TABLE 1. Acreage Summary, Eddy County, Artesia Lake Arthur Area, Actual 2024

BUDGET AREA..... ARTESIA-LAKE ARTHUR AREA
FARM SIZE..... 500 ACRES
IRRIGATION TYPE..... SPRINKLER
NUMBER OF CROPS..... 6

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE AC.IN. PER AC.	WATER USE 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 2024

Item				
Labor Wage Rate:				
Equipment operators		$/hour		$20.00
General & Irrigators		$/hour		$16.77
Purchased Inputs:				
Fertilizer:				
Nitrogen (N)		$/pound		$0.35
Phosphate (P_2O_5)		$/pound		$0.48
Chemicals:				
Herbicide		$/acre		$0.00
Insecticide		$/acre		$0.00
Seed:				
Alfalfa		$/pound		$4.12
Cotton				
picker		$/pound		$8.45
stripper		$/pound		$8.45
Oats		$/pound		$0.70
Barley		$/pound		$0.38
Wire:		$/pound		$2.60
Natural gas		$/MCF		$2.52
(service charge)		$/month		$10.00
Diesel fuel		$/gallon		$3.98
Gasoline		$/gallon		$3.12
Electricity		cents/KwHr		12.08
LP Gas		$/gallon		$4.00
Employee Liability Insurance		$/$1,000 wages		$0.72
Employee Benefits		percent/wages		18.00%
Labor Downtime		percent		25.00%
Financial Rates:				
Operating Capital Interest Rate		percent		9.25%
Land Interest Rate		percent		8.15%
Equipment Interest Rate		percent		7.15%
Real Interest Rate		percent		1.82%
Land Taxes	$450.00	/acre (full value)		$3.21
Personal Property Tax Rate - NR		$/$1,000	(Assessed	$21.42
- R			Value)	$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 2024

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	@	$0.700	per mile	$17,920.00
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	$31,598.08
			Total Per Planted Acre		$71.33

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 2024

Planting dates: March 15 - April 30

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	$247.50	6.10 TONS (STACKED)	$1,509.75
TOTAL			$1,509.75

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	$4.12	20 LBS	$82.40		$82.40
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			$168.40		$168.40

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		$3.40	$5.58	$1.15	$2.08	$12.21
PLOW	145 HP	0.48 HR		$9.60	$15.76	$4.28	$7.07	$36.71
FLOAT	70 HP	0.16 HR		$3.20	$3.88	$0.15	$0.72	$7.95
PLANE (3X)	145 HP	0.57 HR		$11.40	$18.71	$2.32	$12.06	$44.50
DISC (2X)	145 HP	0.34 HR		$6.80	$11.16	$2.29	$4.16	$24.42
FLOAT (2X)	70 HP	0.32 HR		$6.40	$7.76	$0.29	$1.45	$15.90
DRILL (2X)	70 HP	0.42 HR		$8.40	$10.18	$0.82	$8.35	$27.75
IRRIGATE (6X)		1.50 HR		$25.16	$38.09	$0.00	$34.93	$98.17
SUBTOTAL		3.96 HR		$74.36	$111.12	$11.30	$70.82	$267.60
HARVEST OPERATIONS								
SWATHER (3X)	16 FT	0.33 HR		$6.60	$4.92	$0.45	$6.88	$18.85
RAKE	40 HP	0.05 HR		$1.00	$0.58	$0.07	$0.38	$2.04
BALER (3X)	145 HP	0.75 HR		$15.00	$24.62	$3.13	$8.06	$50.82
BALEWAGON (3X)	SP	0.60 HR		$12.00	$14.51	$13.39	$4.26	$44.16
SUBTOTAL		1.73 HR		$34.60	$44.64	$17.05	$19.57	$115.86
OVERHEAD EXPENSES								
DOWNTIME		1.05 HR		$20.95				$20.95
EMPLOYEE BENEFITS				$19.61				$19.61
INSURANCE			$0.08					$0.08
SUPERVISION AND MANAGEMENT				$105.89				$105.89
SUBTOTAL		1.05 HR	$0.08	$146.46				$146.53
TOTAL OPERATING EXPENSES		6.74 HR	$168.48	$255.41	$155.75	$28.35	$90.40	$698.39
NET OPERATING PROFIT								$811.36
INTEREST ON EQUIPMENT INVESTMENT								$39.36
RETURN TO LAND AND RISK								$772.00

BUDGET SUMMARY

GROSS RETURN		$1,509.75	
VARIABLE OPERATING EXPENSES	$352.58		
RETURN OVER VARIABLE EXPENSES		$1,157.17	(GROSS MARGIN)
FIXED EXPENSES	$90.40		
NET FARM INCOME		$1,066.77	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$255.41		
NET OPERATING PROFIT		$811.36	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$39.36		
RETURN TO LAND AND RISK		$772.00	

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm withabove average management, Artesia-Lake Arthur area, Actual 2024

Harvesting Dates: May 5 - November 1

ITEM	PRICE	YIELD		TOTAL
GROSS RETURNS				
ALFALFA HAY	$250.00	6.10	TONS (STACKED)	$1,525.00
GRAZING	$40.00			$40.00
TOTAL				$1,565.00

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)	$0.35	200	LBS	$70.00		$70.00
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		$154.40	$154.40
: Interest					$40.05	$40.05
PUMP WATER*		48	AC. IN.			
SUBTOTAL				$261.53	$194.45	$455.98

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50	HR		$25.16	$43.53	$0.00	$39.92	$108.60
SUBTOTAL		1.50	HR		$25.16	$43.53	$0.00	$39.92	$108.60
HARVEST OPERATIONS									
SWATHER (5X)	16 FT SP	0.55	HR		$11.00	$8.20	$0.76	$11.46	$31.41
RAKE (5X)	40 HP	0.25	HR		$5.00	$2.92	$0.36	$1.90	$10.18
BALER (5X)	96 HP	1.25	HR		$25.00	$30.30	$1.40	$3.78	$60.47
BALE WAGON (5X)	SP	1.00	HR		$20.00	$24.19	$22.32	$7.10	$73.60
SUBTOTAL		3.05	HR		$61.00	$65.59	$24.83	$24.24	$175.67
OVERHEAD EXPENSES									
DOWNTIME		0.70	HR		$14.00				$14.00
EMPLOYEE BENEFITS					$15.51				$15.51
INSURANCE				$0.06					$0.06
LAND TAXES								$3.21	$3.21
SUPERVISION AND MANAGEMENT					$109.73				$109.73
OTHER EXPENSES				$71.33					$71.33
SUBTOTAL		0.70	HR	$71.39	$139.24			$3.21	$213.84
TOTAL OPERATING EXPENSES		5.25	HR	$332.92	$225.39	$109.12	$24.83	$261.82	$954.08
NET OPERATING PROFIT									$610.92
INTEREST ON OPERATING CAPITAL		($149.18	@	9.25%)					$13.80
INTEREST ON EQUIPMENT INVESTMENT									$20.20
RETURN TO LAND AND RISK									$576.91

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

BUDGET SUMMARY

GROSS RETURN		$1,565.00	
VARIABLE OPERATING EXPENSES	$466.87		
RETURN OVER VARIABLE EXPENSES		$1,098.13	(GROSS MARGIN)
FIXED EXPENSES	$261.82		
NET FARM INCOME		$836.31	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$225.39		
NET OPERATING PROFIT		$610.92	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$34.00		
RETURN TO LAND AND RISK		$576.91	

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 2024

Planting dates: August 20 - September 30
Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD			TOTAL
GROSS RETURNS					
BARLEY	$15.39	35.00	CWT		$538.65
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					$578.65

PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS	FIXED COST	TOTAL
SEED	$0.38	110	LBS	$41.80		$41.80
NITROGEN (N)	$0.35	150	LBS	$52.50		$52.50
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				$100.18		$100.18

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48	HR		$9.60	$15.76	$4.28	$7.07	$36.71
DISC (2X)	145 HP	0.34	HR		$6.80	$11.16	$2.29	$4.16	$24.42
FERTILIZE	DEALER APPLIED								
DRILL	70 HP	0.21	HR		$4.20	$5.09	$0.41	$4.18	$13.88
IRRIGATE (4X)		1.00	HR		$16.77	$25.39	$0.00	$23.28	$65.44
SUBTOTAL		2.03	HR		$37.37	$57.40	$6.99	$38.69	$140.45
HARVEST OPERATIONS									
COMBINE (CUSTOM)				$17.91					$17.91
HAUL (CUSTOM)				$7.00					$7.00
SUBTOTAL				$24.91					$24.91
OVERHEAD EXPENSES									
DOWNTIME		0.26	HR		$5.15				$5.15
EMPLOYEE BENEFITS					$6.73				$6.73
INSURANCE				$0.03					$0.03
LAND TAXES								$3.21	$3.21
SUPERVISION AND MANAGEMENT					$40.59				$40.59
OTHER EXPENSES				$71.33					$71.33
SUBTOTAL		0.26	HR	$71.35	$52.47			$3.21	$127.04
TOTAL OPERATING EXPENSES		2.29	HR	$196.45	$89.84	$57.40	$6.99	$41.90	$392.58
NET OPERATING PROFIT									$186.07
INTEREST ON OPERATING CAPITAL		($68.26	@	9.25%)					$6.31
INTEREST ON EQUIPMENT INVESTMENT									$11.30
RETURN TO LAND AND RISK									$168.46

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

BUDGET SUMMARY

GROSS RETURN		$578.65	
VARIABLE OPERATING EXPENSES	$260.83		
RETURN OVER VARIABLE EXPENSES		$317.82	(GROSS MARGIN)
FIXED EXPENSES	$41.90		
NET FARM INCOME		$275.91	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$89.84		
NET OPERATING PROFIT		$186.07	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$17.61		
RETURN TO LAND AND RISK		$168.46	

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 2024

Planting dates: February 1 - February 28
Harvesting Dates: June 1 - June 30

ITEM	PRICE	YIELD		TOTAL
GROSS RETURNS				
OAT HAY	$185.00	3.50	TONS (STACKED)	$647.50
TOTAL				$647.50

PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS	FIXED COST	TOTAL
SEED	$0.70	100	LBS	$70.00		$70.00
FERTILIZER (16-20-0)	$0.48	150	LBS	$72.00		$72.00
PUMP WATER*		28	AC. IN.			
SUBTOTAL				$142.00		$142.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48	HR		$9.60	$15.76	$4.28	$7.07	$36.71
DISC (2X)	145 HP	0.34	HR		$6.80	$11.16	$2.29	$4.16	$24.42
DRILL	70 HP	0.21	HR		$4.20	$5.09	$0.41	$4.18	$13.88
IRRIGATE (4X)		1.00	HR		$16.77	$25.39	$0.00	$23.28	$65.44
SUBTOTAL		2.03	HR		$37.37	$57.40	$6.99	$38.69	$140.45
HARVEST OPERATIONS									
SWATHER	14 FT	0.16	HR		$3.20	$2.38	$0.22	$3.33	$9.14
BALER	145 HP	0.25	HR		$5.00	$8.21	$1.04	$2.69	$16.94
BALE WAGON	S. P.	0.20	HR		$4.00	$4.84	$4.46	$1.42	$14.72
SUBTOTAL		0.61	HR		$12.20	$15.43	$5.73	$7.44	$40.80
OVERHEAD EXPENSES									
DOWNTIME		0.41	HR		$8.20				$8.20
EMPLOYEE BENEFITS					$8.92				$8.92
INSURANCE				$0.04					$0.04
LAND TAXES								$3.21	$3.21
SUPERVISION AND MANAGEMENT					$45.43				$45.43
OTHER EXPENSES				$71.33					$71.33
SUBTOTAL		0.41	HR	$71.36	$62.55			$3.21	$137.13
TOTAL OPERATING EXPENSES		3.05	HR	$213.36	$112.12	$72.83	$12.71	$49.34	$460.37
NET OPERATING PROFIT									$187.13
INTEREST ON OPERATING CAPITAL		($88.86	@	9.25%)					$8.22
INTEREST ON EQUIPMENT INVESTMENT									$16.62
RETURN TO LAND AND RISK									$162.29

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

BUDGET SUMMARY

GROSS RETURN		$647.50	
VARIABLE OPERATING EXPENSES	$298.91		
RETURN OVER VARIABLE EXPENSES		$348.59	(GROSS MARGIN)
FIXED EXPENSES	$49.34		
NET FARM INCOME		$299.25	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$112.12		
NET OPERATING PROFIT		$187.13	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$24.84		
RETURN TO LAND AND RISK		$162.29	

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 2024

Planting dates: April 15 - May 15
Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	$0.70	1,328 LBS		$935.71
COTTON SEED	$0.08	2,124.80 LBS		$178.48
DIRECT PAYMENT	$0.0000	1,328 LBS	0.85	$0.00
COUNTER CYCLICAL PAYMENT	$0.3346	700 LBS	0.85	$199.09
TOTAL				$1,313.28

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	$5.58	$1.15	$2.08	$12.21
PLOW	145 HP	0.48 HR		$9.60	$15.76	$4.28	$7.07	$36.71
DISC (2X)	145 HP	0.34 HR		$6.80	$11.16	$2.29	$4.16	$24.42
FLOAT	145 HP	0.16 HR		$3.20	$5.25	$0.64	$1.69	$10.78
PRE-IRRIGATE		0.25 HR		$4.19	$6.35	$0.00	$5.82	$16.36
CULTIVATOR	65 HP	0.21 HR		$4.20	$3.19	$1.56	$1.75	$10.70
PLANTER	70 HP	0.26 HR		$5.20	$6.30	$0.66	$5.83	$17.98
SLED	70 HP	0.15 HR		$3.00	$3.64	$0.20	$0.86	$7.70
CULTIVATIR (3X)	65 HP	0.63 HR		$12.60	$9.56	$4.69	$5.25	$32.10
HAND HOE (CUSTOM)			$20.00					$20.00
IRRIGATE (3X)		0.75 HR		$12.58	$19.04	$0.00	$17.46	$49.08
SUBTOTAL		3.40 HR	$20.00	$64.77	$85.83	$15.48	$51.97	$238.04
HARVEST OPERATIONS								
COTTON PICKER (2X)	2-ROW	0.74 HR		$14.80	$17.81	$11.56	$167.20	$211.37
HAUL (2X)	65 HP	1.00 HR		$20.00	$15.17	$1.28	$6.57	$43.02
GIN COTTON (CUSTOM)			$197.87					$197.87
SUBTOTAL		1.74 HR	$197.87	$34.80	$32.98	$12.83	$173.77	$452.26
POSTHARVEST OPERATIONS								
SHREDDER	70 HP	0.14 HR		$2.80	$3.39	$0.18	$2.94	$9.31
SUBTOTAL		0.14 HR		$2.80	$3.39	$0.18	$2.94	$9.31
OVERHEAD EXPENSES								
DOWNTIME		1.03 HR		$20.65				$20.65
EMPLOYEE BENEFITS				$18.43				$18.43
INSURANCE			$0.07					$0.07
LAND TAXES							$3.21	$3.21
SUPERVISION AND MANAGEMENT				$92.11				$92.11
OTHER EXPENSES			$71.33					$71.33
SUBTOTAL		1.03 HR	$71.40	$131.19			$3.21	$205.80
TOTAL OPERATING EXPENSES		6.31 HR	$427.71	$233.56	$122.20	$28.50	$231.89	$1,043.86
NET OPERATING PROFIT								$269.42
INTEREST ON OPERATING CAPITAL		($99.26 @	9.25%)					$9.18
INTEREST ON EQUIPMENT INVESTMENT								$110.82
RETURN TO LAND AND RISK								$149.42

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

BUDGET SUMMARY

GROSS RETURN		#######	
VARIABLE OPERATING EXPENSES	$578.41		
RETURN OVER VARIABLE EXPENSES		$734.87	(GROSS MARGIN)
FIXED EXPENSES	$231.89		
NET FARM INCOME		$502.98	(RETURN TO CAPITAL, LABOR, LAND & RISK)
aes	$233.56		
NET OPERATING PROFIT		$269.42	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$120.00		
RETURN TO LAND AND RISK		$149.42	

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 2024

Planting dates: April 15 - May 15
Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	$0.70	1,228 LBS		$865.25
COTTON SEED	$0.08	1,965 LBS		$165.04
DIRECT PAYMENT	$0.0000	1,228 LBS	0.85	$0.00
COUNTER CYCLICAL PAYMENT	$0.3346	700 LBS	0.85	$199.09
TOTAL				$1,229.38

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	$5.58	$1.15	$2.08	$12.21
PLOW	145 HP	0.48 HR		$9.60	$15.76	$4.28	$7.07	$36.71
DISC (2X)	145 HP	0.34 HR		$6.80	$11.16	$2.29	$4.16	$24.42
FLOAT	145 HP	0.16 HR		$3.20	$5.25	$0.64	$1.69	$10.78
PRE-IRRIGATE		0.25 HR		$4.19	$6.35	$0.00	$5.82	$16.36
CULTIVATOR	65 HP	0.21 HR		$4.20	$3.19	$1.56	$1.75	$10.70
PLANTER	70 HP	0.26 HR		$5.20	$6.30	$0.66	$5.83	$17.98
SLED	70 HP	0.15 HR		$3.00	$3.64	$0.20	$0.86	$7.70
CULTIVATOR (3X)	65 HP	0.63 HR		$12.60	$9.56	$4.69	$5.25	$32.10
HAND HOE (CUSTOM)			$20.00					$20.00
IRRIGATE (3X)		0.75 HR		$12.58	$19.04	$0.00	$17.46	$49.08
SUBTOTAL		3.40 HR	$20.00	$64.77	$85.83	$15.48	$51.97	$238.04
HARVEST OPERATIONS								
COTTON STRIPPER	70 HP	0.62 HR		$12.40	$15.03	$1.13	$15.60	$44.15
HAUL	65 HP	0.75 HR		$15.00	$11.38	$0.96	$4.93	$32.27
GIN COTTON (CUSTOM)			$236.64					$236.64
SUBTOTAL		1.37 HR	$236.64	$27.40	$26.40	$2.09	$20.53	$313.05
POSTHARVEST OPERATIONS								
SHREDDER	70 HP	0.14 HR		$0.56	$3.39	$0.18	$2.94	$7.07
SUBTOTAL		0.14 HR		$0.56	$3.39	$0.18	$2.94	$7.07
OVERHEAD EXPENSES								
DOWNTIME		0.98 HR		$19.55				$19.55
EMPLOYEE BENEFITS				$16.69				$16.69
INSURANCE			$0.07					$0.07
LAND TAXES							$3.21	$3.21
SUPERVISION AND MANAGEMENT				$86.21				$86.21
OTHER EXPENSES			$71.33					$71.33
SUBTOTAL		0.98 HR	$71.39	$122.45			$3.21	$197.06
TOTAL OPERATING EXPENSES		5.89 HR	$508.27	$215.18	$115.62	$17.75	$78.64	$935.47
NET OPERATING PROFIT								$293.91
INTEREST ON OPERATING CAPITAL		($118.71 @	9.25%)					$10.98
INTEREST ON EQUIPMENT INVESTMENT								$33.73
RETURN TO LAND AND RISK								$249.20

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

BUDGET SUMMARY

GROSS RETURN		########	
VARIABLE OPERATING EXPENSES	$641.64		
RETURN OVER VARIABLE EXPENSES		$587.74	(GROSS MARGIN)
FIXED EXPENSES	$78.64		
NET FARM INCOME		$509.09	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$215.18		
NET OPERATING PROFIT		$293.91	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$44.71		
RETURN TO LAND AND RISK		$249.20	

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area, Actual 2024

	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	$247.50	$250.00	$15.39	$185.00	$0.70	$0.70
GOVERNMENT PAYMENTS	$0.00	$0.00	$0.00	$0.00	$199.09	$199.09
SECOND INCOME	$0.00	$40.00	$40.00	$0.00	$178.48	$165.04
GROSS RETURN	$1,509.75	$1,565.00	$578.65	$647.50	$1,313.28	$1,229.38
CASH OPERATING EXPENSES						
SEED	$82.40		$41.80	$70.00	$126.75	$169.00
FERTILIZER	$86.00	$70.00	$52.50	$72.00	$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	$117.67	$65.59	$32.01	$47.44	$96.81	$90.23
FUEL-IRRIGATION	$38.09	$43.53	$25.39	$25.39	$25.39	$25.39
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	$71.39	$71.35	$71.36	$71.40	$71.39
TOTAL CASH EXPENSES	$352.58	$470.09	$264.05	$302.12	$581.62	$644.86
RETURN OVER CASH EXPENSES	$1,157.17	$1,094.91	$314.60	$345.38	$731.65	$584.52
FIXED EXPENSES	$90.40	$258.61	$38.69	$46.13	$228.67	$75.43
TOTAL EXPENSES	$442.98	$728.69	$302.74	$348.25	$810.30	$720.29
NET FARM INCOME	$1,066.77	$836.31	$275.91	$299.25	$502.98	$509.09
LABOR AND MANAGEMENT COSTS	$255.41	$225.39	$89.84	$112.12	$233.56	$215.18
NET OPERATING PROFIT	$811.36	$610.92	$186.07	$187.13	$269.42	$293.91
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		$13.80	$6.31	$8.22	$9.18	$10.98
INTEREST ON EQUIPMENT INVESTMENT	$39.36	$20.20	$11.30	$16.62	$110.82	$33.73
TOTAL CAPITAL COSTS	$39.36	$34.00	$17.61	$24.84	$120.00	$44.71
RETURN TO LAND AND RISK	$772.00	$576.91	$168.46	$162.29	$149.42	$249.20
Flex Computation			218.44733	225.03453	488.91541	358.3589

TABLE 13. Whole farm summary, Artesia-Lake Arthur area, Actual 2024

GROSS RETURNS					
ALFALFA HAY	342	ACRES	$532,081		
CROP			$11,400		
GRAZING					
BARLEY	8.5	ACRES	$4,579		
CROP			$0		
DIRECT PAYMENTS			$0		
COUNTER CYCLICAL PAYMENT			$340		
GRAZING					
OAT HAY	8	ACRES	$5,180		
CROP					
PICKER COTTON	82	ACRES	$76,728		
COTTON LINT			$14,636		
COTTON SEED			$0		
DIRECT PAYMENTS			$16,325		
COUNTER CYCLICAL PAYMENT					
STRIPPER COTTON	59.5	ACRES	$51,482		
COTTON LINT			$9,820		
COTTON SEED			$0		
DIRECT PAYMENTS			$11,846		
COUNTER CYCLICAL PAYMENT					
					$734,416
GROSS RETURN					
CASH OPERATING EXPENSES			$26,061		
SEED			$26,553		
FERTILIZER			$2,239		
CHEMICALS			$150		
CROP INSURANCE			$53,090		
OTHER PURCHASED INPUTS			$0		
CANAL WATER			$39,360		
FUEL, OIL & LUBRICANTS-EQUIPMENT			$18,587		
FUEL-IRRIGATION			$12,248		
REPAIRS			$33,347		
CUSTOM CHARGES			$1,423		
LAND TAXES			$31,631		
OTHER EXPENSES					
				$244,691	
TOTAL CASH EXPENSES					
					$489,726
RETURN OVER CASH EXPENSES					
			$58,789		
FIXED EXPENSES					
				$303,479	
TOTAL EXPENSES					
					$430,937
NET FARM INCOME					
			$112,411		
LABOR AND MANAGEMENT COSTS					
					$318,526
NET OPERATING PROFIT					
CAPITAL COSTS			$5,459		
INTEREST ON OPERATING CAPITAL			$19,323		
INTEREST ON EQUIPMENT INVESTMENT					
				$24,782	
TOTAL CAPITAL COSTS					
RETURN TO LAND AND RISK					$293,744

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
$1,000 /ACRE	$284,664	38.82%
$2,500 /ACRE	$271,044	20.28%
$4,000 /ACRE	$257,424	13.73%
$5,500 /ACRE	$243,804	10.37%

* 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)