

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... ROSWELL-HAGERMAN AREA, CHAVES COUN Projected 2014
FARM SIZE..... 320.00 ACRES
IRRIGATION TYPE..... SPRINKLER
NUMBER OF CROPS..... 5

VERSION 1.0

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TABLE 1. Acreage Summary, Chaves County, Roswell-Hagermand Area, Projected 2014

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 2014

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.50
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.50
Phosphate (P205)		\$/pound	\$0.40
Seed:			
Alfalfa		\$/pound	\$6.00
Cotton picker		\$/pound	\$7.55
stripper		\$/pound	\$7.55
Oat Hay		\$/pound	\$0.86
Wheat		\$/pound	\$0.45
Plastic Twine:		\$/box	\$0.72
Natural gas		\$/MCF	\$4.00
Diesel fuel		\$/gallon	\$4.00
Gasoline		\$/gallon	\$3.50
Electricity		cents/KwHr	\$7.84
LP Gas		\$/gallon	\$2.80
Employee Liability Insurance		\$/wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	5.50%
Land Interest Rate		percent	5.00%
Equipment Interest Rate		percent	5.50%
Real Interest Rate		percent	3.00%
Land Taxes	\$185.00	/acre (full value)	\$1.45
Personal Property Tax Rate - NR	\$/1,000	(Assessed Value)	\$23.49
- R			\$19.21
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 2014

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	@ \$0.50 per mile	\$12,100
Insurance			
- 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 1.1 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project A	Area 1	Construction of a new building.
Project B	Area 2	Renovation of an existing building.
Project C	Area 3	Installation of new equipment.
Project D	Area 4	Modification of the electrical system.
Project E	Area 5	Upgrade of the plumbing system.
Project F	Area 6	Improvement of the fire safety system.
Project G	Area 7	Enhancement of the security system.
Project H	Area 8	Optimization of the energy efficiency.
Project I	Area 9	Expansion of the parking area.
Project J	Area 10	Construction of a new driveway.

Table 1.2 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project K	Area 11	Construction of a new building.
Project L	Area 12	Renovation of an existing building.
Project M	Area 13	Installation of new equipment.
Project N	Area 14	Modification of the electrical system.
Project O	Area 15	Upgrade of the plumbing system.
Project P	Area 16	Improvement of the fire safety system.
Project Q	Area 17	Enhancement of the security system.
Project R	Area 18	Optimization of the energy efficiency.
Project S	Area 19	Expansion of the parking area.
Project T	Area 20	Construction of a new driveway.

Table 1.3 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project U	Area 21	Construction of a new building.
Project V	Area 22	Renovation of an existing building.
Project W	Area 23	Installation of new equipment.
Project X	Area 24	Modification of the electrical system.
Project Y	Area 25	Upgrade of the plumbing system.
Project Z	Area 26	Improvement of the fire safety system.
Project AA	Area 27	Enhancement of the security system.
Project AB	Area 28	Optimization of the energy efficiency.
Project AC	Area 29	Expansion of the parking area.
Project AD	Area 30	Construction of a new driveway.

Table 1.4 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project AE	Area 31	Construction of a new building.
Project AF	Area 32	Renovation of an existing building.
Project AG	Area 33	Installation of new equipment.
Project AH	Area 34	Modification of the electrical system.
Project AI	Area 35	Upgrade of the plumbing system.
Project AJ	Area 36	Improvement of the fire safety system.
Project AK	Area 37	Enhancement of the security system.
Project AL	Area 38	Optimization of the energy efficiency.
Project AM	Area 39	Expansion of the parking area.
Project AN	Area 40	Construction of a new driveway.

Table 2.1 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project AO	Area 41	Construction of a new building.
Project AP	Area 42	Renovation of an existing building.
Project AQ	Area 43	Installation of new equipment.
Project AR	Area 44	Modification of the electrical system.
Project AS	Area 45	Upgrade of the plumbing system.
Project AT	Area 46	Improvement of the fire safety system.
Project AU	Area 47	Enhancement of the security system.
Project AV	Area 48	Optimization of the energy efficiency.
Project AW	Area 49	Expansion of the parking area.
Project AX	Area 50	Construction of a new driveway.

Table 2.2 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project AY	Area 51	Construction of a new building.
Project AZ	Area 52	Renovation of an existing building.
Project BA	Area 53	Installation of new equipment.
Project BB	Area 54	Modification of the electrical system.
Project BC	Area 55	Upgrade of the plumbing system.
Project BD	Area 56	Improvement of the fire safety system.
Project BE	Area 57	Enhancement of the security system.
Project BF	Area 58	Optimization of the energy efficiency.
Project BG	Area 59	Expansion of the parking area.
Project BH	Area 60	Construction of a new driveway.

Table 2.3 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project BI	Area 61	Construction of a new building.
Project BJ	Area 62	Renovation of an existing building.
Project BK	Area 63	Installation of new equipment.
Project BL	Area 64	Modification of the electrical system.
Project BM	Area 65	Upgrade of the plumbing system.
Project BN	Area 66	Improvement of the fire safety system.
Project BO	Area 67	Enhancement of the security system.
Project BP	Area 68	Optimization of the energy efficiency.
Project BQ	Area 69	Expansion of the parking area.
Project BR	Area 70	Construction of a new driveway.

Table 2.4 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project BS	Area 71	Construction of a new building.
Project BT	Area 72	Renovation of an existing building.
Project BU	Area 73	Installation of new equipment.
Project BV	Area 74	Modification of the electrical system.
Project BW	Area 75	Upgrade of the plumbing system.
Project BX	Area 76	Improvement of the fire safety system.
Project BY	Area 77	Enhancement of the security system.
Project BZ	Area 78	Optimization of the energy efficiency.
Project CA	Area 79	Expansion of the parking area.
Project CB	Area 80	Construction of a new driveway.

Table 2.5 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project CC	Area 81	Construction of a new building.
Project CD	Area 82	Renovation of an existing building.
Project CE	Area 83	Installation of new equipment.
Project CF	Area 84	Modification of the electrical system.
Project CG	Area 85	Upgrade of the plumbing system.
Project CH	Area 86	Improvement of the fire safety system.
Project CI	Area 87	Enhancement of the security system.
Project CJ	Area 88	Optimization of the energy efficiency.
Project CK	Area 89	Expansion of the parking area.
Project CL	Area 90	Construction of a new driveway.

Table 2.6 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project CM	Area 91	Construction of a new building.
Project CN	Area 92	Renovation of an existing building.
Project CO	Area 93	Installation of new equipment.
Project CP	Area 94	Modification of the electrical system.
Project CQ	Area 95	Upgrade of the plumbing system.
Project CR	Area 96	Improvement of the fire safety system.
Project CS	Area 97	Enhancement of the security system.
Project CT	Area 98	Optimization of the energy efficiency.
Project CU	Area 99	Expansion of the parking area.
Project CV	Area 100	Construction of a new driveway.

Table 2.7 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project CW	Area 101	Construction of a new building.
Project CX	Area 102	Renovation of an existing building.
Project CY	Area 103	Installation of new equipment.
Project CZ	Area 104	Modification of the electrical system.
Project DA	Area 105	Upgrade of the plumbing system.
Project DB	Area 106	Improvement of the fire safety system.
Project DC	Area 107	Enhancement of the security system.
Project DD	Area 108	Optimization of the energy efficiency.
Project DE	Area 109	Expansion of the parking area.
Project DF	Area 110	Construction of a new driveway.

Table 2.8 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project DG	Area 111	Construction of a new building.
Project DH	Area 112	Renovation of an existing building.
Project DI	Area 113	Installation of new equipment.
Project DJ	Area 114	Modification of the electrical system.
Project DK	Area 115	Upgrade of the plumbing system.
Project DL	Area 116	Improvement of the fire safety system.
Project DM	Area 117	Enhancement of the security system.
Project DN	Area 118	Optimization of the energy efficiency.
Project DO	Area 119	Expansion of the parking area.
Project DP	Area 120	Construction of a new driveway.

Table 3.1 - Summary of the Proposed Project, including the Project Name, Location, and Description.

Project Name	Location	Description
Project EQ	Area 121	Construction of a new building.
Project ER	Area 122	Renovation of an existing building.
Project ES	Area 123	Installation of new equipment.
Project ET	Area 124	Modification of the electrical system.
Project EU	Area 125	Upgrade of the plumbing system.
Project EV	Area 126	Improvement of the fire safety system.
Project EW	Area 127	Enhancement of the security system.
Project EX	Area 128	Optimization of the energy efficiency.
Project EY	Area 129	Expansion of the parking area.
Project EZ	Area 130	Construction of a new driveway.

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 2014
Planting dates: September 1 - September 31

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
PURCHASED INPUTS									
SEED	\$6.00	30 LBS		\$180.00				\$180.00	
INSECTICIDE (CUSTOM)	\$8.77	1 ACRE		\$8.77				\$8.77	
PUMP WATER*		16 AC. IN.							
SUBTOTAL				\$188.77				\$188.77	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	145 HP	0.17 HR		\$1.45	\$5.61	\$1.89	\$5.54	\$14.49	
PLOW	145 HP	0.48 HR		\$4.10	\$15.84	\$4.94	\$13.54	\$38.43	
DISC (2X)	145 HP	0.34 HR		\$2.91	\$11.22	\$3.77	\$11.07	\$28.97	
DRILL	96 HP	0.21 HR		\$1.80	\$4.48	\$0.41	\$4.96	\$11.65	
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$3.30	\$0.40	\$4.05	\$8.60	
IRRIGATE (2X)		0.50 HR		\$3.75	\$66.65	\$0.66	\$5.94	\$76.99	
SUBTOTAL		1.80 HR		\$14.87	\$107.09	\$12.08	\$45.10	\$179.13	
OVERHEAD EXPENSES									
DOWNTIME		0.33 HR		\$2.78				\$2.78	
EMPLOYEE BENEFITS				\$2.68				\$2.68	
INSURANCE			\$0.30					\$0.30	
SUPERVISION AND MANAGEMENT				\$26.85				\$26.85	
SUBTOTAL		0.33 HR	\$0.30	\$32.31				\$32.60	
TOTAL OPERATING EXPENSES			2.13 HR	\$189.07	\$47.17	\$107.09	\$12.08	\$45.10	\$400.50

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 2014
Harvesting dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$255.00	6.50 TONS (DELIVERED)						\$1,657.50
TOTAL								\$1,657.50
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	\$0.72	170 FT/TON		\$0.20				\$0.20
ESTABLISHMENT: Principal		5 YEARS				\$80.10		\$80.10
: Interest						\$12.15		\$12.15
PUMP WATER*		54 AC. IN.						
SUBTOTAL				\$147.33		\$92.25		\$239.57
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	\$20.04	\$258.44
SUBTOTAL		1.50 HR		\$11.25	\$224.94	\$2.21	\$20.04	\$258.44
HARVEST OPERATIONS								
SWATHER (5X)	16 FT	0.55 HR		\$4.70	\$8.24	\$0.80	\$20.87	\$34.60
RAKE (5X)	96 HP	0.25 HR		\$2.14	\$5.33	\$0.47	\$2.69	\$10.63
BALER (5X)	145 HP	0.35 HR		\$2.99	\$11.55	\$2.00	\$39.80	\$56.34
FRONT END LOADER (5X)	130 HP	0.25 HR		\$2.14	\$8.25	\$1.78	\$9.02	\$21.19
HAUL	SEMI	0.50 HR		\$4.28	\$10.50	\$1.40	\$16.80	\$32.97
SUBTOTAL		1.90 HR		\$16.25	\$43.86	\$6.45	\$89.18	\$155.74
OVERHEAD EXPENSES								
DOWNTIME		0.48 HR		\$4.06				\$4.06
EMPLOYEE BENEFITS				\$4.95				\$4.95
INSURANCE				\$0.55				\$0.55
LAND TAXES						\$1.45		\$1.45
SUPERVISION AND MANAGEMENT				\$118.48				\$118.48
OTHER EXPENSES				\$83.24				\$83.24
SUBTOTAL		0.48 HR		\$83.79	\$127.49		\$1.45	\$212.72
TOTAL OPERATING EXPENSES		3.88 HR		\$231.11	\$154.98	\$268.80	\$8.67	\$202.91
NET OPERATING PROFIT								\$791.03
INTEREST ON OPERATING CAPITAL		(\$134.64 @ 5.50%)						\$7.41
INTEREST ON EQUIPMENT INVESTMENT								\$43.68
RETURN TO LAND AND RISK								\$739.94

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

BUDGET SUMMARY

GROSS RETURN		\$1,657.50	
VARIABLE OPERATING EXPENSES	\$508.58		
RETURN OVER VARIABLE EXPENSES		\$1,148.92	(GROSS MARGIN)
FIXED EXPENSES	\$202.91		
NET FARM INCOME		\$946.01	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$154.98		
NET OPERATING PROFIT		\$791.03	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$51.09		
RETURN TO LAND AND RISK		\$739.94	

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Projected 2014
Planting dates: August 15 - November 1
Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	BASE					TOTAL
GROSS RETURNS								
WHEAT	\$11.67	40.00 CWT						\$466.67
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
TOTAL								\$510.67
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$2.80	100.00 LBS	\$280.00					\$280.00
NITROGEN (N)	\$0.50	150.00 LBS	\$75.00					\$75.00
PHOSPHATE (P205)	\$0.40	50.00 LBS	\$20.00					\$20.00
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
SUBTOTAL			\$395.58					\$395.58
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$4.10	\$15.84	\$4.94	\$13.54	\$38.43
DISC (2X)	145 HP	0.28 HR		\$2.39	\$9.24	\$3.11	\$9.12	\$23.86
FERTILIZE	DEALER APPLIED							
DRILL	96 HP	0.21 HR		\$1.80	\$4.48	\$0.41	\$4.96	\$11.65
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$3.30	\$0.40	\$4.05	\$8.60
IRRIGATE (4X)		1.00 HR		\$7.50	\$116.64	\$1.15	\$10.39	\$135.67
SUBTOTAL		2.07 HR		\$16.65	\$149.49	\$10.01	\$42.06	\$218.21
HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$14.18					\$14.18
HAUL (CUSTOM)			\$8.00					\$8.00
COMBINE & HAUL (CUSTOM)			\$22.18					\$22.18
OVERHEAD EXPENSES								
DOWNTIME		0.27 HR		\$2.29				\$2.29
EMPLOYEE BENEFITS				\$3.00				\$3.00
INSURANCE			\$0.33					\$0.33
LAND TAXES							\$1.45	\$1.45
SUPERVISION AND MANAGEMENT				\$37.23				\$37.23
OTHER EXPENSES			\$83.24					\$83.24
SUBTOTAL		0.27 HR	\$83.57	\$42.52			\$1.45	\$127.53
TOTAL OPERATING EXPENSES		2.34 HR	\$501.33	\$59.16	\$149.49	\$10.01	\$43.51	\$763.51
NET OPERATING PROFIT								(\$252.84)
INTEREST ON OPERATING CAPITAL		(\$239.52 @	5.50%)				\$13.17
INTEREST ON EQUIPMENT INVESTMENT								\$18.33
RETURN TO LAND AND RISK								(\$284.35)

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

BUDGET SUMMARY

GROSS RETURN		\$510.67	
VARIABLE OPERATING EXPENSES	\$660.84		
RETURN OVER VARIABLE EXPENSES		(\$150.17)	(GROSS MARGIN)
FIXED EXPENSES	\$43.51		
NET FARM INCOME		(\$193.68)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$59.16		
NET OPERATING PROFIT		(\$252.84)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$31.51		
RETURN TO LAND AND RISK		(\$284.35)	

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 2014
 Planting dates: February 15 - April 1
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	\$195.00	5.0 TONS (DELIVERED)						\$975.00
TOTAL								\$975.00
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.86	80 LBS	\$68.80					\$68.80
NITROGEN (N)	\$0.50	85 LBS	\$42.50					\$42.50
PUMP WATER*		21 AC. IN.						
SUBTOTAL			\$111.30					\$111.30
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	145 HP	0.34 HR		\$2.91	\$11.22	\$3.77	\$11.07	\$28.97
DRILL	96 HP	0.21 HR		\$1.80	\$4.48	\$0.41	\$4.96	\$11.65
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$3.30	\$0.40	\$4.05	\$8.60
IRRIGATE (4X)		1.00 HR		\$7.50	\$87.48	\$0.86	\$7.79	\$103.63
SUBTOTAL		1.65 HR		\$13.06	\$106.47	\$5.45	\$27.87	\$152.85
HARVEST OPERATIONS								
SWATHER	14 FT	0.16 HR		\$1.37	\$2.40	\$0.23	\$6.07	\$10.07
RAKE	96 HP	0.05 HR		\$0.43	\$1.07	\$0.09	\$0.54	\$2.13
BALER	145 HP	0.05 HR		\$0.43	\$1.65	\$0.29	\$5.69	\$8.05
FRONT END LOADER	130 HP	0.05 HR		\$0.43	\$1.65	\$0.36	\$1.80	\$4.24
HAUL	SEMI	0.50 HR		\$4.28	\$10.50	\$1.40	\$16.80	\$32.97
SUBTOTAL		0.81 HR		\$6.93	\$17.26	\$2.37	\$30.90	\$57.45
OVERHEAD EXPENSES								
DOWNTIME		0.37 HR		\$3.12				\$3.12
EMPLOYEE BENEFITS				\$3.60				\$3.60
INSURANCE			\$0.40					\$0.40
LAND TAXES							\$1.45	\$1.45
SUPERVISION AND MANAGEMENT				\$69.93				\$69.93
OTHER EXPENSES			\$83.24					\$83.24
SUBTOTAL		0.37 HR	\$83.64	\$76.65			\$1.45	\$161.73
TOTAL OPERATING EXPENSES		2.83 HR	\$194.94	\$96.63	\$123.73	\$7.82	\$60.22	\$483.34
NET OPERATING PROFIT								\$491.66
INTEREST ON OPERATING CAPITAL		(\$85.27 @ 5.50%)						\$4.69
INTEREST ON EQUIPMENT INVESTMENT								\$22.33
RETURN TO LAND AND RISK								\$464.64

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

GROSS RETURN		\$975.00	
VARIABLE OPERATING EXPENSES	\$326.49		
RETURN OVER VARIABLE EXPENSES		\$648.51	(GROSS MARGIN)
FIXED EXPENSES	\$60.22		
NET FARM INCOME		\$588.29	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$96.63		
NET OPERATING PROFIT		\$491.66	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$27.02		
RETURN TO LAND AND RISK		\$464.64	

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 2014
 Planting dates: April 15 - June 1
 Harvesting dates: October 1 - December 31

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.90	750 LBS		\$675.00
COTTON SEED	\$0.09	1,200 LBS		\$108.00
DIRECT PAYMENT	\$0.0000	750 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	750 LBS	0.85	\$87.53
TOTAL				\$870.53

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	20 LBS	\$151.00		\$151.00
NITROGEN (N)	\$0.50	32 LBS	\$16.00		\$16.00
PHOSPHATE (P205)	\$0.40	40 LBS	\$16.00		\$16.00
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.			
SUBTOTAL			\$254.60		\$254.60

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$5.61	\$1.89	\$5.54	\$14.49
PLOW	145 HP	0.48 HR		\$4.10	\$15.84	\$4.94	\$13.54	\$38.43
FLOAT	130 HP	0.16 HR		\$1.37	\$5.28	\$0.64	\$5.75	\$13.03
FERTILIZE	DEALER APPLIED							
LISTER	130 HP	0.18 HR		\$1.54	\$5.94	\$1.07	\$8.74	\$17.29
PRE-IRRIGATE		0.25 HR		\$1.88	\$29.16	\$0.29	\$2.60	\$33.92
CULT & SPRAY	96 HP	0.26 HR		\$2.22	\$5.54	\$1.06	\$4.78	\$13.61
PLANTER	130 HP	0.26 HR		\$2.22	\$8.58	\$1.46	\$18.21	\$30.47
CULTIVATOR (3X)	96 HP	0.63 HR		\$5.39	\$13.43	\$2.16	\$4.67	\$25.65
HAND HOE (CUSTOM)			\$20.00					\$20.00
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$3.30	\$0.40	\$4.05	\$8.60
IRRIGATE (3X)		0.75 HR		\$5.63	\$87.48	\$0.86	\$7.79	\$101.75
SUBTOTAL		3.24 HR	\$20.00	\$26.65	\$180.15	\$14.76	\$75.67	\$317.23

HARVEST OPERATIONS								
COTTON PICKER (2X)	2-ROW	1.24 HR		\$10.60	\$30.00	\$8.87	\$185.59	\$235.06
HAUL (2X)	65 HP	1.00 HR		\$8.55	\$21.31	\$0.99	\$8.84	\$39.70
GIN COTTON (CUSTOM)			\$123.60					\$123.60
SUBTOTAL		2.24 HR	\$123.60	\$19.15	\$51.31	\$9.86	\$194.43	\$398.36

POSTHARVEST OPERATIONS								
SHREDDER	96 HP	0.14 HR		\$1.20	\$4.62	\$0.61	\$9.40	\$15.83
SUBTOTAL		0.14 HR		\$1.20	\$4.62	\$0.61	\$9.40	\$15.83

OVERHEAD EXPENSES								
DOWNTIME		1.16 HR		\$9.88				\$9.88
EMPLOYEE BENEFITS				\$8.46				\$8.46
INSURANCE			\$0.94					\$0.94
LAND TAXES						\$1.45		\$1.45
SUPERVISION AND MANAGEMENT				\$64.20				\$64.20
OTHER EXPENSES			\$83.24					\$83.24
SUBTOTAL		1.16 HR	\$84.18	\$82.53		\$1.45		\$168.16

TOTAL OPERATING EXPENSES 6.78 HR \$482.38 \$129.53 \$236.08 \$25.24 \$280.95 \$1,154.18

NET OPERATING PROFIT (\$283.65)

INTEREST ON OPERATING CAPITAL (\$182.43 @ 5.50%) \$10.03
 INTEREST ON EQUIPMENT INVESTMENT \$22.33

RETURN TO LAND AND RISK (\$316.01)

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

GROSS RETURN		\$870.53	
VARIABLE OPERATING EXPENSES	\$743.69		
RETURN OVER VARIABLE EXPENSES	\$126.83	(GROSS MARGIN)	
FIXED EXPENSES	\$280.95		
NET FARM INCOME	(\$154.12)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$129.53		
NET OPERATING PROFIT	(\$283.65)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$32.36		
RETURN TO LAND AND RISK	(\$316.01)		

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 2014
 Planting dates: April 15 - June 1
 Harvesting dates: October 1 - December 31

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.85	750 LBS		\$637.50
COTTON SEED	\$0.09	1,200 LBS		\$108.00
DIRECT PAYMENT	\$0.0000	750 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	750 LBS	0.85	\$87.53
TOTAL				\$833.03

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	25 LBS	\$188.75		\$188.75
NITROGEN (N)	\$0.50	32 LBS	\$16.00		\$16.00
PHOSPHORUS (P205)	\$0.40	40 LBS	\$16.00		\$16.00
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.			
SUBTOTAL			\$283.03		\$283.03

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.45	\$5.61	\$1.89	\$5.54	\$14.49
PLOW	145 HP	0.48 HR		\$4.10	\$15.84	\$4.94	\$13.54	\$38.43
FLOAT	130 HP	0.16 HR		\$1.37	\$5.28	\$0.64	\$5.75	\$13.03
FERTILIZE	DEALER APPLIED							
LISTER	130 HP	0.18 HR		\$1.54	\$5.94	\$1.07	\$8.74	\$17.29
PRE-IRRIGATE		0.25 HR		\$1.88	\$29.16	\$0.29	\$2.60	\$33.92
CULT & SPRAY	96 HP	0.26 HR		\$2.22	\$5.54	\$1.06	\$4.78	\$13.61
PLANTER	130 HP	0.26 HR		\$2.22	\$8.58	\$1.46	\$18.21	\$30.47
CULTIVATOR (3X)	96 HP	0.63 HR		\$5.39	\$13.43	\$2.16	\$4.67	\$25.65
HAND HOE (CUSTOM)			\$20.00					\$20.00
DITCHER (2X)	130 HP	0.10 HR		\$0.86	\$3.30	\$0.40	\$4.05	\$8.60
IRRIGATE (3X)		0.75 HR		\$5.63	\$87.48	\$0.86	\$7.79	\$101.75
SUBTOTAL		3.24 HR	\$20.00	\$26.65	\$180.15	\$14.76	\$75.67	\$317.23

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	130 HP	1.24 HR		\$10.60	\$40.91	\$6.06	\$61.17	\$118.75
HAUL	96 HP	1.50 HR		\$12.83	\$31.97	\$1.49	\$13.27	\$59.55
GIN COTTON (CUSTOM)			\$159.08					\$159.08
SUBTOTAL		2.74 HR	\$159.08	\$23.43	\$72.88	\$7.55	\$74.44	\$337.38

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	96 HP	0.14 HR		\$1.20	\$4.62	\$0.61	\$9.40	\$15.83
SUBTOTAL		0.14 HR		\$1.20	\$4.62	\$0.61	\$9.40	\$15.83

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	1.28 HR		\$10.94				\$10.94
EMPLOYEE BENEFITS			\$9.23				\$9.23
INSURANCE		\$1.03					\$1.03
LAND TAXES						\$1.45	\$1.45
SUPERVISION AND MANAGEMENT			\$61.82				\$61.82
OTHER EXPENSES		\$83.24					\$83.24
SUBTOTAL	1.28 HR	\$84.26	\$82.00			\$1.45	\$167.71

TOTAL OPERATING EXPENSES	7.40 HR	\$546.37	\$133.27	\$257.65	\$22.93	\$160.96	\$1,121.18
NET OPERATING PROFIT							(\$288.15)
INTEREST ON OPERATING CAPITAL	(\$198.26	@	5.50%)		\$10.90
INTEREST ON EQUIPMENT INVESTMENT							\$62.61
RETURN TO LAND AND RISK							(\$361.67)

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

BUDGET SUMMARY

GROSS RETURN		\$833.03	
VARIABLE OPERATING EXPENSES	\$826.95		
RETURN OVER VARIABLE EXPENSES	\$6.08	(GROSS MARGIN)	
FIXED EXPENSES	\$160.96		
NET FARM INCOME	(\$154.88)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$133.27		
NET OPERATING PROFIT	(\$288.15)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$73.52		
RETURN TO LAND AND RISK	(\$361.67)		

TABLE 12. Summary of per acre costs and returns for a 320 acre farm with above average management, Roswell-Hagerman area, Chaves County,
Projected 2014

	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		\$255.00	\$11.67	\$195.00	\$0.90	\$0.85
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$87.53	\$87.53
SECOND INCOME		\$0.00	\$44.00	\$0.00	\$108.00	\$108.00
GROSS RETURN		\$1,657.50	\$510.67	\$975.00	\$870.53	\$833.03
CASH OPERATING EXPENSES						
SEED	\$180.00		\$280.00	\$68.80	\$151.00	\$188.75
FERTILIZER	\$8.77	\$82.00	\$95.00	\$42.50	\$32.00	\$32.00
CHEMICALS		\$65.13	\$18.62		\$70.13	\$60.81
CROP INSURANCE			\$1.96		\$1.47	\$1.47
OTHER PURCHASED INPUTS		\$0.20				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$40.44	\$43.86	\$32.85	\$36.26	\$119.44	\$141.02
FUEL-IRRIGATION	\$66.65	\$224.94	\$116.64	\$87.48	\$116.64	\$116.64
REPAIRS	\$12.08	\$8.67	\$10.01	\$7.82	\$25.24	\$22.93
CUSTOM CHARGES			\$22.18		\$143.60	\$179.08
LAND TAXES		\$1.45	\$1.45	\$1.45	\$1.45	\$1.45
OTHER EXPENSES	\$0.30	\$83.79	\$83.57	\$83.64	\$84.18	\$84.26
TOTAL CASH EXPENSES	\$308.23	\$510.03	\$662.28	\$327.94	\$745.14	\$828.40
RETURN OVER CASH EXPENSES	(\$308.23)	\$1,147.47	(\$151.62)	\$647.06	\$125.39	\$4.63
FIXED EXPENSES	\$45.10	\$201.46	\$42.06	\$58.77	\$279.50	\$159.51
TOTAL EXPENSES	\$353.33	\$711.49	\$704.34	\$386.71	\$1,024.65	\$987.91
NET FARM INCOME	(\$353.33)	\$946.01	(\$193.68)	\$588.29	(\$154.12)	(\$154.88)
LABOR AND MANAGEMENT COSTS	\$47.17	\$154.98	\$59.16	\$96.63	\$129.53	\$133.27
NET OPERATING PROFIT	(\$400.50)	\$791.03	(\$252.84)	\$491.66	(\$283.65)	(\$288.15)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$7.41	\$13.17	\$4.69	\$10.03	\$10.90
INTEREST ON EQUIPMENT INVESTMENT		\$43.68	\$18.33	\$22.33	\$22.33	\$62.61
TOTAL CAPITAL COSTS	\$0.00	\$51.09	\$31.51	\$27.02	\$32.36	\$73.52
RETURN TO LAND AND RISK	(\$400.50)	\$739.94	(\$284.35)	\$464.64	(\$316.01)	(\$361.67)
Flex Computation			-223.96	545.74	-14.18	-139.55

TABLE 13. Whole farm summary, Roswell-Hagerman Area, Chaves County,
Projected 2014

GROSS RETURNS		
ALFALFA HAY	175.00 ACRES	
CROP		\$290,063
WHEAT	25.50 ACRES	
CROP		\$11,900
GRAZING		\$1,122
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
OAT HAY	41.50 ACRES	
CROP		\$40,463
UPLAND COTTON (PICKER)	34.00 ACRES	
COTTON LINT		\$22,950
COTTON SEED		\$3,672
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$2,976
UPLAND COTTON (STRIPPER)	34.00 ACRES	
COTTON LINT		\$21,675
COTTON SEED		\$3,672
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$2,976
GROSS RETURN		<u>\$401,468</u>
CASH OPERATING EXPENSES		
SEED		\$27,847
FERTILIZER		\$21,019
CHEMICALS		\$16,324
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$35
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$20,290
FUEL-IRRIGATION		\$56,233
REPAIRS		\$4,157
CUSTOM CHARGES		\$11,537
LAND TAXES		\$449
OTHER EXPENSES		\$26,002
TOTAL CASH EXPENSES		<u>\$184,041</u>
RETURN OVER CASH EXPENSES		\$217,427
FIXED EXPENSES		\$41,254
TOTAL EXPENSES		\$225,295
NET FARM INCOME		\$176,172
LABOR AND MANAGEMENT COSTS		\$43,227
NET OPERATING PROFIT		\$132,946
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,538
INTEREST ON EQUIPMENT INVESTMENT		\$11,926
TOTAL CAPITAL COSTS		<u>\$14,465</u>
RETURN TO LAND AND RISK		<u><u>\$118,481</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$108,881	22.70%
\$3,000 /ACRE	\$89,681	10.85%
\$5,000 /ACRE	\$70,481	7.13%
\$7,000 /ACRE	\$51,281	5.31%
\$9,000 /ACRE	\$32,081	4.23%

* 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)