</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)			\$14.18					\$14.18
HAUL (CUSTOM)			\$8.00					\$8.00
<b>COMBINE &amp; HAUL (CUSTOM)</b>			<b>\$22.18</b>					<b>\$22.18</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.27 HR		\$2.29				\$2.29
EMPLOYEE BENEFITS				\$3.00				\$3.00
INSURANCE			\$0.33					\$0.33
LAND TAXES								\$1.08
SUPERVISION AND MANAGEMENT				\$34.90				\$34.90
OTHER EXPENSES			\$83.24					\$83.24
<b>SUBTOTAL</b>		<b>0.27 HR</b>	<b>\$83.57</b>	<b>\$40.18</b>				<b>\$1.08</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>2.34 HR</b>	<b>\$562.33</b>	<b>\$56.83</b>	<b>\$142.78</b>	<b>\$10.25</b>	<b>\$43.04</b>	<b>\$815.23</b>
<b>NET OPERATING PROFIT</b>								<b>(\$337.90)</b>
INTEREST ON OPERATING CAPITAL		( \$268.40 @	7.00%	)				\$18.79
INTEREST ON EQUIPMENT INVESTMENT								\$23.98
<b>RETURN TO LAND AND RISK</b>								<b>(\$380.67)</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$477.33	
VARIABLE OPERATING EXPENSES	\$715.36		
RETURN OVER VARIABLE EXPENSES		(\$238.03)	(GROSS MARGIN)
FIXED EXPENSES	\$43.04		
NET FARM INCOME		(\$281.07)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$56.83		
NET OPERATING PROFIT		(\$337.90)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$42.77		
RETURN TO LAND AND RISK		(\$380.67)	

TABLE 9. Oat hay, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2012.  
 Planting dates: February 15 - April 1  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	\$225.00	5.0 TONS (DELIVERED)						\$1,125.00
TOTAL								\$1,125.00
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.85	80 LBS	\$68.00					\$68.00
NITROGEN (N)	\$0.89	85 LBS	\$75.65					\$75.65
PUMP WATER*		21 AC. IN.						
SUBTOTAL			\$143.65					\$143.65
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	145 HP	0.34 HR		\$2.91	\$8.41	\$3.77	\$10.87	\$25.96
DRILL	96 HP	0.21 HR		\$1.80	\$4.86	\$0.65	\$5.57	\$12.88
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.47	\$0.40	\$3.99	\$7.72
IRRIGATE (4X)		1.00 HR		\$7.50	\$87.48	\$0.86	\$7.62	\$103.46
SUBTOTAL		1.65 HR		\$13.06	\$103.22	\$5.69	\$28.05	\$150.03
HARVEST OPERATIONS								
SWATHER	14 FT	0.16 HR		\$1.37	\$1.80	\$0.23	\$5.96	\$9.35
RAKE	96 HP	0.05 HR		\$0.43	\$1.16	\$0.15	\$0.69	\$2.42
BALER	145 HP	0.05 HR		\$0.43	\$1.24	\$0.29	\$5.60	\$7.55
FRONT END LOADER	130 HP	0.05 HR		\$0.43	\$1.24	\$0.36	\$1.78	\$3.80
HAUL	SEMI	0.50 HR		\$4.28	\$7.88	\$1.40	\$16.64	\$30.19
SUBTOTAL		0.81 HR		\$6.93	\$13.30	\$2.43	\$30.66	\$53.31
OVERHEAD EXPENSES								
DOWNTIME		0.37 HR		\$3.12				\$3.12
EMPLOYEE BENEFITS				\$3.60				\$3.60
INSURANCE			\$0.40					\$0.40
LAND TAXES							\$1.08	\$1.08
SUPERVISION AND MANAGEMENT				\$80.43				\$80.43
OTHER EXPENSES			\$83.24					\$83.24
SUBTOTAL		0.37 HR	\$83.64	\$87.15			\$1.08	\$171.86
TOTAL OPERATING EXPENSES		2.83 HR	\$227.29	\$107.13	\$116.53	\$8.11	\$59.79	\$518.85
NET OPERATING PROFIT								\$606.15
INTEREST ON OPERATING CAPITAL		( \$100.36 @ 7.00% )						\$7.03
INTEREST ON EQUIPMENT INVESTMENT								\$29.22
RETURN TO LAND AND RISK								\$569.90

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

GROSS RETURN		\$1,125.00	
VARIABLE OPERATING EXPENSES	\$351.93		
RETURN OVER VARIABLE EXPENSES		\$773.07	(GROSS MARGIN)
FIXED EXPENSES	\$59.79		
NET FARM INCOME		\$713.28	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$107.13		
NET OPERATING PROFIT		\$606.15	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$36.25		
RETURN TO LAND AND RISK		\$569.90	

TABLE 10. Upland cotton (picker), sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2012.  
 Planting dates: April 15 - June 1  
 Harvesting dates: October 1 - December 31

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.85	750 LBS		\$637.50
COTTON SEED	\$0.07	1,200 LBS		\$84.00
DIRECT PAYMENT	\$0.0000	750 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	750 LBS	0.85	\$87.53
<b>TOTAL</b>				<b>\$809.03</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$8.00	20 LBS	\$160.00		\$160.00
NITROGEN (N)	\$0.89	32 LBS	\$28.48		\$28.48
PHOSPHATE (P205)	\$0.75	40 LBS	\$30.00		\$30.00
HERBICIDE	\$15.41	1 ACRE	\$15.41		\$15.41
HERBICIDE (CUSTOM)	\$15.68	1 ACRE	\$15.68		\$15.68
INSECTICIDE (CUSTOM)	\$19.52	2 X/ACRE	\$39.04		\$39.04
CROP INSURANCE			\$1.47		\$1.47
PUMP WATER*		28 AC. IN.			
<b>SUBTOTAL</b>			<b>\$290.08</b>		<b>\$290.08</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$4.21	\$1.89	\$5.43	\$12.98
PLOW	145 HP	0.48 HR		\$4.10	\$11.88	\$4.94	\$13.28	\$34.21
FLOAT	130 HP	0.16 HR		\$1.37	\$3.96	\$0.64	\$5.67	\$11.63
FERTILIZE	DEALER APPLIED							
LISTER	130 HP	0.18 HR		\$1.54	\$4.45	\$1.07	\$8.61	\$15.68
PRE-IRRIGATE		0.25 HR		\$1.88	\$29.16	\$0.29	\$2.54	\$33.86
CULT & SPRAY	96 HP	0.26 HR		\$2.22	\$6.02	\$1.36	\$5.54	\$15.13
PLANTER	130 HP	0.26 HR		\$2.22	\$6.43	\$1.46	\$18.00	\$28.11
CULTIVATOR (3X)	96 HP	0.63 HR		\$5.39	\$14.58	\$2.87	\$6.61	\$29.44
HAND HOE (CUSTOM)			\$20.00					\$20.00
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.47	\$0.40	\$3.99	\$7.72
IRRIGATE (3X)		0.75 HR		\$5.63	\$87.48	\$0.86	\$7.62	\$101.59
<b>SUBTOTAL</b>		<b>3.24 HR</b>	<b>\$20.00</b>	<b>\$26.65</b>	<b>\$170.64</b>	<b>\$15.77</b>	<b>\$77.29</b>	<b>\$310.35</b>

HARVEST OPERATIONS								
COTTON PICKER (2X)	2-ROW	1.24 HR		\$10.60	\$22.50	\$8.87	\$182.95	\$224.92
HAUL (2X)	65 HP	1.00 HR		\$8.55	\$23.14	\$2.12	\$11.86	\$45.67
GIN COTTON (CUSTOM)			\$123.60					\$123.60
<b>SUBTOTAL</b>		<b>2.24 HR</b>	<b>\$123.60</b>	<b>\$19.15</b>	<b>\$45.64</b>	<b>\$10.99</b>	<b>\$194.81</b>	<b>\$394.19</b>

POSTHARVEST OPERATIONS								
SHREDDER	96 HP	0.14 HR		\$1.20	\$3.46	\$0.61	\$9.27	\$14.54
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$1.20</b>	<b>\$3.46</b>	<b>\$0.61</b>	<b>\$9.27</b>	<b>\$14.54</b>

OVERHEAD EXPENSES								
DOWNTIME		1.16 HR		\$9.88				\$9.88
EMPLOYEE BENEFITS				\$8.46				\$8.46
INSURANCE			\$0.94					\$0.94
LAND TAXES						\$1.08		\$1.08
SUPERVISION AND MANAGEMENT				\$59.89				\$59.89
OTHER EXPENSES			\$83.24					\$83.24
<b>SUBTOTAL</b>		<b>1.16 HR</b>	<b>\$84.18</b>	<b>\$78.23</b>		<b>\$1.08</b>		<b>\$163.48</b>

TOTAL OPERATING EXPENSES		6.78 HR	\$517.86	\$125.23	\$219.74	\$27.37	\$282.45	\$1,172.65
NET OPERATING PROFIT								(\$363.62)
INTEREST ON OPERATING CAPITAL		(	\$197.38	@	7.00%	)		\$13.82
INTEREST ON EQUIPMENT INVESTMENT								\$29.22
<b>RETURN TO LAND AND RISK</b>								<b>(\$406.66)</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$809.03	
VARIABLE OPERATING EXPENSES	\$764.97		
RETURN OVER VARIABLE EXPENSES	\$44.06	(GROSS MARGIN)	
FIXED EXPENSES	\$282.45		
NET FARM INCOME		(\$238.39)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$125.23		
NET OPERATING PROFIT		(\$363.62)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$43.04		
RETURN TO LAND AND RISK		(\$406.66)	

TABLE 11. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2012.  
 Planting dates: April 15 - June 1  
 Harvesting dates: October 1 - December 31

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.81	750 LBS		\$607.50
COTTON SEED	\$0.07	1,200 LBS		\$84.00
DIRECT PAYMENT	\$0.0000	750 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	750 LBS	0.85	\$87.53
<b>TOTAL</b>				<b>\$779.03</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$8.00	25 LBS	\$200.00		\$200.00
NITROGEN (N)	\$0.89	32 LBS	\$28.48		\$28.48
PHOSPHORUS (P205)	\$0.75	40 LBS	\$30.00		\$30.00
HERBICIDE	\$15.41	1 ACRE	\$15.41		\$15.41
HERBICIDE (CUSTOM)	\$15.68	1 ACRE	\$15.68		\$15.68
INSECTICIDE (CUSTOM)	\$14.86	2 X/ACRE	\$29.72		\$29.72
CROP INSURANCE			\$1.47		\$1.47
PUMP WATER*		28 AC. IN.			
<b>SUBTOTAL</b>			<b>\$320.76</b>		<b>\$320.76</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$4.21	\$1.89	\$5.43	\$12.98
PLOW	145 HP	0.48 HR		\$4.10	\$11.88	\$4.94	\$13.28	\$34.21
FLOAT	130 HP	0.16 HR		\$1.37	\$3.96	\$0.64	\$5.67	\$11.63
FERTILIZE	DEALER APPLIED							
LISTER	130 HP	0.18 HR		\$1.54	\$4.45	\$1.07	\$8.61	\$15.68
PRE-IRRIGATE		0.25 HR		\$1.88	\$29.16	\$0.29	\$2.54	\$33.86
CULT & SPRAY	96 HP	0.26 HR		\$2.22	\$6.02	\$1.36	\$5.54	\$15.13
PLANTER	130 HP	0.26 HR		\$2.22	\$6.43	\$1.46	\$18.00	\$28.11
CULTIVATOR (3X)	96 HP	0.63 HR		\$5.39	\$14.58	\$2.87	\$6.61	\$29.44
HAND HOE (CUSTOM)			\$20.00					\$20.00
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$2.47	\$0.40	\$3.99	\$7.72
IRRIGATE (3X)		0.75 HR		\$5.63	\$87.48	\$0.86	\$7.62	\$101.59
<b>SUBTOTAL</b>		<b>3.24 HR</b>	<b>\$20.00</b>	<b>\$26.65</b>	<b>\$170.64</b>	<b>\$15.77</b>	<b>\$77.29</b>	<b>\$310.35</b>
<b>HARVEST OPERATIONS</b>								
COTTON STRIPPER	130 HP	1.24 HR		\$10.60	\$30.69	\$6.06	\$60.30	\$107.65
HAUL	96 HP	1.50 HR		\$12.83	\$34.71	\$3.18	\$17.79	\$68.51
GIN COTTON (CUSTOM)			\$159.08					\$159.08
<b>SUBTOTAL</b>		<b>2.74 HR</b>	<b>\$159.08</b>	<b>\$23.43</b>	<b>\$65.40</b>	<b>\$9.25</b>	<b>\$78.09</b>	<b>\$335.24</b>
<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	96 HP	0.14 HR		\$1.20	\$3.46	\$0.61	\$9.27	\$14.54
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$1.20</b>	<b>\$3.46</b>	<b>\$0.61</b>	<b>\$9.27</b>	<b>\$14.54</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		1.28 HR		\$10.94				\$10.94
EMPLOYEE BENEFITS				\$9.23				\$9.23
INSURANCE			\$1.03					\$1.03
LAND TAXES							\$1.08	\$1.08
SUPERVISION AND MANAGEMENT				\$58.04				\$58.04
OTHER EXPENSES			\$83.24					\$83.24
<b>SUBTOTAL</b>		<b>1.28 HR</b>	<b>\$84.26</b>	<b>\$78.22</b>			<b>\$1.08</b>	<b>\$163.55</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7.40 HR</b>	<b>\$584.10</b>	<b>\$129.49</b>	<b>\$239.50</b>	<b>\$25.63</b>	<b>\$165.73</b>	<b>\$1,144.45</b>
<b>NET OPERATING PROFIT</b>								<b>(\$365.42)</b>
INTEREST ON OPERATING CAPITAL		( \$214.22 @	7.00%	)				\$15.00
INTEREST ON EQUIPMENT INVESTMENT								\$87.08
<b>RETURN TO LAND AND RISK</b>								<b>(\$467.50)</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$779.03	
VARIABLE OPERATING EXPENSES	\$849.23		
RETURN OVER VARIABLE EXPENSES	(\$70.20)	(GROSS MARGIN)	
FIXED EXPENSES	\$165.73		
NET FARM INCOME	(\$235.93)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$129.49		
NET OPERATING PROFIT	(\$365.42)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$102.08		
RETURN TO LAND AND RISK	(\$467.50)		



TABLE 12. Summary of per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Chaves County, Projected 2012.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	OAT HAY	PICKER COTTON	STRIPPER COTTON
		TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD		6.50	40.00	5.00	750.00	750.00
PRIMARY PRICE		\$275.00	\$10.83	\$225.00	\$0.85	\$0.81
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$87.53	\$87.53
SECOND INCOME		\$0.00	\$44.00	\$0.00	\$84.00	\$84.00
GROSS RETURN		\$1,787.50	\$477.33	\$1,125.00	\$809.03	\$779.03
CASH OPERATING EXPENSES						
SEED	\$195.00		\$265.00	\$68.00	\$160.00	\$200.00
FERTILIZER	\$8.77	\$82.00	\$171.00	\$75.65	\$58.48	\$58.48
CHEMICALS		\$65.13	\$18.62		\$70.13	\$60.81
CROP INSURANCE			\$1.96		\$1.47	\$1.47
OTHER PURCHASED INPUTS		\$0.16				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$31.83	\$34.69	\$26.14	\$29.05	\$103.11	\$122.86
FUEL-IRRIGATION	\$66.65	\$224.94	\$116.64	\$87.48	\$116.64	\$116.64
REPAIRS	\$12.31	\$8.95	\$10.25	\$8.11	\$27.37	\$25.63
CUSTOM CHARGES			\$22.18		\$143.60	\$179.08
LAND TAXES		\$1.08	\$1.08	\$1.08	\$1.08	\$1.08
OTHER EXPENSES	\$0.30	\$83.79	\$83.57	\$83.64	\$84.18	\$84.26
TOTAL CASH EXPENSES	\$314.86	\$500.72	\$716.44	\$353.01	\$766.05	\$850.30
RETURN OVER CASH EXPENSES	(\$314.86)	\$1,286.78	(\$239.11)	\$771.99	\$42.98	(\$71.28)
FIXED EXPENSES	\$44.96	\$205.62	\$41.96	\$58.71	\$281.37	\$164.65
TOTAL EXPENSES	\$359.82	\$706.34	\$758.40	\$411.72	\$1,047.42	\$1,014.96
NET FARM INCOME	(\$359.82)	\$1,081.16	(\$281.07)	\$713.28	(\$238.39)	(\$235.93)
LABOR AND MANAGEMENT COSTS	\$47.63	\$164.08	\$56.83	\$107.13	\$125.23	\$129.49
NET OPERATING PROFIT	(\$407.44)	\$917.08	(\$337.90)	\$606.15	(\$363.62)	(\$365.42)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$9.37	\$18.79	\$7.03	\$13.82	\$15.00
INTEREST ON EQUIPMENT INVESTMENT		\$56.37	\$23.98	\$29.22	\$29.22	\$87.08
TOTAL CAPITAL COSTS	\$0.00	\$65.74	\$42.77	\$36.25	\$43.04	\$102.08
RETURN TO LAND AND RISK	(\$407.44)	\$851.34	(\$380.67)	\$569.90	(\$406.66)	(\$467.50)
Flex Computation			-314.73	657.84	-96.06	-215.76

TABLE 13. Whole farm summary, Roswell-Hagerman Area, Chaves County,  
Projected 2012.

GROSS RETURNS		
ALFALFA HAY	175.00 ACRES	
CROP		\$312,813
WHEAT	25.50 ACRES	
CROP		\$11,050
GRAZING		\$1,122
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
OAT HAY	41.50 ACRES	
CROP		\$46,688
UPLAND COTTON (PICKER)	34.00 ACRES	
COTTON LINT		\$21,675
COTTON SEED		\$2,856
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$2,976
UPLAND COTTON (STRIPPER)	34.00 ACRES	
COTTON LINT		\$20,655
COTTON SEED		\$2,856
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$2,976
GROSS RETURN		<u>\$425,666</u>
CASH OPERATING EXPENSES		
SEED		\$28,645
FERTILIZER		\$26,133
CHEMICALS		\$16,324
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$28
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$16,740
FUEL-IRRIGATION		\$56,233
REPAIRS		\$4,397
CUSTOM CHARGES		\$11,537
LAND TAXES		\$334
OTHER EXPENSES		\$26,002
TOTAL CASH EXPENSES		<u>\$186,521</u>
RETURN OVER CASH EXPENSES		\$239,145
FIXED EXPENSES		\$41,968
TOTAL EXPENSES		\$228,490
NET FARM INCOME		\$197,176
LABOR AND MANAGEMENT COSTS		\$44,937
NET OPERATING PROFIT		\$152,240
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,390
INTEREST ON EQUIPMENT INVESTMENT		\$15,643
TOTAL CAPITAL COSTS		<u>\$19,033</u>
RETURN TO LAND AND RISK		<u><u>\$133,206</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$123,606	25.94%
\$3,000 /ACRE	\$104,406	12.41%
\$5,000 /ACRE	\$85,206	8.15%
\$7,000 /ACRE	\$66,006	6.07%
\$9,000 /ACRE	\$46,806	4.84%

\* 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)