

TABLE 1. Acreage Summary, Eddy County, Artesia Lake Arthur Area, Actual 2023

BUDGET AREA..... ARTESIA-LAKE ARTHUR AREA			
FARM SIZE.....500 ACRES			
IRRIGATION TYPE..... SPRINKLER			
NUMBER OF CROPS..... 6			
WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	57.00	42	2,394
ALFALFA	285.00	48	13,680
BARLEY	8.50	28	238
ARP	0.00		
FLEX IN PICKER COTTON	1.50	28	42
OAT HAY	8.00	28	224
PICKER COTTON	59.50	28	1,666
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
STRIPPER COTTON	59.50	28	1,666
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
TOTAL	500.00		20,498
ACRE FEE PER ACRE OF WATER RIGHTS			3.42

TABLE 2. Basic cost information for the Artesia-Lake Arthur area, Actual 2023

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$20.00
General & Irrigators	\$/hour	\$16.60
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.83
Phosphate (P ₂ O ₅)	\$/pound	\$2.00
Chemicals:		
Herbicide	\$/acre	\$0.00
Insecticide	\$/acre	\$0.00
Seed:		
Alfalfa	\$/pound	\$4.50
Cotton picker	\$/pound	\$8.45
stripper	\$/pound	\$8.45
Oats	\$/pound	\$0.56
Barley	\$/pound	\$0.38
Wire:		
Natural gas (service charge)	\$/MCF	\$2.71
Diesel fuel	\$/month	\$10.00
Gasoline	\$/gallon	\$4.33
Electricity	\$/gallon	\$2.60
LP Gas	cents/KwHr	9.79
	\$/gallon	\$4.00
Employee Liability Insurance	\$/\$/1,000 wages	\$0.72
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	0.00%
Financial Rates:		
Operating Capital Interest Rate	percent	7.25%
Land Interest Rate	percent	9.15%
Equipment Interest Rate	percent	8.25%
Real Interest Rate	percent	4.25%
Land Taxes	\$450.00 /acre (full value)	\$3.21
Personal Property Tax Rate - NR	\$/\$/1,000 (Assessed Value)	\$21.42
- R		\$19.14
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	5.75%
Field Crop-Equipment & General	\$/labor hour	3.00%
Vegetable Crop-Irrigation	\$/labor hour	\$0.00
Vegetable Crop-Equip. & General	\$/labor hour	\$0.00
Management Rate		
Field Crops	percent/GR	7.00%
Vegetable Crops	percent/TOE	0.00%

TABLE 3. Overhead cost information for the Artesia-Lake Arthur area, Actual 2023

Item			
Electricity (Domestic & Shop)	\$250.88	per month	\$3,010.56
Telephone	\$125.44	per month	\$1,505.28
Accounting & Legal			\$1,740.80
Misc. Supplies & Hand Tools			\$1,628.16
Pickup and Auto	miles	25,600 @ \$0.665 per mile	\$17,024.00
Insurance			
- general liability (non-employee)			\$1,944.32
- fire/theft			\$1,740.80
Property Taxes			
- non-planted land			\$0.00
- other than land & machinery			\$0.00
Building repairs and maintenance			\$1,469.44
Dues, fees, publications			\$448.00
Farmstead Equipment			\$190.72
		Total	\$30,702.08
		Total Per Planted Acre	\$69.30

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2023
Planting dates: March 15 - April 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$230.00	6.10 TONS (STACKED)						\$1,403.00
TOTAL							\$1,403.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$4.50	20 LBS	\$90.00					\$90.00
FERTILIZER (16-20-0)	\$0.43	200 LBS	\$86.00					\$86.00
HERBICIDE	\$0.00	1 ACRE	\$0.00					\$0.00
PUMP WATER*		42 AC. IN.						
SUBTOTAL			\$176.00					\$176.00
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$3.40	\$6.07	\$1.15	\$2.08	\$12.70
PLOW	145 HP	0.48 HR		\$9.60	\$17.14	\$4.28	\$7.07	\$38.09
FLOAT	70 HP	0.16 HR		\$3.20	\$4.22	\$0.15	\$0.72	\$8.29
PLANE (3X)	145 HP	0.57 HR		\$11.40	\$20.36	\$2.32	\$12.06	\$46.14
DISC (2X)	145 HP	0.34 HR		\$6.80	\$12.14	\$2.29	\$4.16	\$25.40
FLOAT (2X)	70 HP	0.32 HR		\$6.40	\$8.44	\$0.29	\$1.45	\$16.58
DRILL (2X)	70 HP	0.42 HR		\$8.40	\$11.07	\$0.82	\$8.35	\$28.65
IRRIGATE (6X)		1.50 HR		\$24.90	\$40.78	\$0.00	\$34.93	\$100.61
SUBTOTAL		3.96 HR		\$74.10	\$120.24	\$11.30	\$70.82	\$276.46
HARVEST OPERATIONS								
SWATHER (3X)	16 FT	0.33 HR		\$6.60	\$5.35	\$0.45	\$6.88	\$19.28
RAKE	40 HP	0.05 HR		\$1.00	\$0.49	\$0.07	\$0.38	\$1.94
BALER (3X)	145 HP	0.75 HR		\$15.00	\$26.79	\$3.13	\$8.06	\$52.98
BALEWAGON (3X)	SP	0.60 HR		\$12.00	\$12.09	\$13.39	\$4.26	\$41.74
SUBTOTAL		1.73 HR		\$34.60	\$44.72	\$17.05	\$19.57	\$115.94
OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$19.57				\$19.57
INSURANCE			\$0.08					\$0.08
SUPERVISION AND MANAGEMENT				\$98.42				\$98.42
SUBTOTAL		0.00 HR	\$0.08	\$117.99				\$118.07
TOTAL OPERATING EXPENSES		5.69 HR	\$176.08	\$226.69	\$164.96	\$28.35	\$90.40	\$686.47
NET OPERATING PROFIT								
							\$716.53	
INTEREST ON EQUIPMENT INVESTMENT							\$45.41	
RETURN TO LAND AND RISK							\$671.11	
BUDGET SUMMARY								
GROSS RETURN		\$1,403.00						
VARIABLE OPERATING EXPENSES	\$369.39							
RETURN OVER VARIABLE EXPENSES	\$1,033.61	(GROSS MARGIN)						
FIXED EXPENSES	\$90.40							
NET FARM INCOME	\$943.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$226.69							
NET OPERATING PROFIT	\$716.53	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$45.41							
RETURN TO LAND AND RISK	\$671.11							

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2023
Harvesting Dates: May 5 - November 1

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$301.00	6.10 TONS (STACKED)	\$1,836.10
GRAZING	\$40.00		\$40.00
TOTAL			\$1,876.10

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
INSECTICIDE (CUSTOM)	\$0.00	2 X/ACRE	\$0.00		\$0.00
HERBICIDE (CUSTOM)	\$0.00	1 X/ACRE	\$0.00		\$0.00
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25		\$5.25
FERTILIZER (5-26-30)	\$0.83	200 LBS	\$166.00		\$166.00
WIRE	\$2.60	52 LBS	\$135.92		\$135.92
DRYING AGENT (AGRI-DRY)	\$8.26	1 /TON	\$50.36		\$50.36
ESTABLISHMENT: Principal		5 YEARS		\$134.22	\$134.22
: Interest				\$26.44	\$26.44
PUMP WATER*		48 AC. IN.			
SUBTOTAL			\$357.53	\$160.66	\$518.19

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50 HR		\$24.90	\$46.61	\$0.00	\$39.92	\$111.43
SUBTOTAL		1.50 HR		\$24.90	\$46.61	\$0.00	\$39.92	\$111.43
HARVEST OPERATIONS								
SWATHER (5X)	16 FT SP	0.55 HR		\$11.00	\$8.92	\$0.76	\$11.46	\$32.13
RAKE (5X)	40 HP	0.25 HR		\$5.00	\$2.43	\$0.36	\$1.90	\$9.70
BALER (5X)	96 HP	1.25 HR		\$25.00	\$32.96	\$1.40	\$3.78	\$63.14
BALE WAGON (5X)	SP	1.00 HR		\$20.00	\$20.16	\$22.32	\$7.10	\$69.57
SUBTOTAL		3.05 HR		\$61.00	\$64.46	\$24.83	\$24.24	\$174.53
OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$15.46				\$15.46
INSURANCE			\$0.06					\$0.06
LAND TAXES							\$3.21	\$3.21
SUPERVISION AND MANAGEMENT				\$131.50				\$131.50
OTHER EXPENSES			\$69.30					\$69.30
SUBTOTAL		0.00 HR	\$69.37	\$146.97			\$3.21	\$219.55
TOTAL OPERATING EXPENSES		4.55 HR	\$426.90	\$232.87	\$111.07	\$24.83	\$228.03	\$1,023.70
NET OPERATING PROFIT								\$852.40
INTEREST ON OPERATING CAPITAL		(\$197.86 @ 7.25%)						\$14.34
INTEREST ON EQUIPMENT INVESTMENT								\$23.31
RETURN TO LAND AND RISK								\$814.75

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

BUDGET SUMMARY

GROSS RETURN		\$1,876.10	
VARIABLE OPERATING EXPENSES	\$562.81		
RETURN OVER VARIABLE EXPENSES	\$1,313.29		(GROSS MARGIN)
FIXED EXPENSES	\$228.03		
NET FARM INCOME	\$1,085.27		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$232.87		
NET OPERATING PROFIT	\$852.40		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$37.65		
RETURN TO LAND AND RISK		\$814.75	

TABLE 8. Barley, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2023
 Planting dates: August 20 - September 30
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD		TOTAL
GROSS RETURNS				
BARLEY	\$12.69	35.00 CWT		\$444.15
DIRECT PAYMENT	\$0.00	35.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	35.00 CWT	0.85	\$0.00
GRAZING	\$40.00			\$40.00
TOTAL				\$484.15

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.38	110 LBS	\$41.80		\$41.80
NITROGEN (N)	\$0.83	150 LBS	\$124.50		\$124.50
INSECTICIDE (CUSTOM)	\$0.00	1 X/ACRE	\$0.00		\$0.00
PUMP WATER*		28 AC. IN.			
CROP INSURANCE	\$5.88		\$5.88		\$5.88
SUBTOTAL			\$172.18		\$172.18

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$9.60	\$17.14	\$4.28	\$7.07	\$38.09
DISC (2X)	145 HP	0.34 HR		\$6.80	\$12.14	\$2.29	\$4.16	\$25.40
FERTILIZE	DEALER APPLIED							
DRILL	70 HP	0.21 HR		\$4.20	\$5.54	\$0.41	\$4.18	\$14.32
IRRIGATE (4X)		1.00 HR		\$16.60	\$27.19	\$0.00	\$23.28	\$67.07
SUBTOTAL		2.03 HR		\$37.20	\$62.02	\$6.99	\$38.69	\$144.89

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$17.91					\$17.91
HAUL (CUSTOM)			\$7.00					\$7.00
SUBTOTAL			\$24.91					\$24.91

OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$6.70				\$6.70
INSURANCE			\$0.03					\$0.03
LAND TAXES							\$3.21	\$3.21
SUPERVISION AND MANAGEMENT				\$33.98				\$33.98
OTHER EXPENSES			\$69.30					\$69.30
SUBTOTAL		0.00 HR	\$69.33	\$40.67			\$3.21	\$113.22

TOTAL OPERATING EXPENSES 2.03 HR \$266.42 \$77.87 \$62.02 \$6.99 \$41.90 \$455.20

NET OPERATING PROFIT \$28.95

INTEREST ON OPERATING CAPITAL (\$105.42 @ 7.25%) \$7.64
 INTEREST ON EQUIPMENT INVESTMENT \$13.03

RETURN TO LAND AND RISK \$8.27

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

BUDGET SUMMARY

GROSS RETURN		\$484.15	
VARIABLE OPERATING EXPENSES	\$335.43		
RETURN OVER VARIABLE EXPENSES		\$148.72	(GROSS MARGIN)
FIXED EXPENSES	\$41.90		
NET FARM INCOME		\$106.82	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$77.87		
NET OPERATING PROFIT		\$28.95	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$20.68		
RETURN TO LAND AND RISK		\$8.27	

TABLE 9. Oat hay, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2023
 Planting dates: February 1 - February 28
 Harvesting Dates: June 1 - June 30

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
OAT HAY	\$245.00	3.50 TONS (STACKED)						\$857.50	
TOTAL								\$857.50	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST		TOTAL	
SEED	\$0.56	100 LBS		\$56.00			\$56.00		
FERTILIZER (16-20-0)	\$2.00	150 LBS		\$300.00			\$300.00		
PUMP WATER*		28 AC. IN.							
SUBTOTAL				\$356.00			\$356.00		
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	145 HP	0.48 HR		\$9.60	\$17.14	\$4.28	\$7.07	\$38.09	
DISC (2X)	145 HP	0.34 HR		\$6.80	\$12.14	\$2.29	\$4.16	\$25.40	
DRILL	70 HP	0.21 HR		\$4.20	\$5.54	\$0.41	\$4.18	\$14.32	
IRRIGATE (4X)		1.00 HR		\$16.60	\$27.19	\$0.00	\$23.28	\$67.07	
SUBTOTAL		2.03 HR		\$37.20	\$62.02	\$6.99	\$38.69	\$144.89	
HARVEST OPERATIONS									
SWATHER	14 FT	0.16 HR		\$3.20	\$2.59	\$0.22	\$3.33	\$9.35	
BALER	145 HP	0.25 HR		\$5.00	\$8.93	\$1.04	\$2.69	\$17.66	
BALE WAGON	S. P.	0.20 HR		\$4.00	\$4.03	\$4.46	\$1.42	\$13.91	
SUBTOTAL		0.61 HR		\$12.20	\$15.55	\$5.73	\$7.44	\$40.92	
OVERHEAD EXPENSES									
DOWNTIME		0.00 HR		\$0.00				\$0.00	
EMPLOYEE BENEFITS				\$8.89				\$8.89	
INSURANCE				\$0.04				\$0.04	
LAND TAXES							\$3.21	\$3.21	
SUPERVISION AND MANAGEMENT				\$60.13				\$60.13	
OTHER EXPENSES				\$69.30				\$69.30	
SUBTOTAL		0.00 HR		\$69.34	\$69.02		\$3.21	\$141.58	
TOTAL OPERATING EXPENSES		2.64 HR		\$425.34	\$118.42	\$77.57	\$12.71	\$49.34	\$683.39
NET OPERATING PROFIT								\$174.11	
INTEREST ON OPERATING CAPITAL		(\$197.02 @	7.25%)				\$14.28	
INTEREST ON EQUIPMENT INVESTMENT								\$19.17	
RETURN TO LAND AND RISK								\$140.65	

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

BUDGET SUMMARY

GROSS RETURN		\$857.50	
VARIABLE OPERATING EXPENSES	\$515.63		
RETURN OVER VARIABLE EXPENSES	\$341.87		(GROSS MARGIN)
FIXED EXPENSES	\$49.34		
NET FARM INCOME	\$292.53		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$118.42		
NET OPERATING PROFIT	\$174.11		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.46		
RETURN TO LAND AND RISK	\$140.65		

TABLE 10. Upland cotton (picker), sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2023
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE						TOTAL		
GROSS RETURNS											
COTTON LINT	\$0.93	1,328 LBS							\$1,235.04		
COTTON SEED	\$0.08	2,124.80 LBS							\$178.48		
DIRECT PAYMENT	\$0.0000	1,328 LBS	0.85						\$0.00		
COUNTER CYCLICAL PAYMENT	\$0.3670	700 LBS	0.85						\$218.37		
TOTAL									\$1,631.89		
PURCHASED INPUTS											
	PRICE	QUANTITY	PURCHASED INPUTS						FIXED COST	TOTAL	
SEED	\$8.45	15 LBS	\$126.75							\$126.75	
FOLIAR FERTILIZER	\$4.80	1 X/ACRE	\$4.80							\$4.80	
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25							\$5.25	
HERBICIDE (CUSTOM)	\$0.00	1 X/ACRE	\$0.00							\$0.00	
INSECTICIDE (CUSTOM)	\$0.00	3 X/ACRE	\$0.00							\$0.00	
CROP INSURANCE			\$1.64							\$1.64	
PUMP WATER*		28 AC. IN.									
SUBTOTAL			\$138.44							\$138.44	
PREHARVEST OPERATIONS											
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL			
DISC	145 HP	0.17 HR		\$3.40	\$6.07	\$1.15	\$2.08	\$12.70			
PLOW	145 HP	0.48 HR		\$9.60	\$17.14	\$4.28	\$7.07	\$38.09			
DISC (2X)	145 HP	0.34 HR		\$6.80	\$12.14	\$2.29	\$4.16	\$25.40			
FLOAT	145 HP	0.16 HR		\$3.20	\$5.71	\$0.64	\$1.69	\$11.24			
PRE-IRRIGATE		0.25 HR		\$4.15	\$6.80	\$0.00	\$5.82	\$16.77			
CULTIVATOR	65 HP	0.21 HR		\$4.20	\$2.65	\$1.56	\$1.75	\$10.17			
PLANTER	70 HP	0.26 HR		\$5.20	\$6.86	\$0.66	\$5.83	\$18.54			
SLED	70 HP	0.15 HR		\$3.00	\$3.96	\$0.20	\$0.86	\$8.02			
CULTIVATOR (3X)	65 HP	0.63 HR		\$12.60	\$7.96	\$4.69	\$5.25	\$30.51			
HAND HOE (CUSTOM)			\$20.00						\$20.00		
IRRIGATE (3X)		0.75 HR		\$12.45	\$20.39	\$0.00	\$17.46	\$50.31			
SUBTOTAL		3.40 HR	\$20.00	\$64.60	\$89.70	\$15.48	\$51.97	\$241.74			
HARVEST OPERATIONS											
COTTON PICKER (2X)	2-ROW	0.74 HR		\$14.80	\$19.38	\$11.56	\$167.20	\$212.93			
HAUL (2X)	65 HP	1.00 HR		\$20.00	\$12.64	\$1.28	\$6.57	\$40.49			
GIN COTTON (CUSTOM)			\$197.87						\$197.87		
SUBTOTAL		1.74 HR	\$197.87	\$34.80	\$32.02	\$12.83	\$173.77	\$451.30			
POSTHARVEST OPERATIONS											
SHREDDER	70 HP	0.14 HR		\$2.80	\$3.69	\$0.18	\$2.94	\$9.61			
SUBTOTAL		0.14 HR		\$2.80	\$3.69	\$0.18	\$2.94	\$9.61			
OVERHEAD EXPENSES											
DOWNTIME		0.00 HR		\$0.00						\$0.00	
EMPLOYEE BENEFITS				\$18.40						\$18.40	
INSURANCE			\$0.07						\$0.07		
LAND TAXES									\$3.21		
SUPERVISION AND MANAGEMENT				\$114.41						\$114.41	
OTHER EXPENSES			\$69.30						\$69.30		
SUBTOTAL		0.00 HR	\$69.38	\$132.81						\$3.21	\$205.40
TOTAL OPERATING EXPENSES		5.28 HR	\$425.69	\$235.01	\$125.41	\$28.50	\$231.89	\$1,046.49			
NET OPERATING PROFIT									\$585.40		
INTEREST ON OPERATING CAPITAL		(\$100.22 @	7.25%)	\$7.27	
INTEREST ON EQUIPMENT INVESTMENT										\$127.87	
RETURN TO LAND AND RISK									\$450.26		

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

BUDGET SUMMARY

GROSS RETURN		#####	
VARIABLE OPERATING EXPENSES	\$579.60		
RETURN OVER VARIABLE EXPENSES		#####	(GROSS MARGIN)
FIXED EXPENSES	\$231.89		
NET FARM INCOME		\$820.41	(RETURN TO CAPITAL, LABOR, LAND & RISK)
aes	\$235.01		
NET OPERATING PROFIT		\$585.40	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$135.13		
RETURN TO LAND AND RISK		\$450.26	

TABLE 11. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2023
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.93	1,228 LBS		\$1,142.04
COTTON SEED	\$0.08	1,965 LBS		\$165.04
DIRECT PAYMENT	\$0.0000	1,228 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.3670	700 LBS	0.85	\$218.37
TOTAL				\$1,525.45

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$8.45	20 LBS	\$169.00		\$169.00
FOLIAR FERTILIZER	\$4.80	1 X/ACRE	\$4.80		\$4.80
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25		\$5.25
HERBICIDE (CUSTOM)	\$0.00	1 X/ACRE	\$0.00		\$0.00
INSECTICIDE (CUSTOM)	\$0.00	3 X/ACRE	\$0.00		\$0.00
CROP INSURANCE		FCIC	\$1.19		\$1.19
PUMP WATER*		28 AC. IN.			
SUBTOTAL			\$180.24		\$180.24

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$3.40	\$6.07	\$1.15	\$2.08	\$12.70
PLOW	145 HP	0.48 HR		\$9.60	\$17.14	\$4.28	\$7.07	\$38.09
DISC (2X)	145 HP	0.34 HR		\$6.80	\$12.14	\$2.29	\$4.16	\$25.40
FLOAT	145 HP	0.16 HR		\$3.20	\$5.71	\$0.64	\$1.69	\$11.24
PRE-IRRIGATE		0.25 HR		\$4.15	\$6.80	\$0.00	\$5.82	\$16.77
CULTIVATOR	65 HP	0.21 HR		\$4.20	\$2.65	\$1.56	\$1.75	\$10.17
PLANTER	70 HP	0.26 HR		\$5.20	\$6.86	\$0.66	\$5.83	\$18.54
SLED	70 HP	0.15 HR		\$3.00	\$3.96	\$0.20	\$0.86	\$8.02
CULTIVATOR (3X)	65 HP	0.63 HR		\$12.60	\$7.96	\$4.69	\$5.25	\$30.51
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$12.45	\$20.39	\$0.00	\$17.46	\$50.31
SUBTOTAL		3.40 HR	\$20.00	\$64.60	\$89.70	\$15.48	\$51.97	\$241.74
HARVEST OPERATIONS								
COTTON STRIPPER	70 HP	0.62 HR		\$12.40	\$16.35	\$1.13	\$15.60	\$45.47
HAUL	65 HP	0.75 HR		\$15.00	\$9.48	\$0.96	\$4.93	\$30.37
GIN COTTON (CUSTOM)			\$236.64					\$236.64
SUBTOTAL		1.37 HR	\$236.64	\$27.40	\$25.83	\$2.09	\$20.53	\$312.48
POSTHARVEST OPERATIONS								
SHREDDER	70 HP	0.14 HR		\$0.56	\$3.69	\$0.18	\$2.94	\$7.37
SUBTOTAL		0.14 HR		\$0.56	\$3.69	\$0.18	\$2.94	\$7.37
OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$16.66				\$16.66
INSURANCE			\$0.07					\$0.07
LAND TAXES							\$3.21	\$3.21
SUPERVISION AND MANAGEMENT				\$106.94				\$106.94
OTHER EXPENSES			\$69.30					\$69.30
SUBTOTAL		0.00 HR	\$69.37	\$123.60			\$3.21	\$196.18
TOTAL OPERATING EXPENSES		4.91 HR	\$506.25	\$216.16	\$119.22	\$17.75	\$78.64	\$938.02
NET OPERATING PROFIT								\$587.43
INTEREST ON OPERATING CAPITAL		(\$119.71 @	7.25%)				\$8.68
INTEREST ON EQUIPMENT INVESTMENT								\$38.91
RETURN TO LAND AND RISK								\$539.84

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

BUDGET SUMMARY

GROSS RETURN		#####	
VARIABLE OPERATING EXPENSES	\$643.21		
RETURN OVER VARIABLE EXPENSES	\$882.24	(GROSS MARGIN)	
FIXED EXPENSES	\$78.64		
NET FARM INCOME	\$803.59	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$216.16		
NET OPERATING PROFIT	\$587.43	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$47.59		
RETURN TO LAND AND RISK	\$539.84		

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area,
Actual 2023

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON
	TONS	TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD	6.10	6.10	35.00	3.50	1,328.00	1,228.00
PRIMARY PRICE	\$230.00	\$301.00	\$12.69	\$245.00	\$0.93	\$0.93
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$218.37	\$218.37
SECOND INCOME	\$0.00	\$40.00	\$40.00	\$0.00	\$178.48	\$165.04
GROSS RETURN	\$1,403.00	\$1,876.10	\$484.15	\$857.50	\$1,631.89	\$1,525.45
CASH OPERATING EXPENSES						
SEED	\$90.00		\$41.80	\$56.00	\$126.75	\$169.00
FERTILIZER	\$86.00	\$166.00	\$124.50	\$300.00	\$4.80	\$4.80
CHEMICALS	\$0.00	\$5.25	\$0.00		\$5.25	\$5.25
CROP INSURANCE			\$5.88		\$1.64	\$1.19
OTHER PURCHASED INPUTS		\$186.28				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$124.17	\$64.46	\$34.83	\$50.38	\$98.22	\$92.03
FUEL-IRRIGATION	\$40.78	\$46.61	\$27.19	\$27.19	\$27.19	\$27.19
REPAIRS	\$28.35	\$24.83	\$6.99	\$12.71	\$28.50	\$17.75
CUSTOM CHARGES			\$24.91		\$217.87	\$256.64
LAND TAXES		\$3.21	\$3.21	\$3.21	\$3.21	\$3.21
OTHER EXPENSES	\$0.08	\$69.37	\$69.33	\$69.34	\$69.38	\$69.37
TOTAL CASH EXPENSES	\$369.39	\$566.02	\$338.64	\$518.84	\$582.81	\$646.43
RETURN OVER CASH EXPENSES	\$1,033.61	\$1,310.08	\$145.51	\$338.66	\$1,049.08	\$879.02
FIXED EXPENSES	\$90.40	\$224.81	\$38.69	\$46.13	\$228.67	\$75.43
TOTAL EXPENSES	\$459.79	\$790.83	\$377.33	\$564.97	\$811.48	\$721.86
NET FARM INCOME	\$943.21	\$1,085.27	\$106.82	\$292.53	\$820.41	\$803.59
LABOR AND MANAGEMENT COSTS	\$226.69	\$232.87	\$77.87	\$118.42	\$235.01	\$216.16
NET OPERATING PROFIT	\$716.53	\$852.40	\$28.95	\$174.11	\$585.40	\$587.43
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$14.34	\$7.64	\$14.28	\$7.27	\$8.68
INTEREST ON EQUIPMENT INVESTMENT	\$45.41	\$23.31	\$13.03	\$19.17	\$127.87	\$38.91
TOTAL CAPITAL COSTS	\$45.41	\$37.65	\$20.68	\$33.46	\$135.13	\$47.59
RETURN TO LAND AND RISK	\$671.11	\$814.75	\$8.27	\$140.65	\$450.26	\$539.84

Flex Computation 59.992492 205.9531 806.80401 654.18501

TABLE 13. Whole farm summary, Artesia-Lake Arthur area,
Actual 2023

GROSS RETURNS		
ALFALFA HAY	342 ACRES	\$614,660
CROP		\$11,400
GRAZING		
BARLEY	8.5 ACRES	\$3,775
CROP		\$0
DIRECT PAYMENTS		\$0
COUNTER CYCLICAL PAYMENT		\$340
GRAZING		
OAT HAY	8 ACRES	\$6,860
CROP		
PICKER COTTON	82 ACRES	\$101,273
COTTON LINT		\$14,636
COTTON SEED		\$0
DIRECT PAYMENTS		\$17,906
COUNTER CYCLICAL PAYMENT		
STRIPPER COTTON	59.5 ACRES	\$67,951
COTTON LINT		\$9,820
COTTON SEED		\$0
DIRECT PAYMENTS		\$12,993
COUNTER CYCLICAL PAYMENT		
		\$861,614
GROSS RETURN		
CASH OPERATING EXPENSES		
SEED		\$26,382
FERTILIZER		\$56,349
CHEMICALS		\$2,239
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$53,090
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$39,678
FUEL-IRRIGATION		\$19,905
REPAIRS		\$12,248
CUSTOM CHARGES		\$33,347
LAND TAXES		\$1,423
OTHER EXPENSES		\$30,735
		\$275,547
TOTAL CASH EXPENSES		\$586,067
RETURN OVER CASH EXPENSES		\$54,908
FIXED EXPENSES		\$330,455
TOTAL EXPENSES		\$531,159
NET FARM INCOME		\$113,030
LABOR AND MANAGEMENT COSTS		\$418,129
NET OPERATING PROFIT		
CAPITAL COSTS		\$5,380
INTEREST ON OPERATING CAPITAL		\$22,296
INTEREST ON EQUIPMENT INVESTMENT		
		\$27,676
TOTAL CAPITAL COSTS		
RETURN TO LAND AND RISK		\$390,453

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$369,203	50.96%
\$2,500 /ACRE	\$337,328	26.62%
\$4,000 /ACRE	\$305,453	18.02%
\$5,500 /ACRE	\$273,578	13.62%

* 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)