TABLE 1. Acreage Summary, Eddy County, Artesia Lake Arthur Area, Actual 2025

BUDGET AREA..... ARTESIA-LAKE ARTHUR AREA
FARM SIZE..... 500.00 ACRES
IRRIGATION TYPE..... FLOOD
NUMBER OF CROPS..... 5

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE AC.IN. PER AC.	WATER USE TOTAL AC.IN.
ALFALFA ESTABLISHMENT	52.00 *	8	416
ALFALFA	343.00	50	17,150
WHEAT HAY	17.00	28	476
OAT HAY	20.00	28	560
CORN SILAGE	68.00	30	2,040
TOTAL	500.00		20,642
ACRE FEET PER ACRE OF WATER RIGHTS			3.44

*DOUBLE-CROPPED: Of the 395 acres of alfalfa, 52 acres are in establishment (8 inches), while the remaining 343 acres of mature alfalfa are calculated at 50 inches.

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		$16.90
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	$/pound		$0.92
Phosphate ($P_2 0_5$)	$/pound		$0.93
Fertilzer Blend(N-P-K-S)	$/lb.		$0.43
Seed:			
Alfalfa	$/pound		$4.60
Cotton			
picker	$/pound		$7.00
stripper	$/pound		$7.00
Wheat	$/pound		$0.56
Oats	$/pound		$0.76
Red Chile	$/pound		$125.00
Twine	$/lb.		$2.00
Natural gas	$/MCF		$6.27
(service charge)	$/month		$10.00
Diesel fuel	$/gallon		$3.33
Gasoline	$/gallon		$2.68
Electricity	cents/KwHr		5.90
LP Gas	$/gallon		$2.55
Employee Liability Insurance	$/$1000 wages		$0.72
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	$250.00 /acre (full value)		$1.79
Personal Property Tax Rat - NR	$/$1,000	(Assessed	$21.42
- R		Value)	$19.14
Supervision Factors			
Field Crop-Irrigation	$/labor hour		$0.06
Field Crop-Equipment & General	$/labor hour		$0.03
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		10.00%

TABLE 3. Overhead cost information for the Artesia-Lake Arthur area, Actual 2025

Item					
Electricity (Domestic & Shop)			$307.20	per month	$3,686
Telephone			$224.00	per month	$2,688
Accounting & Legal					$3,386
Misc. Supplies & Hand Tools					$4,326
Pickup and Auto					
miles	25,600	@	$0.700	per mile	$17,920
Insurance					
- general liability (non-employee)					$1,907
- fire/theft					$2,874
Property Taxes					
- non-planted land					$0
- other than land & machinery					$0
Building repairs and maintenance					$0
Dues, fees, publications					$1,446
Farmstead Equipment					$435
				Total	$38,669
			Total Per Planted Acre		$77.34

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area,
Actual 2025
Planting dates: September 1 - September 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	$4.60	30 LBS	$138.00					$138.00
HERBICIDE	$32.40	1 ACRE	$32.40					$32.40
PUMP WATER		8 AC. IN.						
SUBTOTAL			$170.40					$170.40
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		$9.60	$13.17	$3.24	$11.87	$37.87
DISC (2X)	145 HP	0.34 HR		$6.80	$9.33	$2.29	$7.57	$25.99
PLANE (3X)	145 HP	0.57 HR		$11.40	$15.63	$2.32	$22.14	$51.50
DISC	145 HP	0.17 HR		$3.40	$4.66	$1.15	$3.79	$13.00
FLOAT (2X)	70 HP	0.32 HR		$6.40	$6.48	$0.29	$1.63	$14.80
DRILL (2X)	70 HP	0.42 HR		$8.40	$8.50	$0.82	$25.60	$43.32
IRRIGATE (2X)		1.00 HR		$16.90	$10.88	$1.45	$2.39	$31.62
SUBTOTAL		3.30 HR		$62.90	$68.65	$11.56	$75.00	$218.11
OVERHEAD EXPENSES								
DOWNTIME		0.46 HR		$9.10				$9.10
EMPLOYEE BENEFITS				$11.32				$11.32
INSURANCE			$0.05					$0.05
SUPERVISION AND MANAGEMENT				$27.31				$27.31
SUBTOTAL		0.46 HR	$0.05	$47.73				$47.77
TOTAL OPERATING EXPENSES		3.76 HR	$170.44	$110.63	$68.65	$11.56	$75.00	$436.28

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area,
Actual 2025
Harvesting dates: May 5 - November 1

ITEM	PRICE	YIELD		TOTAL
GROSS RETURNS				
ALFALFA HAY	$305.00	6.10	TONS (STACKED)	$1,860.50
GRAZING	$40.00			$40.00
TOTAL				$1,900.50

PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS	FIXED COST	TOTAL
INSECTICIDE (CUSTOM)	$25.02	2	X/ACRE	$50.05		$50.05
HERBICIDE (CUSTOM)	$36.36	1	ACRE	$36.36		$36.36
INSECT SCOUTING	$5.25	1	ACRE	$5.25		$5.25
FERTILIZER (5-26-30)	$0.21	200	LBS	$42.00		$42.00
TWINE	$2.00	20	LBS	$40.00		$40.00
DRYING AGENT (AGRI-DRY)	$8.26	1	/TON	$50.36		$50.36
ESTABLISHMENT: Principal		5	YEARS		$87.26	$87.26
Interest					$20.03	$20.03
PUMP WATER*		50	AC. IN.			
SUBTOTAL				$224.02	$107.28	$331.31

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (7X)		3.50	HR		$59.15	$68.00	$9.05	$14.96	$151.16
SUBTOTAL		3.50	HR		$59.15	$68.00	$9.05	$14.96	$151.16
HARVEST OPERATIONS									
SWATHER (5X)	16 FT SP	0.55	HR		$11.00	$6.85	$0.76	$10.52	$29.12
RAKE (5X)	70 HP	0.25	HR		$5.00	$20.25	$0.46	$1.29	$27.00
BALER (5X)	96 HP	1.25	HR		$25.00	$25.31	$1.32	$2.79	$54.41
BALE WAGON (5X)	SP	1.00	HR		$20.00	$20.80	$15.35	$6.50	$62.64
SUBTOTAL		3.05	HR		$61.00	$73.20	$17.88	$21.09	$173.18
OVERHEAD EXPENSES									
DOWNTIME		0.70	HR		$14.00				$14.00
EMPLOYEE BENEFITS					$21.63				$21.63
INSURANCE				$0.09					$0.09
LAND TAXES								$1.79	$1.79
SUPERVISION AND MANAGEMENT					$133.33				$133.33
OTHER EXPENSES				$77.34					$77.34
SUBTOTAL		0.70	HR	$77.42	$168.95			$1.79	$248.16
TOTAL OPERATING EXPENSES		7.25	HR	$301.45	$289.10	$141.20	$26.93	$145.12	$903.81
NET OPERATING PROFIT									$996.69
INTEREST ON OPERATING CAPITAL		($138.87	@	8.75%)					$12.15
INTEREST ON EQUIPMENT INVESTMENT									$14.87
RETURN TO LAND AND RISK									$969.67

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

BUDGET SUMMARY

GROSS RETURN		$1,900.50	
VARIABLE OPERATING EXPENSES	$469.59		
RETURN OVER VARIABLE EXPENSES		$1,430.91	(GROSS MARGIN)
FIXED EXPENSES	$145.12		
NET FARM INCOME		$1,285.79	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$289.10		
NET OPERATING PROFIT		$996.69	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$27.02		
RETURN TO LAND AND RISK		$969.67	

TABLE 8. Wheat Hay, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area,
Actual 2025
Planting dates: August 15 - November 1
Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
WHEAT HAY	$184.00	3.00 TON	$552.00
TOTAL			$552.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL
SEED	$0.56	100 LBS	$56.00	$56.00
FERTILIZER (16-20-0)	$0.17	150 LBS	$25.50	$25.50
PUMP WATER*		28 AC. IN.		
SUBTOTAL			$81.50	$81.50

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		$9.60	$13.17	$3.24	$11.87	$37.87
DISC	145 HP	0.34 HR		$6.80	$9.33	$2.29	$7.57	$25.99
FLOAT	70 HP	0.16 HR		$3.20	$3.24	$0.15	$0.82	$7.40
FERTILIZE (CUSTOM)			$0.00					$0.00
DRILL	70 HP	0.21 HR		$4.20	$4.25	$0.41	$12.80	$21.66
IRRIGATE (4X)		2.00 HR		$33.80	$3.01	$0.40	$0.66	$37.87
SUBTOTAL		3.19 HR		$57.60	$32.99	$6.49	$33.72	$130.80
HARVEST OPERATIONS								
SWATHER	16 FT	0.11 HR		$2.20	$0.00	$0.18	$4.38	$6.76
BALER	145 HP	0.25 HR		$5.00	$0.00	$0.30	$14.90	$20.20
BALE WAGON	S. P.	0.20 HR		$4.00	$0.00	$0.56	$1.42	$5.98
SUBTOTAL		0.56 HR		$11.20	$0.00	$1.04	$20.70	$32.94
OVERHEAD EXPENSES								
DOWNTIME		0.15 HR		$2.59				$2.59
EMPLOYEE BENEFITS				$12.38				$12.38
INSURANCE			$0.05					$0.05
LAND TAXES							$1.79	$1.79
SUPERVISION AND MANAGEMENT				$38.81				$38.81
OTHER EXPENSES			$77.34					$77.34
SUBTOTAL		0.15 HR	$77.39	$53.78			$1.79	$132.95
TOTAL OPERATING EXPENSES		3.90 HR	$158.89	$122.58	$32.99	$7.53	$56.20	$378.19
NET OPERATING PROFIT								$173.81
INTEREST ON OPERATING CAPITAL		($50.71 @	8.75%)					$4.44
INTEREST ON EQUIPMENT INVESTMENT								$24.00
RETURN TO LAND AND RISK								$145.37

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

BUDGET SUMMARY

GROSS RETURN		$552.00	
VARIABLE OPERATING EXPENSES	$199.41		
RETURN OVER VARIABLE EXPENSES		$352.59	(GROSS MARGIN)
FIXED EXPENSES	$56.20		
NET FARM INCOME		$296.39	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$122.58		
NET OPERATING PROFIT		$173.81	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$28.44		
RETURN TO LAND AND RISK		$145.37	

TABLE 9. Oat hay, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2025

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

ITEM	PRICE	YIELD		TOTAL
GROSS RETURNS				
OAT HAY	$184.00	3.50	TONS (STACKED)	$644.00
TOTAL				$644.00

PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS	TOTAL
SEED	$0.76	100	LBS	$76.00	$76.00
FERTILIZER (16-20-0)	$0.17	150	LBS	$25.50	$25.50
PUMP WATER*		28	AC. IN.		
SUBTOTAL				$101.50	$101.50

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48	HR		$9.60	$13.17	$2.00	$11.87	$36.63
DISC	145 HP	0.34	HR		$6.80	$9.33	$2.29	$7.57	$25.99
FLOAT	70 HP	0.16	HR		$3.20	$3.24	$0.15	$0.82	$7.40
FERTILIZE (CUSTOM)				$0.00					$0.00
DRILL	70 HP	0.21	HR		$4.20	$4.25	$0.41	$12.80	$21.66
IRRIGATE (4X)		2.00	HR		$33.80	$38.08	$5.07	$8.38	$85.33
SUBTOTAL		3.19	HR		$57.60	$68.06	$9.92	$41.44	$177.02
HARVEST OPERATIONS									
SWATHER	16 FT	0.11	HR		$2.20	$1.37	$0.15	$2.10	$5.82
BALER	126 HP	0.25	HR		$5.00	$6.86	$1.03	$4.03	$16.92
BALE WAGON	S. P.	0.20	HR		$4.00	$4.16	$3.07	$1.30	$12.53
SUBTOTAL		0.56	HR		$11.20	$12.39	$4.25	$7.43	$35.27
OVERHEAD EXPENSES									
DOWNTIME		0.40	HR		$7.95				$7.95
EMPLOYEE BENEFITS					$12.38				$12.38
INSURANCE				$0.05					$0.05
LAND TAXES								$1.79	$1.79
SUPERVISION AND MANAGEMENT					$45.25				$45.25
OTHER EXPENSES				$77.34					$77.34
SUBTOTAL		0.40	HR	$77.39	$65.58			$1.79	$144.75
TOTAL OPERATING EXPENSES		4.15	HR	$178.89	$134.38	$80.45	$14.17	$50.65	$458.54
NET OPERATING PROFIT									$185.46
INTEREST ON OPERATING CAPITAL		($71.63	@	8.75%)					$6.27
INTEREST ON EQUIPMENT INVESTMENT									$20.87
RETURN TO LAND AND RISK									$158.32

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

BUDGET SUMMARY

GROSS RETURN		$644.00	
VARIABLE OPERATING EXPENSES	$273.51		
RETURN OVER VARIABLE EXPENSES		$370.49	(GROSS MARGIN)
FIXED EXPENSES	$50.65		
NET FARM INCOME		$319.84	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$134.38		
NET OPERATING PROFIT		$185.46	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$27.14		
RETURN TO LAND AND RISK		$158.32	

TABLE 10. Corn Silage, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area,
Actual 2025
Planting dates: April 15 -May 15
Harvesting dates: July 25 - September 10

ITEM	PRICE	YIELD		TOTAL
GROSS RETURNS				
CORN SILAGE	$28.00	23.00	TONS (STANDING)	$644.00
TOTAL				$644.00

PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS	TOTAL
SEED	$0.76	100	LBS	$76.00	$76.00
NITROGEN(UREA 46-0-0)	$0.92	150	LBS	$138.59	$138.59
HERBICIDE		1	ACRE	$20.00	$20.00
PUMP WATER*		30	AC. IN.		
SUBTOTAL				$234.59	$234.59

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67	HR		$13.40	$18.38	$4.52	$16.56	$52.86
DISC (2x)	145 HP	0.17	HR		$3.40	$4.66	$1.15	$3.79	$13.00
LAND PLANE	70 HP	0.24	HR		$4.80	$4.86	$0.24	$6.23	$16.13
LISTER/PLANTER	70 HP	0.26	HR		$5.20	$5.26	$0.66	$10.95	$22.08
CULTIVATOR (2X)	70 HP	0.42	HR		$8.40	$8.50	$3.13	$55.16	$75.19
HERBCIDE APP.	70 HP	0.21	HR		$4.20	$4.25	$0.29	$3.86	$12.60
IRRIGATE (8X)		2.16	HR		$36.50	$3.25	$0.43	$0.71	$40.90
SUBTOTAL		4.13	HR		$75.90	$49.17	$10.42	$97.27	$232.76
OVERHEAD EXPENSES									
DOWNTIME		0.49	HR		$9.85				$9.85
EMPLOYEE BENEFITS					$13.66				$13.66
INSURANCE				$0.05					$0.05
LAND TAXES								$1.79	$1.79
SUPERVISION AND MANAGEMENT					$45.26				$45.26
OTHER EXPENSES				$77.34					$77.34
SUBTOTAL		0.49	HR	$77.39	$68.78			$1.79	$147.95
TOTAL OPERATING EXPENSES		4.62	HR	$311.98	$144.68	$49.17	$10.42	$99.05	$615.30
NET OPERATING PROFIT									$28.70
INTEREST ON OPERATING CAPITAL		($132.19	@	8.75%)					$11.57
INTEREST ON EQUIPMENT INVESTMENT									$28.16
RETURN TO LAND AND RISK									($11.03)

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

BUDGET SUMMARY

GROSS RETURN		$644.00	
VARIABLE OPERATING EXPENSES	$371.56		
RETURN OVER VARIABLE EXPENSES		$272.44	(GROSS MARGIN)
FIXED EXPENSES	$99.05		
NET FARM INCOME		$173.38	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	$144.68		
NET OPERATING PROFIT		$28.70	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	$39.73		
RETURN TO LAND AND RISK		($11.03)	

TABLE 11. Summary of per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2025

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT HAY	OAT HAY	CORN SILAGE
		TONS	CWT	TONS	LBS
PRIMARY YIELD		6.10	3.00	3.50	23.00
PRIMARY PRICE		$305.00	$184.00	$184.00	$28.00
GOVERNMENT PAYMENTS		$0.00	$0.00	$0.00	$0.00
SECOND INCOME		$40.00	$0.00	$0.00	$0.00
GROSS RETURN		$1,900.50	$552.00	$644.00	$644.00
CASH OPERATING EXPENSES					
SEED	$138.00	$0.00	$56.00	$76.00	$76.00
FERTILIZER	$0.00	$42.00	$25.50	$25.50	$138.59
CHEMICALS	$32.40	$86.41	$0.00	$0.00	$20.00
CROP INSURANCE					
OTHER PURCHASED INPUTS		$95.61			
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	$57.77	$73.20	$32.99	$42.37	$45.92
FUEL-IRRIGATION	$10.88	$68.00	$0.00	$38.08	$3.25
REPAIRS	$11.56	$26.93	$7.53	$14.17	$10.42
CUSTOM CHARGES			$0.00		$0.00
LAND TAXES		$1.79	$1.79	$1.79	$1.79
OTHER EXPENSES	$0.05	$77.42	$77.39	$77.39	$77.39
TOTAL CASH EXPENSES	$250.66	$471.37	$201.19	$275.29	$373.35
RETURN OVER CASH EXPENSES	($250.66)	$1,429.13	$350.81	$368.71	$270.65
FIXED EXPENSES	$75.00	$143.33	$54.42	$48.87	$97.27
TOTAL EXPENSES	$325.65	$614.71	$255.61	$324.16	$470.62
NET FARM INCOME	($325.65)	$1,285.79	$296.39	$319.84	$173.38
LABOR AND MANAGEMENT COSTS	$110.63	$289.10	$122.58	$134.38	$144.68
NET OPERATING PROFIT	($436.28)	$996.69	$173.81	$185.46	$28.70
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		$12.15	$4.44	$6.27	$11.57
INTEREST ON EQUIPMENT INVESTMENT		$14.87	$24.00	$20.87	$28.16
TOTAL CAPITAL COSTS	$0.00	$27.02	$28.44	$27.14	$39.73
RETURN TO LAND AND RISK	($436.28)	$969.67	$145.37	$158.32	($11.03)

TABLE 12. Whole farm summary, Artesia-Lake Arthur area, Actual 2025

GROSS RETURNS				
ALFALFA HAY	343	ACRES		
CROP			$651,872	
WHEAT HAY	17	ACRES		
CROP			$9,384	
OAT HAY	20	ACRES		
CROP			$12,880	
CORN SILAGE	68	ACRES		
CROP			$43,792	
GROSS RETURN				$717,928
CASH OPERATING EXPENSES			$14,816	
SEED			$24,773	
FERTILIZER			$32,684	
CHEMICALS			$0	
CROP INSURANCE			$32,795	
OTHER PURCHASED INPUTS			$0	
CANAL WATER			$32,644	
FUEL, OIL & LUBRICANTS-EQUIPMENT			$24,872	
FUEL-IRRIGATION			$10,960	
REPAIRS			$0	
CUSTOM CHARGES			$800	
LAND TAXES			$34,685	
OTHER EXPENSES			$0	
TOTAL CASH EXPENSES				$194,212
RETURN OVER CASH EXPENSES				$523,715
FIXED EXPENSES			$31,651	
TOTAL EXPENSES				$225,863
NET FARM INCOME				$492,064
LABOR AND MANAGEMENT COSTS			$119,525	
NET OPERATING PROFIT				$372,539
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL			$5,155	
INTEREST ON EQUIPMENT INVESTMENT			$7,841	
TOTAL CAPITAL COSTS				$12,996
RETURN TO LAND AND RISK				$359,543

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
$1,000 /ACRE	$350,968	58.12%
$2,500 /ACRE	$338,106	26.78%
$4,000 /ACRE	$325,243	17.40%
$5,500 /ACRE	$312,381	12.89%

* 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)