

BUDGET AREA..... COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2007.
 FARM SIZE..... 400 ACRES
 IRRIGATION TYPE FLOOD/SPRINKLER
 NUMBER OF CROP 4

TABLE 1. Basic cost information for the Cotton City-Animas area, Projected 2018

WATER USE				Item			
ACREAGE SUMMARY:				Labor Wage Rate:			
	LAND US (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.				
GRAIN SORGHUM	136	30	4080	Equipment operators	\$/hour		\$8.55
ARP	0			General & Irrigators	\$/hour		\$7.50
FLEX IN COTTON	0	28	0	Purchased Inputs:			
COTTON	153	28	4284	Fertilizer:			
ARP	0			Nitrogen (N)	\$/pound		\$0.31
FLEX IN COTTON	0	28	0	Phosphate (P205)	\$/pound		\$0.24
GREEN CHILE	20	54	1080	Anhydrous Ammonia (NH3)	\$/ton		\$420.00
RED CHILE	20	48	960	Seed:			
ROADS, HOMESTE	20			Grain Sorghum	\$/pound		\$1.32
TOTAL	349		10404	Cotton (picker)	\$/pound		\$7.55
				Chile			
				green	\$/pound		\$16.00
				red	\$/pound		\$16.00
				wheat	\$/pound		\$0.44
				Energy:			
				Natural gas (Gas Co NM)	\$/MCF		\$3.98
				(service charge)	\$/month		\$10.00
				Diesel fuel	\$/gallon		\$2.75
				Gasoline	\$/gallon		\$2.40
				Electricity (Columbus)	cents/KwHr		\$9.27
				LP Gas	\$/gallon		\$2.90
				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 Value)		\$22.15
				- R			\$19.07
				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)				\$254.00	per month 3048
Telephone				\$120.65	per month 1447.8
Accounting & Legal					\$1,803.40
Misc. Supplies & Hand Tools					\$2,800.35
Pickup and Auto					
miles	20000	@	0.5 per mile		10000
Insurance					
- general liability (non-employee)					\$1,892.30
- fire/theft					\$1,524.00
Property Taxes					
- non-planted land					9.535
- other than land & machinery					560
Building repairs and maintenance					\$1,435.10
Dues, fees, publications					\$431.80
Farmstead Equipment					\$177.80
				Total	\$25,130.09
				Total Per Planted Acre	\$76.38

TABLE 2. Pumping costs and data for irrigation wells, Cotton City-Animas area, Hidalgo County

INPUT DATA	

	DEPTH CHARACTERISTICS:
	STATIC..... 150
	DRAW DOWN 50
	TOTAL HEAD..... 200
	CASING..... 300
GALLONS PER MINUTE	700
WORK HORSE/ACRE.....	35.35
EFFICIENCY FACTOR:	
ELECTRICITY.....	0.54
NATURAL GAS.....	0.154
LP GAS.....	0.154
DIESEL.....	0.16
FUEL COST PER UNIT:	
ELECTRICITY.....	9.27 CENT/WHr
NATURAL GAS.....	3.98 \$/MCF
LP GAS.....	2.9 \$/GAL
DIESEL.....	2.75 \$/GAL
FUEL PUMPING COSTS:	

ELECTRIC WELL:	
COST PER HOUR.....	4.56
COST PER ACRE INCH	2.948
NATURAL GAS WELL:	
COST PER HOUR.....	2.579
COST PER ACRE INCH	1.668
LP GAS WELL:	
COST PER HOUR.....	18.47
COST PER ACRE INCH	11.94
DIESEL WELL:	
COST PER HOUR.....	10.94
COST PER ACRE INCH	7.076

TABLE 3. Equipment summary for a 400 acre, flood/sprinkler-irrigated farm with above average management, Cotton City-Animas area, Hidalgo County

EQUIPMENT	ANNUAL HOURS OF USE		TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
				FUEL AND LUBRICANT	FUEL	OIL REPAIR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 80 HP	443	1	\$26,855.00	\$5,728.88	\$5,234.29	\$12.93	\$11.81	\$1,929.67	\$213.71	\$4.84
TRACTOR 155 HP	230	1	\$38,035.00	\$6,569.54	\$1,862.80	\$28.54	\$8.09	\$5,994.67	\$331.95	\$27.49
PICKUP 1/2 TON	333	1	\$13,000.00	\$5,034.96	\$834.00	\$15.12	\$2.50	\$2,600.00	\$95.98	\$2.89
COTTON PICKER 2 ROW	190	1	\$9,430.00	\$3,155.42	\$9,653.00	\$16.63	\$50.88	\$5,960.00	\$330.04	\$33.15
SHREDDER 4 ROW	52	1	\$2,500.00		\$96.31		\$1.85	\$333.33	\$18.46	\$6.76
ROLLING CULT 4 ROW	66	1	\$2,000.00		\$81.70		\$1.24	\$266.67	\$14.77	\$4.27
CULTIVATOR 4 ROW	147	1	\$1,500.00		\$0.00		\$0.00	\$200.00	\$11.08	\$1.43
DISC 14 FT.	95	1	\$3,000.00		\$162.47		\$1.71	\$400.00	\$22.15	\$4.44
ROTO BUCK	34	1	\$1,000.00		\$8.20		\$0.24	\$133.33	\$7.38	\$4.12
RIPPER 4 ROW (7-SHA)	43	1	\$1,200.00		\$34.68		\$0.82	\$160.00	\$8.86	\$3.97
LISTER 4 ROW	57	1	\$1,600.00		\$56.56		\$0.99	\$213.33	\$11.81	\$3.95
PLANTER 4 ROW	75	1	\$3,400.00		\$579.93		\$7.72	\$680.00	\$25.10	\$9.38
VEG PLANTER 4 ROW	7	1	\$1,500.00		\$7.75		\$1.14	\$300.00	\$11.08	\$45.75
SPRAYER 12 FT	46	1	\$1,375.00		\$123.84		\$2.70	\$183.33	\$10.15	\$4.21
DRAG 8-24 FT.	62	1	\$250.00		\$5.56		\$0.09	\$33.33	\$1.85	\$0.57
PLOW 4-14	19	1	\$4,000.00		\$59.90		\$3.12	\$533.33	\$29.53	\$29.32
COTTON TRAILER 8 B/	153	5	\$6,000.00		\$44.06		\$0.29	\$800.00	\$44.30	\$5.52
FERT SPREADER DLR	16									
NATURAL GAS WELL	7256	3	\$59,250.00	\$18,713.95	\$656.64	\$2.58	\$0.09	\$5,642.86	\$437.46	\$0.89
			\$175,895.00	\$39,202.75	\$19,501.71			\$26,363.86	\$1,625.66	

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	\$4.40	50 CWT						\$220.00
TOTAL							\$220.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	\$0.44	100 LBS	44				\$44.00	
ANHYDROUS AMMONIA (NH ₃)	\$0.21	250 LBS	52.5				\$52.50	
NITROGEN (N)	\$0.31	30 LBS	9.3				\$9.30	
PHOSPHATE (P ₂ O ₅)	\$0.24	80 LBS	19.2				\$19.20	
PUMP WATER*		24 ACRE IN.						
CROP INSURANCE								
SUBTOTAL			125				\$125.00	
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$4.00	\$1.13	\$3.85	\$10.17
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.43	\$0.40	\$1.37	\$3.63
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.59	\$2.38	\$1.08	\$7.76
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$2.85	\$0.81	\$0.00	\$4.52
DRILL	96 HP	0.18 HR		\$1.54	\$2.33	\$2.13	\$0.00	\$5.99
IRRIGATE (4X)		0.6 HR		\$4.50	\$4.50	\$0.00	\$33.75	\$42.75
DISC	96 HP	0.25 HR		\$2.14	\$3.23	\$2.95	\$0.00	\$8.32
SUBTOTAL		1.52 HR		\$12.37	\$20.92	\$9.80	\$40.05	\$83.14
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				\$16.41				\$16.41
OTHER EXPENSES			76.38324				\$76.38	
SUBTOTAL		0.155 HR	76.63056	\$19.96			\$2.57	\$99.16
TOTAL OPERATING EXPENSES		1.675 HR	265.8506	\$32.33	\$20.92	\$9.80	\$42.62	\$371.53
NET OPERATING PROFIT							-\$151.53	
INTEREST ON OPERATING CAPITAL	(	75.53287	@	0.055			\$4.15
INTEREST ON EQUIPMENT INVESTMENT							\$6.48	
RETURN TO LAND AND RISK							-\$162.16	

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

BUDGET SUMMARY

GROSS RETURN		\$220.00	
VARIABLE OPERATING EXPENSES	296.5754		
RETURN OVER VARIABLE EXPENSES	-\$76.58	(GROSS MARGIN)	
FIXED EXPENSES	42.62267		
NET FARM INCOME	-\$119.20	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	32.32713		
NET OPERATING PROFIT	-\$151.53	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	10.63918		
RETURN TO LAND AND RISK	-\$162.16		

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	\$3.70	85 CWT						\$314.50
TOTAL							\$314.50	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.91	32 000	29					\$29.00
ANHYDROUS AMMONIA (NH ₃)	\$0.21	250 LBS	52.5					\$52.50
NITROGEN (N)	\$0.31	80 LBS	24.8					\$24.80
PHOSPHATE (P ₂ O ₅)	\$0.24	100 LBS	24					\$24.00
HERBICIDE	\$7.83	1 ACRE	7.8324					\$7.83
PUMP WATER*		40 AC. IN.						
CROP INSURANCE								
SUBTOTAL			138.1324					\$138.13
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	\$5.71	\$1.78	\$6.29	\$15.49
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	\$1.43	\$0.40	\$1.37	\$3.63
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$2.85	\$0.81	\$2.75	\$7.27
PLANTER	185 HP	0.26 HR		\$2.22	\$7.42	\$2.10	\$3.45	\$15.20
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.43	\$4.96	\$2.63	\$16.61
IRRIGATE (12X)		1.8 HR		\$13.50	\$23.27	\$24.34	\$16.70	\$77.80
SUBTOTAL		2.98 HR		\$23.59	\$47.39	\$34.40	\$44.16	\$149.54
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	\$0.00	\$0.00	\$0.00	\$0.00	\$85.85
POSTHARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.81	\$1.91	\$1.62	\$6.54
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				\$24.48				\$24.48
OTHER EXPENSES			76.38324					\$76.38
SUBTOTAL		0.33 HR	76.87896	\$31.76			\$2.57	\$111.21
TOTAL OPERATING EXPENSES		3.45 HR	300.8614	\$56.54	\$49.20	\$36.31	\$48.36	\$491.27
NET OPERATING PROFIT							-\$176.77	
INTEREST ON OPERATING CAPITAL	(	97.59633	@	0.055	)		\$5.37	
INTEREST ON EQUIPMENT INVESTMENT							\$11.71	
RETURN TO LAND AND RISK							-\$193.85	

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

BUDGET SUMMARY

GROSS RETURN		\$314.50	
VARIABLE OPERATING EXPENSES	386.3652		
RETURN OVER VARIABLE EXPENSES	-\$71.87	(GROSS MARGIN)	
FIXED EXPENSES	48.35734		
NET FARM INCOME	-\$120.22	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	56.54398		
NET OPERATING PROFIT	-\$176.77	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	17.08073		
RETURN TO LAND AND RISK	-\$193.85		

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	\$6.08	62 CWT						\$376.87
ASCS DIVERSION	0	0 CWT						\$0.00
ASCS DEFICIENCY	0	0 CWT						\$0.00
TOTAL							\$376.87	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	1.32	8 LBS	\$10.56				\$10.56	
ANHYDROUS AMMONIA (NH)	0.21	180 LBS	\$37.80				\$37.80	
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			\$68.25				\$68.25	
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	\$5.71	\$1.78	\$6.29	\$15.49
DISC	185 HP	0.14 HR		\$1.20	\$4.00	\$1.37	\$4.47	\$11.04
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.43	\$0.40	\$1.37	\$3.63
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.59	\$2.38	\$1.08	\$7.76
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$4.28	\$1.87	\$5.42	\$12.86
LISTER	185 HP	0.18 HR		\$1.54	\$5.14	\$1.64	\$5.66	\$13.97
PRE-IRRIGATE		0.75 HR		\$5.63	\$8.34	\$0.29	\$2.87	\$17.12
ROLLING CULT	96 HP	0.21 HR		\$1.80	\$2.71	\$2.74	\$1.91	\$9.16
PLANTER	96 HP	0.26 HR		\$2.22	\$3.36	\$5.08	\$3.70	\$14.36
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.43	\$4.96	\$2.63	\$16.61
ROTO BUCK (7X)	96 HP	0.105 HR		\$0.90	\$1.36	\$1.27	\$0.94	\$4.46
IRRIGATE (5X)		2.5 HR		\$18.75	\$41.69	\$1.46	\$14.35	\$76.25
SUBTOTAL		5.165 HR		\$40.75	\$86.02	\$25.25	\$50.69	\$202.71
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	\$34.72
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.81	\$1.91	\$1.62	\$6.54
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				\$30.66				\$30.66
OTHER EXPENSES			\$76.38					\$76.38
SUBTOTAL		0.51375 HR		\$77.22	\$42.60		\$2.57	\$122.39
TOTAL OPERATING EXPENSES		5.81875 HR		\$180.19	\$84.55	\$87.83	\$27.16	\$54.89
NET OPERATING PROFIT								
							-\$57.74	
INTEREST ON OPERATING CAPITAL	(	65.76447	@	\$0.06	)			\$3.62
INTEREST ON EQUIPMENT INVESTMENT								\$18.59
RETURN TO LAND AND RISK							-\$79.95	

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

BUDGET SUMMARY

GROSS RETURN		376.8714	
VARIABLE OPERATING EXPENSES	295.1791		
RETURN OVER VARIABLE EXPENSES	81.69237	(GROSS MARGIN)	
FIXED EXPENSES	54.88714		
NET FARM INCOME	26.80524	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	84.54646		
NET OPERATING PROFIT	-57.7412	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	22.20568		
RETURN TO LAND AND RISK	-79.9469		

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	\$0.75	1060 LBS						\$795.00	
COTTON SEED	\$0.05	1696 LBS						\$82.68	
TOTAL							\$877.68		
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED	\$7.55	25 LBS	\$188.75					\$188.75	
NITROGEN (N)	\$0.31	32 LBS	\$9.92					\$9.92	
PHOSPHATE (P2O5)	\$0.24	40 LBS	\$9.60					\$9.60	
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			\$217.73					\$217.73	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
RIPPER	185 HP	0.1 HR		\$0.86	\$2.85	\$0.89	\$3.15	\$7.75	
DISC	185 HP	0.14 HR		\$1.20	\$4.00	\$1.37	\$4.47	\$11.04	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.43	\$0.40	\$1.37	\$3.63	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.59	\$2.38	\$1.08	\$7.76	
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$4.28	\$1.87	\$5.42	\$12.86	
LISTER	185 HP	0.18 HR		\$1.54	\$5.14	\$1.64	\$5.66	\$13.97	
PRE-IRRIGATE		1 HR		\$7.50	\$9.34	\$0.33	\$3.21	\$20.38	
ROLLING CULT.	96 HP	0.21 HR		\$1.80	\$2.71	\$2.74	\$1.91	\$9.16	
PLANTER	96 HP	0.26 HR		\$2.22	\$3.36	\$5.08	\$3.70	\$14.36	
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.43	\$4.96	\$2.63	\$16.61	
HAND HOE (CUSTOM)			\$15.00					\$15.00	
ROTO BUCK (5X)	96 HP	0.075 HR		\$0.64	\$0.97	\$0.90	\$0.67	\$3.19	
IRRIGATE (4X)		4 HR		\$30.00	\$37.35	\$1.31	\$12.85	\$81.52	
SUBTOTAL			6.785 HR	\$15.00	\$52.76	\$79.44	\$23.88	\$46.13	\$217.22
HARVEST OPERATIONS									
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$20.62	\$57.35	\$41.11	\$129.69	
COTTON TRAILER (2X)	HALF TON	1 HR		\$8.55	\$15.12	\$2.79	\$8.41	\$34.87	
GIN COTTON (CUSTOM)			\$115.75					\$115.75	
SUBTOTAL			2.24 HR	\$115.75	\$19.15	\$35.74	\$60.14	\$49.52	\$280.31
POSTHARVEST OPERATIONS									
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.81	\$1.91	\$1.62	\$6.54	
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				\$68.52				\$68.52	
OTHER EXPENSES			\$76.38				\$76.38		
SUBTOTAL			1.04125 HR	\$77.85	\$90.58		\$2.57	\$171.00	
TOTAL OPERATING EXPENSES		10.20625 HR	\$426.32	\$163.69	\$117.00	\$85.93	\$99.84	\$892.79	
NET OPERATING PROFIT									
								-\$15.11	
INTEREST ON OPERATING CAPITAL	(	153.2596	@	\$0.06				\$8.43
INTEREST ON EQUIPMENT INVESTMENT								\$35.66	
RETURN TO LAND AND RISK									
								-\$59.19	

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

BUDGET SUMMARY

GROSS RETURN		\$877.68	
VARIABLE OPERATING EXPENSES	629.2491		
RETURN OVER VARIABLE EXPENSES	\$248.43	(GROSS MARGIN)	
FIXED EXPENSES	99.84409		
NET FARM INCOME	\$148.59	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	163.6935		
NET OPERATING PROFIT	-\$15.11	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	44.08583		
RETURN TO LAND AND RISK	-\$59.19		

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	\$16.00	4 LBS	\$64.00					\$64.00
ANHYDROUS AMMONIA (NH ₃)	\$0.21	300 LBS	\$63.00					\$63.00
NITROGEN (N)	\$0.31	60 LBS	\$18.60					\$18.60
PHOSPHATE (P ₂ O ₅)	\$0.24	150 LBS	\$36.00					\$36.00
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			\$206.73					\$206.73
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$4.00	\$1.37	\$4.47	\$11.04
PLOW	185 HP	0.48 HR		\$4.10	\$13.70	\$5.38	\$27.26	\$50.45
DISC	185 HP	0.14 HR		\$1.20	\$4.00	\$1.37	\$4.47	\$11.04
LASER (CUSTOM)			\$73.33					\$73.33
LISTER & SPRAY	185 HP	0.13 HR		\$1.11	\$3.71	\$1.53	\$4.63	\$10.99
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.43	\$0.40	\$1.37	\$3.63
PRE-IRRIGATE		0.75 HR		\$6.41	\$45.02	\$0.07	\$0.67	\$52.17
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.68	\$1.70	\$4.13	\$8.62
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.20	\$2.20	\$8.60	\$14.45
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.40	\$7.68	\$5.92	\$27.55
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$2.71	\$2.53	\$1.88	\$8.92
IRRIGATE (8X)		4 HR		\$34.20	\$80.04	\$3.28	\$3.55	\$121.07
SUBTOTAL			\$163.33	\$58.57	\$166.89	\$27.51	\$66.96	\$483.25
HARVEST OPERATIONS								
HARVEST GREEN (CUSTOM)			\$900.00					\$900.00
HARVEST RED (CUSTOM)			\$0.00					\$0.00
HAUL	3/4 TON	6 HR		\$51.30	\$90.72	\$13.26	\$17.34	\$172.62
SUBTOTAL			\$900.00	\$51.30	\$90.72	\$13.26	\$17.34	\$1,072.62
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.75	\$3.96	\$3.36	\$13.55
SUBTOTAL			\$0.00	\$2.48	\$3.75	\$3.96	\$3.36	\$13.55
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			\$76.38				\$76.38	
SUBTOTAL			0.5975 HR	\$78.63	\$223.67		\$2.57	\$304.87
TOTAL OPERATING EXPENSES		13.7375 HR	\$1,348.69	\$336.02	\$261.35	\$44.73	\$90.23	\$2,081.02
NET OPERATING PROFIT							\$2,668.98	
INTEREST ON OPERATING CAPITAL	(	235.6303	@	\$0.06			\$12.96	
INTEREST ON EQUIPMENT INVESTMENT							\$46.75	
RETURN TO LAND AND RISK							\$2,609.27	

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

BUDGET SUMMARY

GROSS RETURN		\$4,750.00	
VARIABLE OPERATING EXPENSES	1654.779		
RETURN OVER VARIABLE EXPENSES	\$3,095.22	(GROSS MARGIN)	
FIXED EXPENSES	90.22575		
NET FARM INCOME	\$3,005.00	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	336.016		
NET OPERATING PROFIT	\$2,668.98	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	59.71177		
RETURN TO LAND AND RISK	\$2,609.27		

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	\$0.60	3500 LBS						\$2,100.00
TOTAL							\$2,100.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	18.00	4 LBS	\$72.00				\$72.00	
ANHYDROUS AMMONIA (NH ₃)	0.21	230 LBS	\$48.30				\$48.30	
NITROGEN (N)	0.36	60 LBS	\$21.60				\$21.60	
PHOSPHATE (P ₂ O ₅)	0.33	150 LBS	\$49.50				\$49.50	
HERBICIDE	14.11	1 ACRE	\$14.11				\$14.11	
INSECTICIDE	14.22	1 ACRE	\$14.22				\$14.22	
CROP INSURANCE	0.00	1 DOLLARS	\$0.00				\$0.00	
PUMP WATER*		48 AC. IN.						
SUBTOTAL			\$219.72				\$219.72	
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$4.00	\$1.37	\$4.47	\$11.04
PLOW	185 HP	0.48 HR		\$4.10	\$13.70	\$5.38	\$27.26	\$50.45
DISC	185 HP	0.14 HR		\$1.20	\$4.00	\$1.37	\$4.47	\$11.04
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.59	\$2.38	\$1.08	\$7.76
LISTER	185 HP	0.12 HR		\$1.03	\$3.42	\$1.09	\$3.77	\$9.31
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.43	\$0.40	\$1.37	\$3.63
PRE-IRRIGATE		0.75 HR		\$6.41	\$40.02	\$0.07	\$0.67	\$47.17
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.68	\$1.70	\$1.18	\$5.67
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.20	\$2.20	\$8.60	\$14.45
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.40	\$7.68	\$4.07	\$25.71
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$3.18	\$2.53	\$1.88	\$9.38
IRRIGATE (11X)		5.5 HR		\$47.03	\$73.37	\$0.50	\$4.88	\$125.78
SUBTOTAL			\$90.00	\$73.02	\$157.97	\$26.67	\$63.72	\$411.38
HARVEST OPERATIONS								
HARVEST (CUSTOM)			\$700.00					\$700.00
HAUL	3/4 TON	3 HR		\$25.65	\$45.36	\$6.63	\$8.67	\$86.31
SUBTOTAL			\$700.00	\$25.65	\$45.36	\$6.63	\$8.67	\$786.31
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.75	\$3.96	\$3.36	\$13.55
SUBTOTAL			\$0.00	\$2.48	\$3.75	\$3.96	\$3.36	\$13.55
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				\$93.25				\$93.25
OTHER EXPENSES			\$76.38				\$76.38	
SUBTOTAL			1.395 HR	\$78.41	\$123.38	\$0.00	\$2.57	\$204.36
TOTAL OPERATING EXPENSES		13.225 HR	\$1,088.13	\$224.53	\$207.08	\$37.26	\$78.32	\$1,635.32
NET OPERATING PROFIT							\$464.68	
INTEREST ON OPERATING CAPITAL	(	219.3302	@	\$0.06			\$12.06	
INTEREST ON EQUIPMENT INVESTMENT							\$37.74	
RETURN TO LAND AND RISK							\$414.88	

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

BUDGET SUMMARY

GROSS RETURN		\$2,100.00	
VARIABLE OPERATING EXPENSES	\$1,332.47		
RETURN OVER VARIABLE EXPENSES	\$767.53		(GROSS MARGIN)
FIXED EXPENSES	\$78.32		
NET FARM INCOME	\$689.21		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$224.53		
NET OPERATING PROFIT	\$464.68		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$49.81		
RETURN TO LAND AND RISK	\$414.88		

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	\$6.08	\$0.75	\$475.00	\$0.60
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$82.68	\$0.00	\$0.00
GROSS RETURN	\$376.87	\$877.68	\$4,750.00	\$2,100.00
CASH OPERATING EXPENSES				
SEED	\$10.56	\$188.75	\$64.00	\$72.00
FERTILIZER	\$37.80	\$19.52	\$117.60	\$119.40
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	\$37.80	\$70.31	\$136.29	\$93.69
FUEL-IRRIGATION	\$50.03	\$46.69	\$125.06	\$113.39
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	\$77.22	\$77.85	\$78.63	\$78.41
TOTAL CASH EXPENSES	\$297.75	\$631.82	\$1,657.35	\$1,335.04
RETURN OVER CASH EXPENSES	\$79.12	\$245.86	\$3,092.65	\$764.96
FIXED EXPENSES	\$52.32	\$97.27	\$87.66	\$75.75
TOTAL EXPENSES	\$350.07	\$729.09	\$1,745.00	\$1,410.79
NET FARM INCOME	\$26.81	\$148.59	\$3,005.00	\$689.21
LABOR AND MANAGEMENT COSTS	\$84.55	\$163.69	\$332.50	\$224.53
NET OPERATING PROFIT	-\$57.74	-\$15.11	\$2,672.50	\$464.68
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$3.62	\$8.43	\$12.96	\$12.06
INTEREST ON EQUIPMENT INVESTMENT	\$18.59	\$35.66	\$46.75	\$37.74
TOTAL CAPITAL COSTS	\$22.21	\$44.09	\$59.71	\$49.81
RETURN TO LAND AND RISK	-\$79.95	-\$59.19	\$2,612.78	\$414.88
=====	=====	=====	=====	=====
=====	=====	=====	=====	=====

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County,
Projected 2018

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$51,255
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
UPLAND COTTON	153 ACRES	
LINT		\$121,635
SEED		\$12,650
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
GREEN CHILE	20 ACRES	
GREEN		\$95,000
RED		\$0
RED CHILE	20 ACRES	
CROP		\$42,000
GROSS RETURN		<u>\$322,540</u>
CASH OPERATING EXPENSES		
SEED		\$33,035
FERTILIZER		\$12,867
CHEMICALS		\$5,170
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$20,498
FUEL-IRRIGATION		\$18,716
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$845
OTHER EXPENSES		\$25,553
TOTAL CASH EXPENSES		<u>\$199,170</u>
RETURN OVER CASH EXPENSES		\$123,370
FIXED EXPENSES		\$25,266
TOTAL EXPENSES		<u>\$224,436</u>
NET FARM INCOME		\$98,103
LABOR AND MANAGEMENT COSTS		\$47,684
NET OPERATING PROFIT		\$50,419
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,282
INTEREST ON EQUIPMENT INVESTMENT		\$9,673
TOTAL CAPITAL COSTS		<u>\$11,955</u>
RETURN TO LAND AND RISK		<u>\$38,464</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
500 /ACRE	30,463.98	13.41%
700 /ACRE	27,263.98	11.06%
900 /ACRE	24,063.98	9.41%
1100 /ACRE	20,863.98	8.19%
1300 /ACRE	17,663.98	7.25%
1500 /ACRE	14,463.98	6.50%

* 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)