

TABLE 1. Acreage Summary, Eddy County, Carlsbad Basin area, 2019

BUDGET AREA..... CARLSBAD BASIN, EDDY COUNTY			
FARM SIZE..... 200 ACRES			
IRRIGATION TYPE..... FLOOD			
NUMBER OF CROPS.....6			
WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMENT *	25.00	8	200
ALFALFA	100.00	48	4,800
BARLEY	4.25	20	85
ARP	0.00		
FLEX IN PICKER COTTON	0.75	22	17
PICKER COTTON	51.00	22	1,122
ARP	0.00		
FLEX IN PICKER COTTON	9.00	22	198
STRIPPER COTTON	0.00	0	0
ARP	0.00		
FLEX	0.00		0
SUDAN	10.00	24	240
RED CHILE	5.00	48	240
ROADS, DITCHES, BORDERS, HOMESTEAD	20.00		
<b>TOTAL</b>	<b>200.00</b>		<b>6,902</b>
ACRE FEET PER ACRE OF WATER RIGHTS			2.88

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for the Carlsbad Basin, Eddy County, 2019

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$7.80
General & Irrigators		\$/hour	\$7.50
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Nitrogen (N)		\$/pound	\$0.42
Phosphate (P <sub>2</sub> O <sub>5</sub> )		\$/pound	\$0.49
Canal water	3 AC. FT.	\$/acre	\$69.00
Wire		\$/lb.	\$1.32
<b>Seed:</b>			
Alfalfa		\$/pound	\$3.05
Cotton			
Picker		\$/pound	\$8.10
Stripper		\$/pound	\$8.10
Barley		\$/pound	\$0.40
Sudan		\$/pound	\$0.82
Diesel fuel		\$/gallon	\$2.65
Gasoline		\$/gallon	\$2.35
Electricity		cents/KwHr	\$7.78
Natural Gas		\$/MCF	\$10.00
LP Gas		\$/gallon	\$2.55
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
<b>Financial Rates:</b>			
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		\$250.00 /acre (full value)	\$2.44
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$29.23
- R			\$25.16
<b>Supervision Factors</b>			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Vegetable Crop-Irrigation		\$/labor hour	\$2.90
Vegetable Crop-Equip & General		\$/labor hour	\$1.00
<b>Management Rate</b>			
Field Crops		percent/GR	7.00%
Vegetable Crops		percent/TOE	10.00%

TABLE 3. Overhead cost information for the Carlsbad Basin, Eddy County, 2019

Item			
Electricity (Domestic & Shop)		\$250.88 per month	\$3,011
Telephone		\$125.44 per month	\$1,505
Accounting & Legal			\$1,727
Misc. Supplies & Hand Tools			\$2,650
Pickup and Auto			
miles	25,600	@ \$0.500 per mile	\$12,800
<b>Insurance</b>			
- general liability (non-employee)			\$1,944
- fire/theft			\$1,569
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$6,010
Fixed Costs: Pump			\$1,610
Building repairs and maintenance			\$1,569
Dues, fees, publications			\$448
Farmstead Equipment			\$184
<b>Total</b>			<b>\$35,027</b>
<b>Total Per Planted Acre</b>			<b>\$194.60</b>

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, 2019

Planting dates: August 20 - September 30								
ITEM	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
<u>PURCHASED INPUTS</u>								
SEED	3.05	25.00 LBS						\$76.25
CANAL WATER	69.00	8.00 AC. IN.						\$46.00
PUMP WATER		0.00 AC. IN.						
SUBTOTAL								\$122.25
								\$76.25
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.33	\$3.72	\$1.15	\$3.07	\$9.26
FLOW	145 HP	0.67 HR		\$5.23	\$14.65	\$5.44	\$12.45	\$37.76
DISC (3X)	145 HP	0.51 HR		\$3.98	\$11.15	\$3.44	\$9.20	\$27.77
LASER (CUSTOM)			\$73.33					\$73.33
RIPPER	145 HP	0.27 HR		\$2.11	\$5.90	\$1.32	\$36.06	\$45.39
DISC	145 HP	0.17 HR		\$1.33	\$3.72	\$1.15	\$3.07	\$9.26
DRAG	96 HP	0.17 HR		\$1.33	\$2.43	\$0.15	\$0.92	\$4.83
BORDER DISC (2X)	27 HP	0.10 HR		\$0.78	\$0.88	\$0.14	\$0.58	\$2.38
DRILL	96 HP	0.21 HR		\$1.64	\$3.01	\$0.41	\$12.47	\$17.52
IRRIGATE (2X)		1.00 HR		\$7.50	\$0.00	\$0.00	\$0.00	\$7.50
SUBTOTAL		3.27 HR	\$73.33	\$25.21	\$45.45	\$13.19	\$77.82	\$235.00
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.57 HR		\$4.43				\$4.43
EMPLOYEE BENEFITS				\$4.54				\$4.54
INSURANCE			\$0.50					\$0.50
SUPERVISION AND MANAGEMENT				\$23.92				\$23.92
SUBTOTAL		0.57 HR	\$0.50	\$32.89				\$33.39
<b>TOTAL OPERATING EXPENSES</b>		<b>3.84 HR</b>	<b>\$196.08</b>	<b>\$58.09</b>	<b>\$45.45</b>	<b>\$13.19</b>	<b>\$77.82</b>	<b>\$344.64</b>

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,  
2019  
Harvesting dates: May 20 - October 15

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$185.00	5.6 TONS (STACKED)						\$1,036.00	
GRAZING	\$10.00	1.0 ACRE						\$10.00	
<b>TOTAL</b>								<b>\$1,046.00</b>	
<b>PURCHASED INPUTS</b>									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
NITROGEN (N)	\$0.42	36 LBS	\$15.12					\$15.12	
PHOSPHATE (P205)	\$0.49	92 LBS	\$45.08					\$45.08	
INSECTICIDE (CUSTOM)	\$27.53	1 X/ACRE	\$27.53					\$27.53	
HERBICIDE (CUSTOM)	\$26.23	1 X/ACRE	\$26.23					\$26.23	
WIRE	\$1.32	51 LBS	\$67.32					\$67.32	
ESTABLISHMENT: Principal		4 YEARS					\$86.16	\$86.16	
: Interest							\$9.42	\$9.42	
CANAL WATER		48 AC. IN.	\$69.00					\$69.00	
PUMP WATER*		0 AC. IN.						\$0.00	
<b>SUBTOTAL</b>			<b>\$250.28</b>				<b>\$95.58</b>	<b>\$345.86</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
BORDER DISC (6X)	27 HP	0.30 HR		\$2.34	\$2.64	\$0.42	\$1.75	\$7.14	
FERTILIZE	DEALER APPLIED								
IRRIGATE (8X)		4.00 HR		\$30.00	\$0.00	\$0.00	\$0.00	\$30.00	
<b>SUBTOTAL</b>			<b>4.30 HR</b>	<b>\$32.34</b>	<b>\$2.64</b>	<b>\$0.42</b>	<b>\$1.75</b>	<b>\$37.14</b>	
<b>HARVEST OPERATIONS</b>									
SWATHER (6X)	14 FT SP	0.80 HR		\$6.24	\$7.94	\$0.44	\$15.09	\$29.71	
RAKE (4X)	96 HP	0.48 HR		\$3.74	\$6.87	\$0.64	\$3.33	\$14.58	
BALER (6X)	145 HP	1.26 HR		\$9.83	\$27.54	\$5.27	\$20.75	\$63.39	
BALEWAGON			\$53.76					\$53.76	
<b>SUBTOTAL</b>			<b>2.54 HR</b>	<b>\$53.76</b>	<b>\$19.81</b>	<b>\$42.35</b>	<b>\$6.35</b>	<b>\$161.43</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.71 HR		\$5.54				\$5.54	
EMPLOYEE BENEFITS				\$9.39				\$9.39	
INSURANCE			\$1.04					\$1.04	
LAND TAXES							\$2.44	\$2.44	
SUPERVISION AND MANGEMENT				\$78.64				\$78.64	
OTHER EXPENSES			\$194.60					\$194.60	
<b>SUBTOTAL</b>			<b>0.71 HR</b>	<b>\$195.64</b>	<b>\$93.57</b>			<b>\$2.44</b>	<b>\$291.64</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7.55 HR</b>	<b>\$499.68</b>	<b>\$145.72</b>	<b>\$44.99</b>	<b>\$6.76</b>	<b>\$138.92</b>	<b>\$836.07</b>	
<b>NET OPERATING PROFIT</b>								<b>\$209.93</b>	
INTEREST ON OPERATING CAPITAL		(	\$129.96	@	5.50%	)		\$7.15	
INTEREST ON EQUIPMENT INVESTMENT								\$23.28	
<b>RETURN TO LAND AND RISK</b>								<b>\$179.51</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,046.00	
VARIABLE OPERATING EXPENSES	\$551.43		
RETURN OVER VARIABLE EXPENSES	\$494.57		(GROSS MARGIN)
FIXED EXPENSES	\$138.92		
NET FARM INCOME	\$355.65		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$145.72		
NET OPERATING PROFIT	\$209.93		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.43		
RETURN TO LAND AND RISK		\$179.51	

TABLE 8. Barley, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, 2019  
 Planting dates: August 20 - September 30  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
BARLEY	\$6.22	25.0 CWT		\$155.50
PROGRAM PAYMENT	\$0.00	25.0 CWT	0.85	\$0.00
PLC PAYMENT	\$0.00			\$0.00
GRAZING	\$40.00	1.0 ACRE		\$40.00
<b>TOTAL</b>				<b>\$195.50</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.40	110 LBS	\$44.00		\$44.00
NITROGEN (N)	\$0.42	40 LBS	\$16.80		\$16.80
HERBICIDE	\$14.11	1 X/ACRE	\$14.11		\$14.11
CANAL WATER		20 AC. IN.	\$69.00		\$69.00
PUMP WATER*		0 AC. IN.			\$0.00
CROP INSURANCE	\$11.76		\$11.76		\$11.76
<b>SUBTOTAL</b>			<b>\$155.67</b>		<b>\$155.67</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$5.23	\$14.65	\$5.44	\$12.45	\$37.76
DISC (2X)	145 HP	0.34 HR		\$2.65	\$7.43	\$2.29	\$6.14	\$18.52
DRAG	96 HP	0.17 HR		\$1.33	\$2.43	\$0.15	\$0.92	\$4.83
BORDER DISC	27 HP	0.05 HR		\$0.39	\$0.44	\$0.07	\$0.29	\$1.19
DRILL	96 HP	0.21 HR		\$1.64	\$3.01	\$0.41	\$12.47	\$17.52
IRRIGATE (5X)		2.50 HR		\$18.75	\$0.00	\$0.00	\$0.00	\$18.75
<b>SUBTOTAL</b>		<b>3.94 HR</b>		<b>\$29.98</b>	<b>\$27.96</b>	<b>\$8.36</b>	<b>\$32.26</b>	<b>\$98.57</b>

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$14.68					\$14.68
HAUL (CUSTOM)			\$7.80					\$7.80
<b>SUBTOTAL</b>			<b>\$22.48</b>					<b>\$22.48</b>

OVERHEAD EXPENSES								
DOWNTIME		0.36 HR		\$2.81				\$2.81
EMPLOYEE BENEFITS				\$5.40				\$5.40
INSURANCE			\$0.60					\$0.60
LAND TAXES						\$2.44		\$2.44
SUPERVISION AND MANGEMENT				\$14.11				\$14.11
OTHER EXPENSES			\$194.60					\$194.60
<b>SUBTOTAL</b>		<b>0.36 HR</b>	<b>\$195.20</b>	<b>\$22.31</b>		<b>\$2.44</b>		<b>\$219.94</b>

TOTAL OPERATING EXPENSES 4.30 HR \$373.35 \$52.29 \$27.96 \$8.36 \$34.70 \$496.66

NET OPERATING PROFIT (\$301.16)

INTEREST ON OPERATING CAPITAL ( \$88.79 @ 5.50% ) \$4.88  
 INTEREST ON EQUIPMENT INVESTMENT \$14.26

**RETURN TO LAND AND RISK (\$320.30)**

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

GROSS RETURN		\$195.50		
VARIABLE OPERATING EXPENSES	\$409.67			
RETURN OVER VARIABLE EXPENSES		(\$214.17)	(GROSS MARGIN)	
FIXED EXPENSES	\$34.70			
NET FARM INCOME		(\$248.87)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$52.29			
NET OPERATING PROFIT		(\$301.16)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$19.14			
<b>RETURN TO LAND AND RISK</b>		<b>(\$320.30)</b>		

TABLE 9. Sudan, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, 2019  
 Planting Dates: August 20 - September 30  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAZING	\$160.00	4.5 TON	(STACKED)					\$720.00
<b>TOTAL</b>								<b>\$720.00</b>

  

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.82	25 LBS	\$20.50					\$20.50
NITROGEN (N)	\$0.42	250 LBS	\$105.00					\$105.00
PHOSPHATE (P2O5)	\$0.49	60 LBS	\$29.40					\$29.40
CANAL WATER		24 AC. IN.	\$69.00					\$69.00
PUMP WATER*		0 AC. IN.						\$0.00
<b>SUBTOTAL</b>			<b>\$223.90</b>					<b>\$223.90</b>

  

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$5.23	\$14.65	\$5.44	\$12.45	\$37.76
DISC (2X)	145 HP	0.28 HR		\$2.18	\$6.12	\$1.89	\$5.05	\$15.25
DRAG	96 HP	0.17 HR		\$1.33	\$2.43	\$0.15	\$0.92	\$4.83
BORDER DISC	27 HP	0.05 HR		\$0.39	\$0.44	\$0.07	\$0.29	\$1.19
DRILL	96 HP	0.21 HR		\$1.64	\$3.01	\$0.41	\$12.47	\$17.52
IRRIGATE (6X)		3.00 HR		\$22.50	\$0.00	\$0.00	\$0.00	\$22.50
<b>SUBTOTAL</b>		<b>4.38 HR</b>		<b>\$33.26</b>	<b>\$26.64</b>	<b>\$7.96</b>	<b>\$31.18</b>	<b>\$99.05</b>

  

OVERHEAD EXPENSES		ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.35 HR		\$2.69				\$2.69
EMPLOYEE BENEFITS				\$5.99				\$5.99
INSURANCE			\$0.67					\$0.67
LAND TAXES							\$2.44	\$2.44
SUPERVISION AND MANGEMENT				\$54.09				\$54.09
OTHER EXPENSES			\$194.60					\$194.60
<b>SUBTOTAL</b>		<b>0.35 HR</b>	<b>\$195.26</b>	<b>\$62.77</b>			<b>\$2.44</b>	<b>\$260.47</b>

  

TOTAL OPERATING EXPENSES		4.73 HR	\$419.16	\$96.03	\$26.64	\$7.96	\$33.62	\$583.42
NET OPERATING PROFIT								\$136.58
INTEREST ON OPERATING CAPITAL	(	\$120.60	@	5.50%	)			\$6.63
INTEREST ON EQUIPMENT INVESTMENT								\$13.68
<b>RETURN TO LAND AND RISK</b>								<b>\$116.27</b>

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

BUDGET SUMMARY

GROSS RETURN		\$720.00	
VARIABLE OPERATING EXPENSES	\$453.77		
RETURN OVER VARIABLE EXPENSES		\$266.23	(GROSS MARGIN)
FIXED EXPENSES	\$33.62		
NET FARM INCOME		\$232.62	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$96.03		
NET OPERATING PROFIT		\$136.58	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$20.31		
RETURN TO LAND AND RISK		\$116.27	

TABLE 10. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, 2019  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE					TOTAL
<b>GROSS RETURNS</b>								
COTTON LINT	\$0.73	750 LBS						\$547.50
COTTON SEED	\$0.08	1,200 LBS						\$100.80
PROGRAM PAYMENT	\$0.0000	750 LBS	0.85					\$0.00
PLC PAYMENT	\$0.3670	750 LBS	0.85					\$233.96
<b>TOTAL</b>								<b>\$882.26</b>
<b>PURCHASED INPUTS</b>								
	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$8.10	20 LBS	\$162.00					\$162.00
NITROGEN (N)	\$0.42	20 LBS	\$8.40					\$8.40
PHOSPHATE (P205)	\$0.49	40 LBS	\$19.60					\$19.60
HERBICIDE	\$13.22	1 ACRE	\$13.22					\$13.22
INSECTICIDE (CUSTOM)	\$27.39	2 X/ACRE	\$54.78					\$54.78
CROP INSURANCE		FCIC	\$0.82					\$0.82
CANAL WATER		22 AC. IN.	\$69.00					\$69.00
PUMP WATER*		0 AC. IN.						\$0.00
<b>SUBTOTAL</b>			<b>\$327.83</b>					<b>\$327.83</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$5.23	\$14.65	\$5.44	\$12.45	\$37.76
DISC	145 HP	0.17 HR		\$1.33	\$3.72	\$1.15	\$3.07	\$9.26
DRAG	96 HP	0.17 HR		\$1.33	\$2.43	\$0.15	\$0.92	\$4.83
DISC & SPRAY	145 HP	0.20 HR		\$1.56	\$4.37	\$1.35	\$3.61	\$10.89
LISTER	96 HP	0.18 HR		\$1.40	\$2.58	\$0.52	\$4.09	\$8.59
FERTILIZE	DEALER APPLIED							
PRE-IRRIGATE		0.75 HR		\$5.63	\$0.00	\$0.00	\$0.00	\$5.63
ROLLING CULTIVATOR	96 HP	0.21 HR		\$1.64	\$3.01	\$0.71	\$5.42	\$10.77
PLANTER	96 HP	0.26 HR		\$2.03	\$3.72	\$0.66	\$11.73	\$18.13
CULTIVATOR (4X)	27 HP	0.84 HR		\$6.55	\$7.38	\$6.06	\$14.89	\$34.89
HOEING			\$20.00					\$20.00
IRRIGATE (3X)		1.50 HR		\$11.25	\$0.00	\$0.00	\$0.00	\$11.25
<b>SUBTOTAL</b>		<b>4.95 HR</b>	<b>\$20.00</b>	<b>\$37.94</b>	<b>\$41.85</b>	<b>\$16.03</b>	<b>\$56.18</b>	<b>\$172.00</b>
<b>HARVEST OPERATIONS</b>								
COTTON PICKER (CUSTOM)			\$112.28					\$112.28
HAUL	80 HP	0.50 HR		\$3.90	\$7.16	\$0.46	\$5.49	\$17.01
GIN COTTON (CUSTOM)			\$112.28					\$112.28
<b>SUBTOTAL</b>		<b>0.50 HR</b>	<b>\$224.55</b>	<b>\$3.90</b>	<b>\$7.16</b>	<b>\$0.46</b>	<b>\$5.49</b>	<b>\$241.56</b>
<b>POSTHARVEST OPERATIONS</b>								
SHREDDER	80 HP	0.29 HR		\$2.26	\$4.15	\$0.32	\$3.70	\$10.43
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$2.26</b>	<b>\$4.15</b>	<b>\$0.32</b>	<b>\$3.70</b>	<b>\$10.43</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.83 HR		\$6.47				\$6.47
EMPLOYEE BENEFITS				\$7.94				\$7.94
INSURANCE			\$0.88					\$0.88
LAND TAXES							\$2.44	\$2.44
SUPERVISION AND MANGEMENT				\$65.67				\$65.67
OTHER EXPENSES			\$194.60					\$194.60
<b>SUBTOTAL</b>		<b>0.83 HR</b>	<b>\$195.48</b>	<b>\$80.08</b>			<b>\$2.44</b>	<b>\$277.99</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>6.57 HR</b>	<b>\$767.86</b>	<b>\$124.18</b>	<b>\$53.16</b>	<b>\$16.81</b>	<b>\$67.81</b>	<b>\$1,029.81</b>
<b>NET OPERATING PROFIT</b>								<b>(\$147.55)</b>
INTEREST ON OPERATING CAPITAL		( \$180.14 @ 5.50% )						\$9.91
INTEREST ON EQUIPMENT INVESTMENT								\$30.32
<b>RETURN TO LAND AND RISK</b>								<b>(\$187.78)</b>

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

**BUDGET SUMMARY**

GROSS RETURN	\$882.26	
VARIABLE OPERATING EXPENSES	\$837.83	
RETURN OVER VARIABLE EXPENSES	\$44.43	(GROSS MARGIN)
FIXED EXPENSES	\$67.81	
NET FARM INCOME	(\$23.37)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$124.18	
NET OPERATING PROFIT	(\$147.55)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$40.23	
RETURN TO LAND AND RISK	(\$187.78)	

TABLE 11. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,  
2019  
Planting dates: April 15 - May 15  
Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE						TOTAL
<b>GROSS RETURNS</b>									
COTTON LINT	\$0.68	750 LBS							\$510.00
COTTON SEED	\$0.08	1,200 LBS							\$100.80
PROGRAM PAYMENT	\$0.0000	750 LBS	0.85						\$0.00
PLC PAYMENT	\$0.3670	750 LBS	0.85						\$233.96
<b>TOTAL</b>									<b>\$844.76</b>
<b>PURCHASED INPUTS</b>									
	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$8.10	20 LBS	\$162.00						\$162.00
NITROGEN (N)	\$0.42	20 LBS	\$8.40						\$8.40
PHOSPHATE (P205)	\$0.49	40 LBS	\$19.60						\$19.60
HERBICIDE	\$13.22	1 X/ACRE	\$13.22						\$13.22
INSECTICIDE (CUSTOM)	\$25.95	2 X/ACRE	\$51.89						\$51.89
CROP INSURANCE		FCIC	\$9.65						\$9.65
CANAL WATER		22 AC. IN.	\$69.00						\$69.00
PUMP WATER*		0 AC. IN.							\$0.00
<b>SUBTOTAL</b>			<b>\$333.77</b>						<b>\$333.77</b>
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	145 HP	0.67 HR		\$5.23	\$14.65	\$5.44	\$12.45	\$37.76	
DISC	145 HP	0.17 HR		\$1.33	\$3.72	\$1.15	\$3.07	\$9.26	
DRAG	96 HP	0.17 HR		\$1.33	\$2.43	\$0.15	\$0.92	\$4.83	
DISC & SPRAY	145 HP	0.20 HR		\$1.56	\$4.37	\$1.35	\$3.61	\$10.89	
LISTER	96 HP	0.18 HR		\$1.40	\$2.58	\$0.52	\$4.09	\$8.59	
FERTILIZE	DEALER APPLIED								
PRE-IRRIGATE		0.75 HR		\$5.63	\$0.00	\$0.00	\$0.00	\$5.63	
ROLLING CULTIVATOR	96 HP	0.21 HR		\$1.64	\$3.01	\$0.71	\$5.42	\$10.77	
PLANTER	96 HP	0.26 HR		\$2.03	\$3.72	\$0.66	\$11.73	\$18.13	
CULTIVATOR (4X)	27 HP	0.84 HR		\$6.55	\$7.38	\$6.06	\$14.89	\$34.89	
IRRIGATE (2X)		1.00 HR		\$7.50	\$0.00	\$0.00	\$0.00	\$7.50	
<b>SUBTOTAL</b>		<b>4.45 HR</b>		<b>\$34.19</b>	<b>\$41.85</b>	<b>\$16.03</b>	<b>\$56.18</b>	<b>\$148.25</b>	
<b>HARVEST OPERATIONS</b>									
COTTON STRIPPER (CUSTOM)			\$134.55					\$134.55	
HAUL	96 HP	0.75 HR		\$5.85	\$10.73	\$0.70	\$8.23	\$25.51	
GIN COTTON (CUSTOM)			\$134.55					\$134.55	
<b>SUBTOTAL</b>		<b>0.75 HR</b>	<b>\$269.10</b>	<b>\$5.85</b>	<b>\$10.73</b>	<b>\$0.70</b>	<b>\$8.23</b>	<b>\$294.61</b>	
<b>POSTHARVEST OPERATIONS</b>									
SHREDDER	80 HP	0.29 HR		\$2.26	\$4.15	\$0.32	\$3.70	\$10.43	
<b>SUBTOTAL</b>		<b>0.29 HR</b>		<b>\$2.26</b>	<b>\$4.15</b>	<b>\$0.32</b>	<b>\$3.70</b>	<b>\$10.43</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.94 HR		\$7.29				\$7.29	
EMPLOYEE BENEFITS				\$7.61				\$7.61	
INSURANCE			\$0.85					\$0.85	
LAND TAXES						\$2.44		\$2.44	
SUPERVISION AND MANGEMENT				\$62.42				\$62.42	
OTHER EXPENSES			\$194.60					\$194.60	
<b>SUBTOTAL</b>		<b>0.94 HR</b>	<b>\$195.44</b>	<b>\$77.32</b>		<b>\$2.44</b>		<b>\$275.20</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>6.43 HR</b>	<b>\$798.31</b>	<b>\$119.62</b>	<b>\$56.73</b>	<b>\$17.05</b>	<b>\$70.55</b>	<b>\$1,062.26</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$217.50)</b>	
INTEREST ON OPERATING CAPITAL		( \$183.42 @ 5.50% )						\$10.09	
INTEREST ON EQUIPMENT INVESTMENT								\$31.25	
<b>RETURN TO LAND AND RISK</b>								<b>(\$258.84)</b>	
* Pump water costs are shown under irrigation in the preharvest operations section.									
<b>BUDGET SUMMARY</b>									
GROSS RETURN			\$844.76						
VARIABLE OPERATING EXPENSES	\$872.09								
RETURN OVER VARIABLE EXPENSES		(\$27.33)	(GROSS MARGIN)						
FIXED EXPENSES	\$70.55								
NET FARM INCOME		(\$97.88)	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$119.62								
NET OPERATING PROFIT		(\$217.50)	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$41.34								
<b>RETURN TO LAND AND RISK</b>		<b>(\$258.84)</b>							

TABLE 12. Red chile, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin,

Planting dates: April 1 - April 15		Harvesting dates: September 1 - October 30						
ITEM	PRICE	YIELD	TOTAL					
GROSS RETURNS								
RED CHILE	\$0.60	3,200 LBS	\$1,920.00					
<b>TOTAL</b>			<b>\$1,920.00</b>					
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST			TOTAL
SEED	18	8 LBS	\$144.00				\$144.00	
NITROGEN (N)	0.42	200 LBS	\$84.00				\$84.00	
PHOSPHATE (P205)	0.49	60 LBS	\$29.40				\$29.40	
HERBICIDE (CUSTOM)	31.0784	1 X/ACRE	\$31.08				\$31.08	
INSECTICIDE (CUSTOM)	44.48	1 X/ACRE	\$44.48				\$44.48	
CROP INSURANCE		40 DOLLARS	\$40.00				\$40.00	
CANAL WATER		48 AC. IN.	\$69.00				\$69.00	
<b>SUBTOTAL</b>			<b>\$441.96</b>				<b>\$441.96</b>	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.33	\$3.72	\$1.15	\$3.07	\$9.26
PLOW	145 HP	0.48 HR		\$3.74	\$10.49	\$3.89	\$8.92	\$27.05
DISC (2X)	145 HP	0.34 HR		\$2.65	\$7.43	\$2.29	\$6.14	\$18.52
FLOAT	96 HP	0.16 HR		\$1.25	\$2.29	\$0.15	\$0.86	\$4.55
FERTILIZER (CUSTOM)	DEALER APPLIED							
LISTER	145 HP	0.18 HR		\$1.40	\$3.93	\$1.07	\$5.58	\$11.99
PRE-IRRIGATE		0.05 HR		\$0.38	\$0.00	\$0.00	\$29.62	\$29.99
CULTIVATOR	96 HP	0.21 HR		\$1.64	\$3.01	\$1.49	\$3.48	\$9.62
PLANTER	96 HP	0.26 HR		\$2.03	\$3.72	\$0.66	\$11.73	\$18.13
CULTIVATOR (2X)	27 HP	0.42 HR		\$3.28	\$3.69	\$3.03	\$7.45	\$17.44
THIN & HOE (2X)			\$80.00					\$80.00
IRRIGATE (7X)		3.50 HR		\$26.25	\$0.00	\$0.00	\$0.00	\$26.25
<b>SUBTOTAL</b>		<b>5.60 HR</b>	<b>\$80.00</b>	<b>\$43.94</b>	<b>\$38.28</b>	<b>\$13.73</b>	<b>\$76.84</b>	<b>\$252.80</b>
HARVEST OPERATIONS								
HAND PICK			\$640.00					\$640.00
FIELD HAUL	96 HP	1.00 HR		\$7.80	\$14.31	\$0.93	\$18.75	\$41.79
HAUL (CUSTOM)			\$96.00					\$96.00
<b>SUBTOTAL</b>		<b>1.00 HR</b>	<b>\$736.00</b>	<b>\$7.80</b>	<b>\$14.31</b>	<b>\$0.93</b>	<b>\$18.75</b>	<b>\$777.79</b>
POSTHARVEST OPERATIONS								
SHREDDER	27 HP	0.29 HR		\$2.26	\$2.55	\$0.35	\$4.03	\$9.19
OVERHEAD EXPENSES								
DOWNTIME		0.88 HR		\$6.84				\$6.84
EMPLOYEE BENEFITS				\$7.91				\$7.91
INSURANCE			\$0.88					\$0.88
LAND TAXES						\$2.44		\$2.44
SUPERVISION AND MANGEMENT				\$108.73				\$108.73
OTHER EXPENSES			\$194.60					\$194.60
<b>SUBTOTAL</b>		<b>0.88 HR</b>	<b>\$195.48</b>	<b>\$123.48</b>		<b>\$2.44</b>		<b>\$321.39</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>7.77 HR</b>	<b>\$1,453.43</b>	<b>\$177.48</b>	<b>\$55.14</b>	<b>\$15.01</b>	<b>\$102.07</b>	<b>\$1,803.13</b>
<b>NET OPERATING PROFIT</b>								<b>\$116.87</b>
INTEREST ON OPERATING CAPITAL		( \$298.80 @ 5.50% )						\$16.43
INTEREST ON EQUIPMENT INVESTMENT								\$184.88
<b>RETURN TO LAND AND RISK</b>								<b>(\$84.44)</b>

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

BUDGET SUMMARY

GROSS RETURN		\$1,920.00	
VARIABLE OPERATING EXPENSES	\$1,523.58		
RETURN OVER VARIABLE EXPENSES		\$396.42	(GROSS MARGIN)
FIXED EXPENSES	\$102.07		
NET FARM INCOME		\$294.35	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$177.48		
NET OPERATING PROFIT		\$116.87	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$201.31		
RETURN TO LAND AND RISK		(\$84.44)	



TABLE 13. Summary of per acre costs and returns for a 200 acre farm with above average management, Carlsbad Basin, Eddy County, 2019

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	SUDAN	PICKER COTTON	STRIPPER COTTON	RED CHILE
		TONS	CWT	ACRE	LBS	LBS	CWT
PRIMARY YIELD		5.60	25.00	4.50	750.00	0.00	3,200.00
PRIMARY PRICE		\$185.00	\$6.22	\$160.00	\$0.73	\$0.00	\$0.60
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$233.96	\$0.00	\$0.00
SECOND INCOME		\$10.00	\$40.00	\$0.00	\$100.80	\$0.00	\$0.00
GROSS RETURN		\$1,046.00	\$195.50	\$720.00	\$882.26	\$0.00	\$1,920.00
CASH OPERATING EXPENSES							
SEED	\$76.25		\$44.10	\$20.50	\$162.00	\$0.00	\$144.00
FERTILIZER		\$60.20	\$16.80	\$134.40	\$28.00	\$0.00	\$113.40
CHEMICALS		\$53.76	\$14.11		\$68.01	\$0.00	\$75.56
CROP INSURANCE			\$11.76		\$0.82	\$0.00	\$40.00
OTHER PURCHASED INPUTS		\$67.32					
CANAL WATER	\$46.00	\$69.00	\$69.00	\$69.00	\$69.00	\$0.00	\$69.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$45.45	\$44.99	\$27.96	\$26.64	\$53.16	\$0.00	\$55.14
FUEL-IRRIGATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REPAIRS	\$13.19	\$6.76	\$8.36	\$7.96	\$16.81	\$0.00	\$15.01
CUSTOM CHARGES	\$73.33	\$53.76	\$22.48	\$24.48	\$244.55	\$0.00	\$816.00
LAND TAXES		\$2.44	\$2.44	\$2.44	\$2.44	\$0.00	\$2.44
OTHER EXPENSES	\$0.50	\$195.64	\$195.20	\$195.26	\$195.48	\$0.00	\$195.48
TOTAL CASH EXPENSES	\$254.72	\$553.86	\$412.20	\$456.20	\$840.27	\$0.00	\$1,526.02
RETURN OVER CASH EXPENSES	(\$254.72)	\$492.14	(\$216.70)	\$263.80	\$42.00	\$0.00	\$393.98
FIXED EXPENSES	\$77.82	\$136.49	\$32.26	\$31.18	\$65.37	\$0.00	\$99.63
TOTAL EXPENSES	\$332.54	\$690.35	\$444.47	\$487.38	\$905.64	\$0.00	\$1,625.65
NET FARM INCOME	(\$332.54)	\$355.65	(\$248.97)	\$232.62	(\$23.37)	\$0.00	\$294.35
LABOR AND MANAGEMENT COSTS	\$58.09	\$145.72	\$52.29	\$96.03	\$124.18	\$0.00	\$177.48
NET OPERATING PROFIT	(\$390.64)	\$209.93	(\$301.26)	\$136.58	(\$147.55)	\$0.00	\$116.87
CAPITAL COSTS							
INTEREST ON OPERATING CAPITAL		\$7.15	\$2.38	\$6.63	\$9.91	\$0.00	\$16.43
INTEREST ON EQUIPMENT INVESTMENT		\$23.28	\$14.26	\$13.68	\$30.32	\$0.00	\$184.88
TOTAL CAPITAL COSTS	\$0.00	\$30.43	\$16.64	\$20.31	\$40.23	\$0.00	\$201.31
RETURN TO LAND AND RISK	(\$390.64)	\$179.51	(\$317.89)	\$116.27	(\$187.78)	\$0.00	(\$84.44)

TABLE 14. Whole farm budget summary, Carlsbad Basin, Eddy County,  
2019

GROSS RETURNS		
ALFALFA HAY	100 ACRES	
CROP		\$103,600
GRAZING		\$1,000
BARLEY	4.25 ACRES	
CROP		\$661
PROGRAM PAYMENT		\$0
PLC PAYMENT		\$0
GRAZING		\$170
UPLAND COTTON	60.75 ACRES	
COTTON LINT		\$33,261
COTTON SEED		\$6,124
PROGRAM PAYMENT		\$0
PLC PAYMENT		\$14,213
STRIPPER COTTON	0 ACRES	
COTTON LINT		\$0
COTTON SEED		\$0
PROGRAM PAYMENT		\$0
PLC PAYMENT		\$0
SUDAN	10 ACRES	
GRAZING		\$7,200
RED CHILE	5 ACRES	
CROP		\$9,600
GROSS RETURN		\$175,828
CASH OPERATING EXPENSES		
SEED		\$12,860
FERTILIZER		\$9,703
CHEMICALS		\$9,945
CROP INSURANCE		\$300
OTHER PURCHASED INPUTS		\$6,732
CANAL WATER		\$13,570
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$9,525
FUEL-IRRIGATION		\$0
REPAIRS		\$2,218
CUSTOM CHARGES		\$26,241
LAND TAXES		\$438
OTHER EXPENSES		\$35,211
TOTAL CASH EXPENSES		\$126,745
RETURN OVER CASH EXPENSES		\$49,084
FIXED EXPENSES		\$11,897
TOTAL EXPENSES		\$138,641
NET FARM INCOME		\$37,187
LABOR AND MANAGEMENT COSTS		\$25,638
NET OPERATING PROFIT		\$11,549
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,475
INTEREST ON EQUIPMENT INVESTMENT		\$5,292
TOTAL CAPITAL COSTS		\$6,767
RETURN TO LAND AND RISK		\$4,782

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$750 /ACRE	\$282	4.46%
\$1,500 /ACRE	(\$4,218)	2.82%
\$2,250 /ACRE	(\$8,718)	2.07%
\$3,000 /ACRE	(\$13,218)	1.63%

\* 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)