TABLE 1. Acreage Summary, Lea County, Actual 2025

BUDGET AREA.....	SOUTHERN HIGH PLAINS, LEA COUNTY
FARM SIZE.....	480 ACRES
IRRIGATION TYPE.....	SPRINKLER
NUMBER OF CROPS...	3

ACREAGE SUMMARY:		LAND USE (ACRES)	WATER USE AC.IN. PER AC.	WATER USE TOTAL AC.IN.
ALFALFA ESTABLISHMENT		21.00	6	126
ALFALFA		125.00	42	5,250
WHEAT		106.25	20	2,125
ARP		0.00		
FLEX IN COTTON		18.75	20	375
COTTON		106.25	20	2,125
ARP		0.00		
FLEX IN COTTON		18.75	20	375
IDLE, FALLOW, ROADS		105.00		
	TOTAL	480.00		10,376
	ACRE FEET PER ACRE OF WATER RIGHTS			1.80

* DOUBLE-CROPPPED

TABLE 2. Basic cost information for Lea County, Actual 2025

Item			
Labor Wage Rate:			
Equipment operators		$/hour	$19.00
General & Irrigators		$/hour	$16.90
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		$/pound	$0.92
Phosphate (P205)		$/pound	$0.93
Seed:			
Alfalfa		$/pound	$4.60
Wheat		$/pound	$0.56
Cotton		$/pound	$7.00
Electricity (Lea Co Elec Coop)		cents/KwHr	12.08
Natural gas (Gas Co NM)		$/TCF	$4.05
Service Charge		$/month	$36.40
Diesel fuel		$/gallon	$3.33
Gasoline		$/gallon	$2.68
LP Gas		$/gallon	$6.27
Employee Liability Insurance		$/$1,000 wages	$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	8.75%
Land Interest Rate		percent	7.95%
Equipment Interest Rate		percent	6.45%
Real Interest Rate		percent	1.72%
Land Taxes	$90.00	/acre (full value)	$1.01
Personal Property Tax Rate	- NR	$/$1,000 (Assessed	$33.52
	- R	Value)	$27.11
Supervision Factors			
Field Crop-Irrigation		$/labor hour	$1.00
Field Crop-Equipment & General		$/labor hour	$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for Lea County, Actual 2025

Item					
Electricity (Domestic & Shop)			$128.00	per month	$1,536
Telephone			$75.00	per month	$900
Accounting & Legal					$1,818
Misc. Supplies & Hand Tools					$2,662
Pickup and Auto					
miles	26,368	@	$0.700	per mile	$18,458
Insurance					
- general liability (non-employee)					$1,965
- fire/theft					$1,555
Property Taxes					
- non-planted land					$0
- other than land & machinery					$6,010
Building repairs and maintenance					$1,491
Dues, fees, publications					$448
Farmstead Equipment					$192
				Total	$37,035
			Total per planted acre		$98.76

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Actual 2025

Planting dates: August 15 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL
PURCHASED INPUTS				
SEED	$4.60	30 LBS	$138.00	$138.00
NITROGEN (N)	$0.92	55 LBS	$50.81	$50.81
PHOSPHATE (P205)	$0.93	140 LBS	$130.20	$130.20
PUMP WATER		6 AC. IN.		
SUBTOTAL			$319.01	$319.01

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	155 HP	0.48 HR		$9.12	$14.31	$4.95	$9.91	$38.29
DISC (2X)	155 HP	0.28 HR		$5.32	$8.35	$2.54	$5.33	$21.54
FLOAT	155 HP	0.19 HR		$3.61	$5.66	$1.02	$5.29	$15.58
FERT SPREADER	126 HP	0.05 HR		$0.95	$1.37	$0.20	$0.44	$2.96
DRILL	126 HP	0.18 HR		$3.42	$4.94	$0.90	$5.14	$14.40
IRRIGATE (3X)		0.30 HR		$5.07	$9.79	$0.72	$6.44	$22.02
SUBTOTAL		1.48 HR		$27.49	$44.42	$10.33	$32.55	$114.78
OVERHEAD EXPENSES								
DOWNTIME		0.30 HR		$5.61				$5.61
EMPLOYEE BENEFITS				$4.95				$4.95
INSURANCE			$0.55					$0.55
SUPERVISION AND MANAGEMENT				$31.26				$31.26
SUBTOTAL		0.30 HR	$0.55	$41.81				$42.36
TOTAL OPERATING EXPENSES		1.78 HR	$319.56	$69.30	$44.42	$10.33	$32.55	$476.15

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Actual 2025

Harvest dates: May 20 - October 15

ITEM	PRICE	YIELD		TOTAL
GROSS RETURNS				
ALFALFA HAY	$245.00	6.00	TONS (STACKED)	$1,470.00
TOTAL				$1,470.00

PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS	FIXED COST	TOTAL
PHOSPHATE (P2O5)	$0.93	90	LBS	$83.70		$83.70
INSECTICIDE (CUSTOM)	$14.08	1	ACRE	$14.08		$14.08
HERBICIDE	$12.80	1	ACRE	$12.80		$12.80
WIRE	$0.37	51	LBS	$19.10		$19.10
ESTABLISHMENT: Principal		6	YEARS		$79.36	$79.36
: Interest					$24.22	$24.22
PUMP WATER*		42	AC. IN.			
SUBTOTAL				$129.68	$103.58	$233.26

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	126 HP	0.05	HR		$0.95	$1.37	$0.20	$0.44	$2.96
IRRIGATE		1.40	HR		$23.66	$68.52	$5.07	$45.06	$142.31
SUBTOTAL		1.45	HR		$24.61	$69.89	$5.27	$45.50	$145.27
HARVEST OPERATIONS									
SWATHER (5X)	16 FT SP	0.55	HR		$10.45	$6.85	$0.76	$30.59	$48.64
BALER & ACCUM (5X)	155 HP	1.25	HR		$23.75	$37.27	$6.88	$20.09	$87.99
FRONT END LOADER (5X)	126 HP	1.25	HR		$23.75	$34.29	$8.90	$13.19	$80.13
SUBTOTAL		3.05	HR		$57.95	$78.40	$16.53	$63.88	$216.76
OVERHEAD EXPENSES									
DOWNTIME		0.78	HR		$14.73				$14.73
EMPLOYEE BENEFITS					$14.86				$14.86
INSURANCE				$1.65					$1.65
LAND TAXES								$1.01	$1.01
SUPERVISION AND MANAGEMENT					$105.85				$105.85
OTHER EXPENSES				$98.76					$98.76
SUBTOTAL		0.78	HR	$100.41	$135.44			$1.01	$236.85
TOTAL OPERATING EXPENSES		5.28	HR	$230.09	$218.00	$148.29	$21.80	$213.96	$832.14
NET OPERATING PROFIT									$637.86
INTEREST ON OPERATING CAPITAL		($91.54	@	8.75%)					$8.01
INTEREST ON EQUIPMENT INVESTMENT									$11.79
RETURN TO LAND AND RISK									$618.06

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

BUDGET SUMMARY

GROSS RETURN		$1,470.00	
VARIABLE OPERATING EXPENSES	$400.19		
RETURN OVER VARIABLE EXPENSES		$1,069.81	(GROSS MARGIN)
FIXED EXPENSES	$213.96		
NET FARM INCOME		$855.85	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$218.00		
NET OPERATING PROFIT		$637.86	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$19.80		
RETURN TO LAND AND RISK		$618.06	

TABLE 8. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Actual 2025

Planting dates: August 15 - October 30
Harvest dates: June 20 - July 5

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
WHEAT	$4.64	48.00 BUSHELS		$222.72
PROGRAM PAYMENT	$0.00	48.00 BUSHELS	0.85	$0.00
PLC PAYMENT	$0.00			$0.00
GRAZING	$50.00	1.00 ACRE		$50.00
TOTAL				$272.72

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	0.56	90 LBS	$50.40		$50.40
PHOSPHATE (P205)	0.93	70 LBS	$65.10		$65.10
ANHYDROUS AMMONIA (NH3)	0.15	200 LBS	$30.00		$30.00
PUMP WATER*		20 ACRE IN.			
CROP INSURANCE	0.47		$0.47		$0.47
SUBTOTAL			$145.97		$145.97

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	155 HP	0.15 HR		$2.85	$4.47	$1.05	$3.84	$12.21
DISC	155 HP	0.14 HR		$2.66	$4.17	$1.27	$2.67	$10.77
ANNHYDROUS APPL	155 HP	0.17 HR		$3.23	$5.07	$1.03	$4.31	$13.64
FERT SPREADER	126 HP	0.05 HR		$0.95	$1.37	$0.20	$0.44	$2.96
DISC	155 HP	0.14 HR		$2.66	$4.17	$1.27	$2.67	$10.77
DRILL	126 HP	0.18 HR		$3.42	$4.94	$0.90	$5.14	$14.40
IRRIGATE (12X)		1.20 HR		$20.28	$32.63	$2.41	$21.46	$76.78
SUBTOTAL		2.03 HR		$36.05	$56.83	$8.13	$40.51	$141.52
HARVEST OPERATIONS								
COMBINE (CUSTOM)			$12.67					$12.67
HAUL (CUSTOM)			$7.68					$7.68
SUBTOTAL			$20.35					$20.35
OVERHEAD EXPENSES								
DOWNTIME		0.21 HR		$3.94				$3.94
EMPLOYEE BENEFITS				$6.49				$6.49
INSURANCE			$0.72					$0.72
LAND TAXES							$1.01	$1.01
SUPERVISION AND MANAGEMENT				$20.71				$20.71
OTHER EXPENSES			$98.76					$98.76
SUBTOTAL		0.21 HR	$99.48	$31.14			$1.01	$131.62
TOTAL OPERATING EXPENSES		2.24 HR	$265.80	$67.19	$56.83	$8.13	$41.52	$439.47
NET OPERATING PROFIT								($166.75)
INTEREST ON OPERATING CAPITAL		($90.92 @	8.75%)					$7.96
INTEREST ON EQUIPMENT INVESTMENT								$3.25
RETURN TO LAND AND RISK								($177.96)

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

BUDGET SUMMARY

GROSS RETURN		$272.72	
VARIABLE OPERATING EXPENSES	$330.76		
RETURN OVER VARIABLE EXPENSES		($58.04)	(GROSS MARGIN)
FIXED EXPENSES	$41.52		
NET FARM INCOME		($99.56)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$67.19		
NET OPERATING PROFIT		($166.75)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$11.21		
RETURN TO LAND AND RISK		($177.96)	

TABLE 9. Upland cotton (stripper), sprinkler-irrigated, budgeted per acre costs and returns for a 480 acre farm with above average management, Lea County, Actual 2025

Planting dates: May 1 - May 25
Harvest dates: November 1 - December 15

ITEM	PRICE	YIELD		BASE	TOTAL
GROSS RETURNS					
LINT	$0.65	595.00	LBS		$386.75
SEED	$0.13	952.00	LBS		$123.76
PROGRAM PAYMENT	$0.0000	595.00	LBS	0.85	$0.00
PLC PAYMENT	$0.3404	675.00	LBS	0.85	$195.30
TOTAL					$705.81

PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS	FIXED COST	TOTAL
SEED	$7.00	20	LBS	$140.00		$140.00
NITROGEN (N)	$0.92	32	LBS	$29.56		$29.56
PHOSPHATE (P2O5)	$0.93	40	LBS	$37.20		$37.20
INSECTICIDE	$11.20	1	X/ACRE	$11.20		$11.20
HERBICIDE	$8.00	1	X/ACRE	$8.00		$8.00
INSECTICIDE (CUSTOM)	$11.07	1	X/ACRE	$11.07		$11.07
CROP INSURANCE				$0.35		$0.35
PUMP WATER*		20	ACRE IN.			
SUBTOTAL				$237.38		$237.38

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	155 HP	0.48	HR		$9.12	$14.31	$4.95	$9.91	$38.29
DISC	155 HP	0.14	HR		$2.66	$4.17	$1.27	$2.67	$10.77
FERT SPREADER	126 HP	0.05	HR		$0.95	$1.37	$0.20	$0.44	$2.96
DISC	155 HP	0.14	HR		$2.66	$4.17	$1.27	$2.67	$10.77
PRE-IRRIGATE		0.10	HR		$1.69	$4.08	$0.30	$2.68	$8.75
PLANTER	155 HP	0.17	HR		$3.23	$5.07	$1.26	$8.51	$18.06
CULTIVATOR (3X)	126 HP	0.39	HR		$7.41	$10.70	$2.99	$6.42	$27.53
HOE (CUSTOM 2X)				$20.00					$20.00
IRRIGATE (7X)		0.70	HR		$11.83	$28.55	$2.11	$18.78	$61.27
SUBTOTAL		2.17	HR	$20.00	$39.55	$72.42	$14.35	$52.07	$198.40
HARVEST OPERATIONS									
COTTON STRIPPER	126 HP	0.62	HR		$11.78	$17.01	$3.03	$11.20	$43.01
MODULE BUILDER	155 HP	0.62	HR		$11.78	$18.48	$7.93	$16.31	$54.50
GIN COTTON (CUSTOM)				$111.98					$111.98
SUBTOTAL		1.24	HR	$111.98	$23.56	$35.49	$10.95	$27.51	$209.49
POSTHARVEST OPERATIONS									
SHREDDER	155 HP	0.14	HR		$2.66	$4.17	$0.80	$4.38	$12.02
OVERHEAD EXPENSES									
DOWNTIME		0.68	HR		$12.83				$12.83
EMPLOYEE BENEFITS					$11.84				$11.84
INSURANCE				$1.32					$1.32
LAND TAXES								$1.01	$1.01
SUPERVISION AND MANAGEMENT					$51.56				$51.56
OTHER EXPENSES				$98.76					$98.76
SUBTOTAL		0.68	HR	$100.07	$76.22			$1.01	$177.30
TOTAL OPERATING EXPENSES		4.23	HR	$469.44	$141.99	$112.09	$26.11	$84.97	$834.59
NET OPERATING PROFIT									($128.78)
INTEREST ON OPERATING CAPITAL		($154.83	@	8.75%)					$13.55
INTEREST ON EQUIPMENT INVESTMENT									$8.81
RETURN TO LAND AND RISK									($151.14)

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

BUDGET SUMMARY

GROSS RETURN		$705.81	
VARIABLE OPERATING EXPENSES	$607.63		
RETURN OVER VARIABLE EXPENSES		$98.18	(GROSS MARGIN)
FIXED EXPENSES	$84.97		
NET FARM INCOME		$13.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$141.99		
NET OPERATING PROFIT		($128.78)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$22.36		
RETURN TO LAND AND RISK		($151.14)	

TABLE 10. Summary of per acre costs and returns for a 480 acre farm with above average management, Lea County, Actual 2025

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	STRIPPER COTTON
		TONS	BU	LBS
PRIMARY YIELD		6.00	48.00	595.00
PRIMARY PRICE		$245.00	$4.64	$0.65
GOVERNMENT PAYMENTS		$0.00	$0.00	$195.30
SECOND INCOME		$0.00	$50.00	$123.76
GROSS RETURN		$1,470.00	$272.72	$705.81
CASH OPERATING EXPENSES				
SEED	$138.00		$50.40	$140.00
FERTILIZER	$181.01	$83.70	$95.10	$66.76
CHEMICALS		$26.88		$30.27
CROP INSURANCE			$0.47	$0.35
OTHER PURCHASED INPUTS		$19.10		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	$34.63	$79.77	$24.20	$79.46
FUEL-IRRIGATION	$9.79	$68.52	$32.63	$32.63
REPAIRS	$10.33	$21.80	$8.13	$26.11
CUSTOM CHARGES			$20.35	$131.98
LAND TAXES		$1.01	$1.01	$1.01
OTHER EXPENSES	$0.55	$100.41	$99.48	$100.07
TOTAL CASH EXPENSES	$374.31	$401.19	$331.77	$608.64
RETURN OVER CASH EXPENSES	($374.31)	$1,068.81	($59.05)	$97.18
FIXED EXPENSES	$32.55	$212.96	$40.51	$83.96
TOTAL EXPENSES	$406.86	$614.15	$372.28	$692.60
RETURNS TO CAPITAL, LABOR, LAND & RISK	($406.86)	$855.85	($99.56)	$13.21
LABOR AND MANAGEMENT COSTS	$69.30	$218.00	$67.19	$141.99
RETURNS TO CAPITAL, LAND & RISK	($476.15)	$637.86	($166.75)	($128.78)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		$8.01	$7.96	$13.55
INTEREST ON EQUIPMENT INVESTMENT		$11.79	$3.25	$8.81
TOTAL CAPITAL COSTS	$0.00	$19.80	$11.21	$22.36
RETURN TO LAND AND RISK	($476.15)	$618.06	($177.96)	($151.14)

TABLE 11. Whole farm summary, Lea County, Actual 2025

GROSS RETURNS			
ALFALFA HAY	125.00 ACRES		
CROP		$183,750	
WHEAT	106.25 ACRES		
CROP		$23,664	
GRAZING		$5,313	
PROGRAM PAYMENT		$0	
PLC PAYMENT		$0	
COTTON	143.75 ACRES		
LINT		$55,595	
SEED		$17,791	
PROGRAM PAYMENT		$0	
PLC PAYMENT		$28,075	
GROSS RETURN			$314,187
CASH OPERATING EXPENSES			
SEED		$28,378	
FERTILIZER		$33,966	
CHEMICALS		$7,712	
CROP INSURANCE		$100	
OTHER PURCHASED INPUTS		$2,388	
CANAL WATER		$0	
FUEL, OIL & LUBRICANTS-EQUIPMENT		$24,692	
FUEL-IRRIGATION		$16,928	
REPAIRS		$7,559	
CUSTOM CHARGES		$21,134	
LAND TAXES		$377	
OTHER EXPENSES		$37,518	
TOTAL CASH EXPENSES			$180,752
RETURN OVER CASH EXPENSES			$133,436
FIXED EXPENSES		$33,757	
TOTAL EXPENSES			$214,509
NET FARM INCOME			$99,678
LABOR AND MANAGEMENT COSTS		$56,255	
NET OPERATING PROFIT			$43,424
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL		$3,794	
INTEREST ON EQUIPMENT INVESTMENT		$3,086	
TOTAL CAPITAL COSTS			$6,880
RETURN TO LAND AND RISK			$36,543

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
$500 /ACRE	$32,427	9.38%
$700 /ACRE	$30,781	7.77%
$900 /ACRE	$29,135	6.63%
$1,100 /ACRE	$27,488	5.78%
$1,300 /ACRE	$25,842	5.13%
$1,500 /ACRE	$24,195	4.61%

* 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)