

BUDGET AREA.... COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2007.
 FARM SI 400 ACRES
 IRRIGATION TYP! FLOOD/SPRINKLER
 NUMBER OF CRO 4

TABLE 1 Basic cost information for the Cotton City-Animas area, Projected 2016

| WATER USE | | | |
|-------------------------------|---------------------|--------------------|------------------|
| ACREAGE SUMMARY: | LAND USE (ACRES) | AC. IN. PER ACI | TOTAL AC. IN. |
| GRAIN SORGHUM | 136 | 30 | 4080 |
| ARP | 0 | | |
| FLEX IN COTTO! | 0 | 28 | 0 |
| COTTON | 153 | 28 | 4284 |
| ARP | 0 | | |
| FLEX IN COTTO! | 0 | 28 | 0 |
| GREEN CHILE | 20 | 54 | 1080 |
| RED CHILE | 20 | 48 | 960 |
| ROADS, HOMESTI | 20 | | |
| TOTAL | 349 | | 10404 |
| ACRE FEET PER ACRE OF WATER R | | | 2.48424 |

| Item | | | |
|------------------------------------|------------------------|--|----------|
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | \$8.55 |
| General & Irrigators | \$/hour | | \$7.50 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | \$0.45 |
| Phosphate (P205) | \$/pound | | \$0.40 |
| Anhydrous Ammonia (NH3) | \$/ton | | \$650.00 |
| Seed: | | | |
| Grain Sorghum | \$/pound | | \$1.31 |
| Cotton (picker) | \$/pound | | \$7.55 |
| Chile | | | |
| green | \$/pound | | \$22.00 |
| red | \$/pound | | \$22.00 |
| wheat | \$/pound | | \$0.45 |
| Energy: | | | |
| Natural gas (Gas Co NM) | \$/MCF | | \$2.98 |
| (service charge) | \$/month | | \$10.00 |
| Diesel fuel | \$/gallon | | \$3.55 |
| Gasoline | \$/gallon | | \$2.50 |
| Electricity (Columbus) | cents/KwHr | | \$9.27 |
| LP Gas | \$/gallon | | \$2.75 |
| Employee Liability Insurance | \$/ \$1,000 wages | | \$20.00 |
| Employee Benefits | percent/w ages | | 0.18 |
| Labor Downtime | percent | | 0.25 |
| 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 | | 4.00% |
| Land Taxes | 348 /acre (full value) | | \$2.57 |
| Personal Property Tax Rate - NR | \$/ \$1,000 (Assessed | | \$22.19 |
| - R | Value) | | \$19.60 |
| Supervision Factors | | | |
| Field Crop-Irrigation | \$/labor hour | | \$1.00 |
| Field Crop-Equipment & General | \$/labor hour | | \$0.50 |
| Vegetable Crop-Irrigation | \$/labor hour | | \$2.90 |
| Vegetable Crop-Equipment & General | \$/labor hour | | \$1.00 |
| Management Rate | | | |
| Field Crops | percent/GR | | 7.00% |
| Vegetable Crops | percent/TOE | | 10.00% |

TABLE 1a. Overhead cost information for Cotton City-Animas area, 2007.

| ITEM | | | |
|------------------------------------|----------|-----------|--------------|
| Electricity (Domestic & Shop) | \$250.00 | per month | 3000 |
| Telephone | \$118.75 | per month | 1425 |
| Accounting & Legal | | | \$1,775.00 |
| Misc. Supplies & Hand Tools | | | \$2,756.25 |
| Pickup and Auto | | | |
| miles | 20000 | @ | 0.5 per mile |
| @ | | | 10000 |
| Insurance | | | |
| - general liability (non-employee) | | | \$1,862.50 |
| - fire/theft | | | \$1,500.00 |
| Property Taxes | | | |
| - non-planted land | | | 9.8 |
| - other than land & machinery | | | 560 |
| Building repairs and maintenance | | | \$1,412.50 |
| Dues, fees, publications | | | \$425.00 |
| Farmstead Equipment | | | \$175.00 |
| Total | | | \$24,901.05 |
| Total Per Planted Acre | | | \$75.69 |

TABLE 4. WHEAT, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 700 ACRE FARM WITH ABOVE AVERAGE MANAGEMENT, COTTON CITY-ANIMAS AREA, HIDALGO COUNTY
 PLANTING DATES: DECEMBER 10 - DECEMBER 20
 HARVEST DATES: JUNE 15 - JULY 1

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| GROSS RETURNS | | | | | | | | |
| WHEAT | \$7.00 | 50 CWT | | | | | | \$350.00 |
| TOTAL | | | | | | | \$350.00 | |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
| SEED | \$0.45 | 100 LBS | 45 | | | | | \$45.00 |
| ANHYDROUS AMMONIA (NH) | \$0.33 | 250 LBS | 81.25 | | | | | \$81.25 |
| NITROGEN (N) | \$0.45 | 30 LBS | 13.5 | | | | | \$13.50 |
| PHOSPHATE (P2O5) | \$0.40 | 80 LBS | 32 | | | | | \$32.00 |
| PUMP WATER* | | 24 ACRE IN. | | | | | | |
| CROP INSURANCE | | | | | | | | |
| SUBTOTAL | | | 171.75 | | | | | \$171.75 |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.16 | \$1.13 | \$3.85 | \$11.34 |
| FERTILIZE | 185 HP | 0.05 HR | | \$0.43 | \$1.84 | \$0.40 | \$1.37 | \$4.05 |
| DRAG (2X) | 96 HP | 0.2 HR | | \$1.71 | \$2.69 | \$2.38 | \$1.08 | \$7.86 |
| ANHYDROUS KNIVES | 185 HP | 0.1 HR | | \$0.86 | \$3.68 | \$0.81 | \$0.00 | \$5.35 |
| DRILL | 96 HP | 0.18 HR | | \$1.54 | \$2.42 | \$2.13 | \$0.00 | \$6.09 |
| IRRIGATE (4X) | | 0.6 HR | | \$4.50 | \$4.50 | \$0.00 | \$33.75 | \$42.75 |
| DISC | 96 HP | 0.25 HR | | \$2.14 | \$3.37 | \$2.95 | \$0.00 | \$8.46 |
| SUBTOTAL | | 1.52 HR | | \$12.37 | \$23.67 | \$9.80 | \$40.05 | \$85.89 |
| HARVEST OPERATIONS | | | | | | | | |
| COMBINE (CUSTOM) | | | 32.22 | | | | | \$32.22 |
| HAUL TO STORAGE (CUSTOM) | | | 9.5 | | | | | \$9.50 |
| HAUL TO MARKET (CUSTOM) | | | 22.5 | | | | | \$22.50 |
| SUBTOTAL | | | 64.22 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$64.22 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.155 HR | | \$1.33 | | | | \$1.33 |
| EMPLOYEE BENEFITS | | | | \$2.23 | | | | \$2.23 |
| INSURANCE | | | 0.24732 | | | | | \$0.25 |
| LAND TAXES | | | | | | | \$2.57 | \$2.57 |
| SUPERVISION AND MANAGEMENT | | | | \$25.51 | | | | \$25.51 |
| OTHER EXPENSES | | | 75.68708 | | | | | \$75.69 |
| SUBTOTAL | | 0.155 HR | 75.9344 | \$29.06 | | | \$2.57 | \$107.57 |
| TOTAL OPERATING EXPENSES | | 1.675 HR | 311.9044 | \$41.43 | \$23.67 | \$9.80 | \$42.63 | \$429.43 |
| NET OPERATING PROFIT | | | | | | | -\$79.43 | |
| INTEREST ON OPERATING CAPITAL | (| 99.59465 | @ | 0.055 | | | \$5.48 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$6.48 | |
| RETURN TO LAND AND RISK | | | | | | | -\$91.39 | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$350.00 | |
| VARIABLE OPERATING EXPENSES | 345.3763 | | |
| RETURN OVER VARIABLE EXPENSES | | \$4.62 | (GROSS MARGIN) |
| FIXED EXPENSES | 42.62799 | | |
| NET FARM INCOME | | -\$38.00 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | 41.42713 | | |
| NET OPERATING PROFIT | | -\$79.43 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | 11.96258 | | |
| RETURN TO LAND AND RISK | | -\$91.39 | |

TABLE 5. CORN FOR GRAIN, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 700 ACRE FARM WITH AVERAGE MANAGEMENT, COTTON CITY-ANIMAS AREA, HIDALGO COUNTY
 PLANTING DATES: APRIL 1 - MAY 15
 HARVEST DATES: SEPTEMBER 15 - NOVEMBER 1

| ITEM | PRICE | YIELD | | | | | | | TOTAL | |
|----------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|-----------|---------|
| GROSS RETURNS | | | | | | | | | | |
| CORN FOR GRAIN | \$4.30 | 85 CWT | | | | | | | \$365.50 | |
| TOTAL | | | | | | | | | \$365.50 | |
| PURCHASED INPUTS | | | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | | | | TOTAL |
| SEED | \$0.91 | 32 000 | 29 | | | | | | | \$29.00 |
| ANHYDROUS AMMONIA (N) | \$0.33 | 250 LBS | 81.25 | | | | | | | \$81.25 |
| NITROGEN (N) | \$0.45 | 80 LBS | 36 | | | | | | | \$36.00 |
| PHOSPHATE (P2O5) | \$0.40 | 100 LBS | 40 | | | | | | | \$40.00 |
| HERBICIDE | \$7.83 | 1 ACRE | 7.8324 | | | | | | | \$7.83 |
| PUMP WATER* | | 40 AC. IN. | | | | | | | | |
| CROP INSURANCE | | | | | | | | | | |
| SUBTOTAL | | | | | | | | | \$194.084 | |
| PREHARVEST OPERATIONS | | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | | |
| RIPPER | 185 HP | 0.2 HR | | \$1.71 | \$7.37 | \$1.78 | \$6.29 | \$17.15 | | |
| DISC & SPRAY | 185 HP | 0.15 HR | | \$1.28 | \$1.28 | \$0.00 | \$10.97 | \$13.53 | | |
| FERTILIZE | 185 HP | 0.05 HR | | \$0.43 | \$1.84 | \$0.40 | \$1.37 | \$4.05 | | |
| ANHYDROUS KNIVES | 185 HP | 0.1 HR | | \$0.86 | \$3.68 | \$0.81 | \$2.75 | \$8.10 | | |
| PLANTER | 185 HP | 0.26 HR | | \$2.22 | \$9.58 | \$2.10 | \$3.45 | \$17.36 | | |
| CULTIVATOR (2X) | 96 HP | 0.42 HR | | \$3.59 | \$5.65 | \$4.96 | \$2.63 | \$16.84 | | |
| IRRIGATE (12X) | | 1.8 HR | | \$13.50 | \$24.24 | \$24.34 | \$16.70 | \$78.78 | | |
| SUBTOTAL | | | | | | | | | \$155.80 | |
| HARVEST OPERATIONS | | | | | | | | | | |
| COMBINE (CUSTOM) | | | 30.6 | | | | | \$30.60 | | |
| HAUL TO STORAGE (CUSTOM) | | | 17 | | | | | \$17.00 | | |
| HAUL TO MARKET (CUSTOM) | | | 38.25 | | | | | \$38.25 | | |
| SUBTOTAL | | | | | | | | | \$85.85 | |
| POSTHARVEST OPERATIONS | | | | | | | | | | |
| SHREDDER | 80 HP | 0.14 HR | | \$1.20 | \$1.88 | \$1.91 | \$1.62 | \$6.62 | | |
| OVERHEAD EXPENSES | | | | | | | | | | |
| DOWNTIME | | 0.33 HR | | \$2.82 | | | | \$2.82 | | |
| EMPLOYEE BENEFITS | | | | \$4.46 | | | | \$4.46 | | |
| INSURANCE | | | 0.49572 | | | | | \$0.50 | | |
| LAND TAXES | | | | | | | \$2.57 | \$2.57 | | |
| SUPERVISION AND MANAGEMENT | | | | \$28.05 | | | | \$28.05 | | |
| OTHER EXPENSES | | | 75.68708 | | | | | \$75.69 | | |
| SUBTOTAL | | | | | | | | | \$114.08 | |
| TOTAL OPERATING EXPENSES | | 3.45 HR | 356.1152 | \$60.11 | \$55.53 | \$36.31 | \$48.37 | \$556.43 | | |
| NET OPERATING PROFIT | | | | | | | | | -\$190.93 | |
| INTEREST ON OPERATING CAPITAL | | (127.1553 @ | 0.055) | | | | | | \$6.99 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$11.71 | |
| RETURN TO LAND AND RISK | | | | | | | | | -\$209.64 | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|-----------|---|--|
| GROSS RETURN | | \$365.50 | |
| VARIABLE OPERATING EXPENSES | 447.9548 | | |
| RETURN OVER VARIABLE EXPENSES | -\$82.45 | (GROSS MARGIN) | |
| FIXED EXPENSES | 48.36593 | | |
| NET FARM INCOME | -\$130.82 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | 60.11398 | | |
| NET OPERATING PROFIT | -\$190.93 | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | 18.70647 | | |
| RETURN TO LAND AND RISK | -\$209.64 | | |

TABLE 6. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County
 Planting dates: May 1 - May 20
 Harvesting dates: November 1 - November 25

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|----------------|----------------|----------------|-----------------|-----------------|
| GROSS RETURNS | | | | | | | | |
| GRAIN SORGHUM | \$7.06 | 62 CWT | | | | | | \$437.99 |
| ASCS DIVERSION | 0 | 0 CWT | | | | | | \$0.00 |
| ASCS DEFICIENCY | 0 | 0 CWT | | | | | | \$0.00 |
| TOTAL | | | | | | | \$437.99 | |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | TOTAL | |
| SEED | 1.31 | 8 LBS | \$10.48 | | | | \$10.48 | |
| ANHYDROUS AMMONIA (NH) | 0.325 | 180 LBS | \$58.50 | | | | \$58.50 | |
| HERBICIDE | 9.455 | 1 ACRE | \$9.46 | | | | \$9.46 | |
| INSECTICIDE (CUSTOM) | 10.065 | 1 ACRE | \$10.07 | | | | \$10.07 | |
| PUMP WATER* | | 30 AC. IN. | | | | | | |
| CROP INSURANCE | 0.367647 | | \$0.37 | | | | \$0.37 | |
| SUBTOTAL | | | \$88.87 | | | | \$88.87 | |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| RIPPER | 185 HP | 0.2 HR | | \$1.71 | \$7.37 | \$1.78 | \$6.29 | \$17.15 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.16 | \$1.37 | \$4.47 | \$12.20 |
| FERTILIZE | 185 HP | 0.05 HR | | \$0.43 | \$1.84 | \$0.40 | \$1.37 | \$4.05 |
| DRAG (2X) | 96 HP | 0.2 HR | | \$1.71 | \$2.69 | \$2.38 | \$1.08 | \$7.86 |
| DISC & SPRAY | 185 HP | 0.15 HR | | \$1.28 | \$5.53 | \$1.87 | \$5.42 | \$14.11 |
| LISTER | 185 HP | 0.18 HR | | \$1.54 | \$6.63 | \$1.64 | \$5.66 | \$15.46 |
| PRE-IRRIGATE | | 0.75 HR | | \$5.63 | \$6.27 | \$0.29 | \$2.87 | \$15.05 |
| ROLLING CULT | 96 HP | 0.21 HR | | \$1.80 | \$2.83 | \$2.74 | \$1.91 | \$9.28 |
| PLANTER | 96 HP | 0.26 HR | | \$2.22 | \$3.50 | \$5.08 | \$3.70 | \$14.50 |
| CULTIVATOR (2X) | 96 HP | 0.42 HR | | \$3.59 | \$5.65 | \$4.96 | \$2.63 | \$16.84 |
| ROTO BUCK (7X) | 96 HP | 0.105 HR | | \$0.90 | \$1.41 | \$1.27 | \$0.94 | \$4.52 |
| IRRIGATE (5X) | | 2.5 HR | | \$18.75 | \$31.34 | \$1.46 | \$14.35 | \$65.90 |
| SUBTOTAL | | 5.165 HR | | \$40.75 | \$80.22 | \$25.25 | \$50.70 | \$196.91 |
| HARVEST OPERATIONS | | | | | | | | |
| COMBINE (CUSTOM) | | | \$22.94 | | | | \$22.94 | |
| HAUL TO STORAGE (CUSTOM) | | | \$11.78 | | | | \$11.78 | |
| SUBTOTAL | | | \$34.72 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$34.72 |
| POST HARVEST OPERATIONS | | | | | | | | |
| SHREDDER | 80 HP | 0.14 HR | | \$1.20 | \$1.88 | \$1.91 | \$1.62 | \$6.62 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.51375 HR | | \$4.39 | | | | \$4.39 |
| EMPLOYEE BENEFITS | | | | \$7.55 | | | | \$7.55 |
| INSURANCE | | | \$0.84 | | | | \$0.84 | |
| LAND TAXES | | | | | | \$2.57 | \$2.57 | |
| SUPERVISION AND MANAGEMENT | | | | \$34.94 | | | | \$34.94 |
| OTHER EXPENSES | | | \$75.69 | | | | \$75.69 | |
| SUBTOTAL | | 0.51375 HR | \$76.53 | \$46.88 | | | \$2.57 | \$125.98 |
| TOTAL OPERATING EXPENSES | | 5.81875 HR | \$200.11 | \$88.82 | \$82.10 | \$27.16 | \$54.90 | \$453.10 |
| NET OPERATING PROFIT | | | | | | | | |
| | | | | | | | -\$15.11 | |
| INTEREST ON OPERATING CAPITAL | (| 74.64298 | @ | \$0.06 | | | \$4.11 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$18.59 | |
| RETURN TO LAND AND RISK | | | | | | | -\$37.81 | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|---|--|
| GROSS RETURN | | 437.9857 | |
| VARIABLE OPERATING EXPENSES | 309.3769 | | |
| RETURN OVER VARIABLE EXPENSES | 128.6088 | (GROSS MARGIN) | |
| FIXED EXPENSES | 54.89769 | | |
| NET FARM INCOME | 73.7111 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | 88.82446 | | |
| NET OPERATING PROFIT | -15.1134 | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | 22.694 | | |
| RETURN TO LAND AND RISK | -37.8074 | | |

TABLE 7. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 1

| ITEM | PRICE | YIELD | | | | | | TOTAL | | | | | |
|----------------------------------|------------|---------------------|------------------|---------|-------------|---------|--------------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|
| GROSS RETURNS | | | | | | | | | | | | | |
| COTTON LINT | \$0.90 | 1060 LBS | | | | | | \$954.00 | | | | | |
| COTTON SEED | \$0.05 | 1696 LBS | | | | | | \$82.68 | | | | | |
| TOTAL | | | | | | | \$1,036.68 | | | | | | |
| PURCHASED INPUTS | | | | | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL | | | | | |
| SEED | \$7.55 | 25 LBS | \$188.75 | | | | | \$188.75 | | | | | |
| NITROGEN (N) | \$0.45 | 32 LBS | \$14.40 | | | | | \$14.40 | | | | | |
| PHOSPHATE (P2O5) | \$0.40 | 40 LBS | \$16.00 | | | | | \$16.00 | | | | | |
| HERBICIDE | \$9.46 | 1 ACRE | \$9.46 | | | | | \$9.46 | | | | | |
| CROP INSURANCE | \$0.00 | 1 DOLLAR | \$0.00 | | | | | \$0.00 | | | | | |
| PUMP WATER* | | 28 AC. IN. | | | | | | | | | | | |
| SUBTOTAL | | | | | | | \$228.61 | | | | | | |
| PREHARVEST OPERATIONS | | | | | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | | | | | |
| RIPPER | 185 HP | 0.1 HR | | \$0.86 | \$3.68 | \$0.89 | \$3.15 | \$8.58 | | | | | |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.16 | \$1.37 | \$4.47 | \$12.20 | | | | | |
| FERTILIZE | 185 HP | 0.05 HR | | \$0.43 | \$1.84 | \$0.40 | \$1.37 | \$4.05 | | | | | |
| DRAG (2X) | 96 HP | 0.2 HR | | \$1.71 | \$2.69 | \$2.38 | \$1.08 | \$7.86 | | | | | |
| DISC & SPRAY | 185 HP | 0.15 HR | | \$1.28 | \$5.53 | \$1.87 | \$5.42 | \$14.11 | | | | | |
| LISTER | 185 HP | 0.18 HR | | \$1.54 | \$6.63 | \$1.64 | \$5.66 | \$15.46 | | | | | |
| PRE-IRRIGATE | | 1 HR | | \$7.50 | \$7.02 | \$0.33 | \$3.21 | \$18.06 | | | | | |
| ROLLING CULT. | 96 HP | 0.21 HR | | \$1.80 | \$2.83 | \$2.74 | \$1.91 | \$9.28 | | | | | |
| PLANTER | 96 HP | 0.26 HR | | \$2.22 | \$3.50 | \$5.08 | \$3.70 | \$14.50 | | | | | |
| CULTIVATOR (2X) | 96 HP | 0.42 HR | | \$3.59 | \$5.65 | \$4.96 | \$2.63 | \$16.84 | | | | | |
| HAND HOE (CUSTOM) | | | \$15.00 | | | | | \$15.00 | | | | | |
| ROTO BUCK (5X) | 96 HP | 0.075 HR | | \$0.64 | \$1.01 | \$0.90 | \$0.67 | \$3.23 | | | | | |
| IRRIGATE (4X) | | 4 HR | | \$30.00 | \$28.08 | \$1.31 | \$12.86 | \$72.24 | | | | | |
| SUBTOTAL | | | | | | | 6.785 HR | \$15.00 | \$52.76 | \$73.62 | \$23.88 | \$46.14 | \$211.40 |
| HARVEST OPERATIONS | | | | | | | | | | | | | |
| COTTON PICKER (2X) | 2 ROW | 1.24 HR | | \$10.60 | \$26.62 | \$57.35 | \$41.12 | \$135.69 | | | | | |
| COTTON TRAILER (2X) | HALF TON | 1 HR | | \$8.55 | \$15.75 | \$2.79 | \$8.41 | \$35.50 | | | | | |
| GIN COTTON (CUSTOM) | | | \$115.75 | | | | | \$115.75 | | | | | |
| SUBTOTAL | | | | | | | 2.24 HR | \$115.75 | \$19.15 | \$42.37 | \$60.14 | \$49.52 | \$286.94 |
| POSTHARVEST OPERATIONS | | | | | | | | | | | | | |
| SHREDDER | 80 HP | 0.14 HR | | \$1.20 | \$1.88 | \$1.91 | \$1.62 | \$6.62 | | | | | |
| OVERHEAD EXPENSES | | | | | | | | | | | | | |
| DOWNTIME | | 1.04125 HR | | \$8.90 | | | | \$8.90 | | | | | |
| EMPLOYEE BENEFITS | | | | \$13.16 | | | | \$13.16 | | | | | |
| INSURANCE | | | \$1.46 | | | | | \$1.46 | | | | | |
| LAND TAXES | | | | | | | \$2.57 | \$2.57 | | | | | |
| SUPERVISION AND MANAGEMENT | | | | \$79.65 | | | | \$79.65 | | | | | |
| OTHER EXPENSES | | | \$75.69 | | | | | \$75.69 | | | | | |
| SUBTOTAL | | | | | | | 1.04125 HR | \$77.15 | \$101.71 | \$2.57 | \$181.44 | | |
| TOTAL OPERATING EXPENSES | | | | | | | 10.20625 HR | \$436.51 | \$174.82 | \$117.88 | \$85.93 | \$99.86 | \$915.00 |
| NET OPERATING PROFIT | | | | | | | | | | | | | \$121.68 |
| INTEREST ON OPERATING CAPITAL | (| 157.816 | @ | \$0.06 |) | | | \$8.68 | | | | | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$35.66 | | | | | |
| RETURN TO LAND AND RISK | | | | | | | | | | | | \$77.34 | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|---|--|
| GROSS RETURN | | \$1,036.68 | |
| VARIABLE OPERATING EXPENSES | 640.3184 | | |
| RETURN OVER VARIABLE EXPENSES | \$396.36 | (GROSS MARGIN) | |
| FIXED EXPENSES | 99.85877 | | |
| NET FARM INCOME | \$296.50 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | 174.8235 | | |
| NET OPERATING PROFIT | \$121.68 | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | 44.33643 | | |
| RETURN TO LAND AND RISK | \$77.34 | | |

TABLE 8. Green chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas Area, Hidalgo County
 Planting dates: March 15 - May 1
 Harvesting dates: August 15 - September 15

| ITEM | PRICE | YIELD | | | | | | | TOTAL |
|----------------------------------|------------|---------------------|-------------------|-----------------|-----------------|-----------------|----------------|-------------------|-------------------|
| GROSS RETURNS | | | | | | | | | |
| GREEN CHILE | \$475.00 | 10 TONS | | | | | | | \$4,750.00 |
| RED CHILE | 0 | 0 LBS | | | | | | | \$0.00 |
| TOTAL | | | | | | | | \$4,750.00 | |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | | | TOTAL |
| SEED | \$22.00 | 4 LBS | \$88.00 | | | | | | \$88.00 |
| ANHYDROUS AMMONIA (NH) | \$0.33 | 300 LBS | \$97.50 | | | | | | \$97.50 |
| NITROGEN (N) | \$0.45 | 60 LBS | \$27.00 | | | | | | \$27.00 |
| PHOSPHATE (P2O5) | \$0.40 | 150 LBS | \$60.00 | | | | | | \$60.00 |
| HERBICIDE | \$12.57 | 1 ACRE | \$12.57 | | | | | | \$12.57 |
| INSECTICIDE | \$12.57 | 1 ACRE | \$12.57 | | | | | | \$12.57 |
| CROP INSURANCE | \$0.00 | 1 DOLLAR | \$0.00 | | | | | | \$0.00 |
| PUMP WATER* | | 54 AC. IN. | | | | | | | |
| SUBTOTAL | | | \$297.63 | | | | | | \$297.63 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.16 | \$1.37 | \$4.47 | \$12.20 | |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$17.68 | \$5.38 | \$27.27 | \$54.44 | |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.16 | \$1.37 | \$4.47 | \$12.20 | |
| LASER (CUSTOM) | | | \$73.33 | | | | | | \$73.33 |
| LISTER & SPRAY | 185 HP | 0.13 HR | | \$1.11 | \$4.79 | \$1.53 | \$4.63 | \$12.07 | |
| FERTILIZE | 185 HP | 0.05 HR | | \$0.43 | \$1.84 | \$0.40 | \$1.37 | \$4.05 | |
| PRE-IRRIGATE | | 0.75 HR | | \$6.41 | \$33.84 | \$0.07 | \$0.67 | \$40.99 | |
| ROLLING CULT | 96 HP | 0.13 HR | | \$1.11 | \$1.75 | \$1.70 | \$4.13 | \$8.69 | |
| VEGETABLE PLANTER | 96 HP | 0.17 HR | | \$1.45 | \$2.29 | \$2.20 | \$8.60 | \$14.54 | |
| CULTIVATOR (5X) | 96 HP | 0.65 HR | | \$5.56 | \$8.75 | \$7.68 | \$5.92 | \$27.91 | |
| THIN & HOE (CUSTOM) | | | \$90.00 | | | | | | \$90.00 |
| ROTO BUCK (7X) | 96 HP | 0.21 HR | | \$1.80 | \$2.83 | \$2.53 | \$1.88 | \$9.03 | |
| IRRIGATE (8X) | | 4 HR | | \$34.20 | \$60.16 | \$3.28 | \$3.55 | \$101.19 | |
| SUBTOTAL | | | 6.85 HR | \$163.33 | \$58.57 | \$144.26 | \$27.51 | \$66.96 | \$460.63 |
| HARVEST OPERATIONS | | | | | | | | | |
| HARVEST GREEN (CUSTOM) | | | \$900.00 | | | | | | \$900.00 |
| HARVEST RED (CUSTOM) | | | \$0.00 | | | | | | \$0.00 |
| HAUL | 3/4 TON | 6 HR | | \$51.30 | \$94.50 | \$13.26 | \$17.34 | \$176.40 | |
| SUBTOTAL | | | 6 HR | \$900.00 | \$51.30 | \$94.50 | \$13.26 | \$17.34 | \$1,076.40 |
| POST HARVEST OPERATIONS | | | | | | | | | |
| SHREDDER | 80 HP | 0.29 HR | | \$2.48 | \$3.90 | \$3.96 | \$3.36 | \$13.71 | |
| SUBTOTAL | | | 0.29 HR | \$0.00 | \$2.48 | \$3.90 | \$3.96 | \$3.36 | \$13.71 |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.5975 HR | | \$3.45 | | | | \$3.45 | |
| EMPLOYEE BENEFITS | | | | \$20.22 | | | | \$20.22 | |
| INSURANCE | | | \$2.25 | | | | \$2.25 | | |
| LAND TAXES | | | | | | \$2.57 | \$2.57 | | |
| SUPERVISION AND MANAGEMENT | | | | \$200.00 | | | | \$200.00 | |
| OTHER EXPENSES | | | \$75.69 | | | | \$75.69 | | |
| SUBTOTAL | | | 0.5975 HR | \$77.93 | \$223.67 | | \$2.57 | \$304.18 | |
| TOTAL OPERATING EXPENSES | | 13.7375 HR | \$1,438.90 | \$336.02 | \$242.66 | \$44.73 | \$90.24 | \$2,152.55 | |
| NET OPERATING PROFIT | | | | | | | | \$2,597.45 | |
| INTEREST ON OPERATING CAPITAL | (| 275.7382 | @ | \$0.06 | | | | \$15.17 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$46.75 | |
| RETURN TO LAND AND RISK | | | | | | | | \$2,535.54 | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|------------|---|--|
| GROSS RETURN | | \$4,750.00 | |
| VARIABLE OPERATING EXPENSES | 1726.29 | | |
| RETURN OVER VARIABLE EXPENSES | \$3,023.71 | (GROSS MARGIN) | |
| FIXED EXPENSES | 90.2386 | | |
| NET FARM INCOME | \$2,933.47 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | 336.016 | | |
| NET OPERATING PROFIT | \$2,597.45 | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | 61.9177 | | |
| RETURN TO LAND AND RISK | \$2,535.54 | | |

TABLE 9. Red chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas Area, Hidalgo County
 Planting dates: March 15 - May 1
 Harvesting dates: September 15 - January 31

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|---|------------|---------------------|-------------------|-----------------|-----------------|-----------------|-------------------|-------------------|
| GROSS RETURNS | | | | | | | | |
| RED CHILE | \$1.00 | 3500 LBS | | | | | | \$3,500.00 |
| TOTAL | | | | | | | \$3,500.00 | |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | TOTAL | | |
| SEED | 18.00 | 4 LBS | \$72.00 | | | \$72.00 | | |
| ANHYDROUS AMMONIA (NH-NITROGEN (N)) | 0.33 | 230 LBS | \$74.75 | | | \$74.75 | | |
| PHOSPHATE (P2O5) | 0.36 | 60 LBS | \$21.60 | | | \$21.60 | | |
| HERBICIDE | 0.33 | 150 LBS | \$49.50 | | | \$49.50 | | |
| INSECTICIDE | 14.11 | 1 ACRE | \$14.11 | | | \$14.11 | | |
| CROP INSURANCE | 14.22 | 1 ACRE | \$14.22 | | | \$14.22 | | |
| PUMP WATER* | 0.00 | 1 DOLLARS | \$0.00 | | | \$0.00 | | |
| | | 48 AC. IN. | | | | | | |
| SUBTOTAL | | | \$246.17 | | | \$246.17 | | |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.16 | \$1.37 | \$4.47 | \$12.20 |
| PLOW | 185 HP | 0.48 HR | | \$4.10 | \$17.68 | \$5.38 | \$27.27 | \$54.44 |
| DISC | 185 HP | 0.14 HR | | \$1.20 | \$5.16 | \$1.37 | \$4.47 | \$12.20 |
| DRAG (2X) | 96 HP | 0.2 HR | | \$1.71 | \$2.69 | \$2.38 | \$1.08 | \$7.86 |
| LISTER | 185 HP | 0.12 HR | | \$1.03 | \$4.42 | \$1.09 | \$3.77 | \$10.31 |
| FERTILIZE | 185 HP | 0.05 HR | | \$0.43 | \$1.84 | \$0.40 | \$1.37 | \$4.05 |
| PRE-IRRIGATE | | 0.75 HR | | \$6.41 | \$30.08 | \$0.07 | \$0.67 | \$37.23 |
| ROLLING CULT | 96 HP | 0.13 HR | | \$1.11 | \$1.75 | \$1.70 | \$1.18 | \$5.74 |
| VEGETABLE PLANTER | 96 HP | 0.17 HR | | \$1.45 | \$2.29 | \$2.20 | \$8.60 | \$14.54 |
| CULTIVATOR (5X) | 96 HP | 0.65 HR | | \$5.56 | \$8.75 | \$7.68 | \$4.07 | \$26.06 |
| THIN & HOE (CUSTOM) | | | \$90.00 | | | | | \$90.00 |
| ROTO BUCK (7X) | 96 HP | 0.21 HR | | \$1.80 | \$3.31 | \$2.53 | \$1.88 | \$9.51 |
| IRRIGATE (11X) | | 5.5 HR | | \$47.03 | \$55.15 | \$0.50 | \$4.88 | \$107.56 |
| SUBTOTAL | | | \$90.00 | \$73.02 | \$138.29 | \$26.67 | \$63.72 | \$391.70 |
| HARVEST OPERATIONS | | | | | | | | |
| HARVEST (CUSTOM) | | | \$700.00 | | | | | \$700.00 |
| HAUL | 3/4 TON | 3 HR | | \$25.65 | \$47.25 | \$6.63 | \$8.67 | \$88.20 |
| SUBTOTAL | | | \$700.00 | \$25.65 | \$47.25 | \$6.63 | \$8.67 | \$788.20 |
| POST HARVEST OPERATIONS | | | | | | | | |
| SHREDDER | 80 HP | 0.29 HR | | \$2.48 | \$3.90 | \$3.96 | \$3.36 | \$13.71 |
| SUBTOTAL | | | \$0.00 | \$2.48 | \$3.90 | \$3.96 | \$3.36 | \$13.71 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 1.395 HR | | \$11.93 | | | | \$11.93 |
| EMPLOYEE BENEFITS | | | | \$18.21 | | | | \$18.21 |
| INSURANCE | | | \$2.02 | | | | | \$2.02 |
| LAND TAXES | | | | | | \$2.57 | | \$2.57 |
| SUPERVISION AND MANAGEMENT | | | | \$94.06 | | | | \$94.06 |
| OTHER EXPENSES | | | \$75.69 | | | | | \$75.69 |
| SUBTOTAL | | | 1.395 HR | \$77.71 | \$124.19 | \$0.00 | \$2.57 | \$204.48 |
| TOTAL OPERATING EXPENSES | | 13.225 HR | \$1,113.88 | \$225.34 | \$189.44 | \$37.26 | \$78.33 | \$1,644.26 |
| NET OPERATING PROFIT | | | | | | | \$1,855.74 | |
| INTEREST ON OPERATING CAPITAL | (| 227.8044 | @ | \$0.06 |) | | | \$12.53 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$37.74 | |
| RETURN TO LAND AND RISK | | | | | | | \$1,805.47 | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|------------|---|--|
| GROSS RETURN | | \$3,500.00 | |
| VARIABLE OPERATING EXPENSES | \$1,340.59 | | |
| RETURN OVER VARIABLE EXPENSES | \$2,159.41 | (GROSS MARGIN) | |
| FIXED EXPENSES | \$78.33 | | |
| NET FARM INCOME | \$2,081.08 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$225.34 | | |
| NET OPERATING PROFIT | \$1,855.74 | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$50.27 | | |
| RETURN TO LAND AND RISK | \$1,805.47 | | |

TABLE 10. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, 2007.

| | GRAIN SORGHUM | PICKER COTTON | GREEN CHILE | RED CHILE |
|----------------------------------|------------------|------------------|----------------|--------------|
| | -----FLOOD----- | | | |
| | CWT | LBS | TONS | LBS |
| PRIMARY YIELD | 62 | 1060 | 10 | 3500 |
| PRIMARY PRICE | \$7.06 | \$0.90 | \$475.00 | \$1.00 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| SECOND INCOME | \$0.00 | \$82.68 | \$0.00 | \$0.00 |
| GROSS RETURN | \$437.99 | \$1,036.68 | \$4,750.00 | \$3,500.00 |
| CASH OPERATING EXPENSES | | | | |
| SEED | \$10.48 | \$188.75 | \$88.00 | \$72.00 |
| FERTILIZER | \$58.50 | \$30.40 | \$184.50 | \$145.85 |
| CHEMICALS | \$19.52 | \$9.46 | \$25.13 | \$28.32 |
| CROP INSURANCE | \$0.37 | \$0.00 | \$0.00 | \$0.00 |
| OTHER PURCHASED INPUTS | | | | |
| CANAL WATER | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$44.50 | \$82.79 | \$148.66 | \$104.21 |
| FUEL-IRRIGATION | \$37.60 | \$35.10 | \$94.01 | \$85.23 |
| REPAIRS | \$27.16 | \$85.93 | \$44.73 | \$37.26 |
| CUSTOM CHARGES | \$34.72 | \$130.75 | \$1,063.33 | \$790.00 |
| LAND TAXES | \$2.57 | \$2.57 | \$2.57 | \$2.57 |
| OTHER EXPENSES | \$76.53 | \$77.15 | \$77.93 | \$77.71 |
| TOTAL CASH EXPENSES | \$311.95 | \$642.89 | \$1,728.86 | \$1,343.16 |
| RETURN OVER CASH EXPENSES | \$126.03 | \$393.79 | \$3,021.14 | \$2,156.84 |
| FIXED EXPENSES | \$52.32 | \$97.28 | \$87.66 | \$75.76 |
| TOTAL EXPENSES | \$364.27 | \$740.18 | \$1,816.53 | \$1,418.92 |
| NET FARM INCOME | \$73.71 | \$296.50 | \$2,933.47 | \$2,081.08 |
| LABOR AND MANAGEMENT COSTS | \$88.82 | \$174.82 | \$332.50 | \$225.34 |
| NET OPERATING PROFIT | -\$15.11 | \$121.68 | \$2,600.97 | \$1,855.74 |
| CAPITAL COSTS | | | | |
| INTEREST ON OPERATING CAPITAL | \$4.11 | \$8.68 | \$15.17 | \$12.53 |
| INTEREST ON EQUIPMENT INVESTMENT | \$18.59 | \$35.66 | \$46.75 | \$37.74 |
| TOTAL CAPITAL COSTS | \$22.69 | \$44.34 | \$61.92 | \$50.27 |
| RETURN TO LAND AND RISK | -\$37.81 | \$77.34 | \$2,539.05 | \$1,805.47 |
| ===== | ===== | ===== | ===== | ===== |
| ===== | ===== | ===== | ===== | ===== |

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County,
Projected 2016

| | | |
|----------------------------------|--------------------|---------------------------|
| GROSS RETURNS | | |
| GRAIN SORGHUM | 136 ACRES | |
| CROP | | \$59,566 |
| ASCS DEFICIENCY | | \$0 |
| ASCS DIVERSION | | \$0 |
| UPLAND COTTON | 153 ACRES | |
| LINT | | \$145,962 |
| SEED | | \$12,650 |
| ASCS DEFICIENCY | | \$0 |
| ASCS DIVERSION | | \$0 |
| GREEN CHILE | 20 ACRES | |
| GREEN | | \$95,000 |
| RED | | \$0 |
| RED CHILE | 20 ACRES | |
| CROP | | \$70,000 |
| GROSS RETURN | | <u>\$383,178</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$33,504 |
| FERTILIZER | | \$19,214 |
| CHEMICALS | | \$5,170 |
| CROP INSURANCE | | \$2,210 |
| OTHER PURCHASED INPUTS | | \$0 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$23,776 |
| FUEL-IRRIGATION | | \$14,068 |
| REPAIRS | | \$18,481 |
| CUSTOM CHARGES | | \$61,794 |
| LAND TAXES | | \$847 |
| OTHER EXPENSES | | \$25,324 |
| TOTAL CASH EXPENSES | | <u>\$204,388</u> |
| RETURN OVER CASH EXPENSES | | \$178,790 |
| FIXED EXPENSES | | \$25,269 |
| TOTAL EXPENSES | | <u>\$229,657</u> |
| NET FARM INCOME | | \$153,521 |
| LABOR AND MANAGEMENT COSTS | | \$49,985 |
| NET OPERATING PROFIT | | \$103,536 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$2,440 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$9,673 |
| TOTAL CAPITAL COSTS | | <u>\$12,114</u> |
| RETURN TO LAND AND RISK | | <u>\$91,422</u> |
| ===== | | ===== |
| ----- | | ----- |
| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
| ----- | ----- | ----- |
| 500 /ACRE | 83,422.16 | 27.54% |
| 700 /ACRE | 80,222.16 | 22.71% |
| 900 /ACRE | 77,022.16 | 19.32% |
| 1100 /ACRE | 73,822.16 | 16.81% |
| 1300 /ACRE | 70,622.16 | 14.88% |
| 1500 /ACRE | 67,422.16 | 13.34% |
| ----- | ----- | ----- |

* 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)