

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

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	354.00	48	16,992
WHEAT	8.50	28	238
ARP	0.00		
FLEX IN PICKER COTTON	1.50	28	42
OAT HAY	8.00	28	224
PICKER COTTON	25.00	28	700
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
STRIPPER COTTON	25.00	28	700
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
TOTAL	500.00		21,878
ACRE FEE PER ACRE OF WATER RIGHTS			3.65

TABLE 2. Basic cost information for the Artesia-Lake Arthur area, Actual 2025

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$20.00
General & Irrigators		\$/hour	\$16.90
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.93
Phosphate (P ₂ O ₅)		\$/pound	\$0.93
Chemical			
Herbicide		\$/acre	\$0.00
Insecticide		\$/acre	\$0.00
Seed:			
Alfalfa		\$/pound	\$4.60
Cotton			
picker		\$/pound	\$7.00
stripper		\$/pound	\$7.00
Oats		\$/pound	\$0.76
Wheat		\$/pound	\$0.56
Twine:		\$/pound	\$2.00
Natural gas (service charge)		\$/MCF	\$6.27
Diesel fuel		\$/month	\$10.00
Gasoline		\$/gallon	\$3.33
Gasoline		\$/gallon	\$2.68
Electricity		cents/KwHr	5.90
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	8.75%
Land Interest Rate		percent	7.95%
Equipment Interest Rate		percent	6.45%
Real Interest Rate		percent	1.72%
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 2025

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
Insurance			\$17,920.00
- 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 2025
Planting dates: March 15 - April 30

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

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$4.60	30 LBS	\$138.00		\$138.00
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			\$224.00		\$224.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$3.40	\$4.66	\$1.15	\$2.87	\$12.08
PLOW	145 HP	0.48 HR		\$9.60	\$13.17	\$4.28	\$9.83	\$36.88
FLOAT	70 HP	0.16 HR		\$3.20	\$3.24	\$0.15	\$1.06	\$7.65
PLANE (3X)	145 HP	0.57 HR		\$11.40	\$15.63	\$2.32	\$13.88	\$43.24
DISC (2X)	145 HP	0.34 HR		\$6.80	\$9.33	\$2.29	\$5.74	\$24.16
FLOAT (2X)	70 HP	0.32 HR		\$6.40	\$6.48	\$0.29	\$2.13	\$15.30
DRILL (2X)	70 HP	0.42 HR		\$8.40	\$8.50	\$0.82	\$9.09	\$26.82
IRRIGATE (6X)		1.50 HR		\$25.35	\$91.37	\$0.00	\$34.07	\$150.79
SUBTOTAL		3.96 HR		\$74.55	\$152.38	\$11.30	\$78.68	\$316.91

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	16 FT	0.33 HR		\$6.60	\$4.11	\$0.45	\$5.66	\$16.82
RAKE	40 HP	0.05 HR		\$1.00	\$0.50	\$0.07	\$0.31	\$1.88
BALER (3X)	145 HP	0.75 HR		\$15.00	\$20.57	\$3.13	\$10.26	\$48.96
BALEWAGON (3X)	SP	0.60 HR		\$12.00	\$12.48	\$11.02	\$3.50	\$39.00
SUBTOTAL		1.73 HR		\$34.60	\$37.66	\$14.68	\$19.73	\$106.67

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	1.05 HR		\$20.95				\$20.95
EMPLOYEE BENEFITS			\$19.65				\$19.65
INSURANCE		\$0.08					\$0.08
SUPERVISION AND MANAGEMENT			\$130.45				\$130.45
SUBTOTAL	1.05 HR	\$0.08	\$171.04				\$171.12

TOTAL OPERATING EXPENSES	6.74 HR	\$224.08	\$280.19	\$190.04	\$25.98	\$98.41	\$818.71
NET OPERATING PROFIT							\$1,041.79
INTEREST ON EQUIPMENT INVESTMENT							\$41.83
RETURN TO LAND AND RISK							\$999.96

BUDGET SUMMARY			
GROSS RETURN		\$1,860.50	
VARIABLE OPERATING EXPENSES	\$440.10		
RETURN OVER VARIABLE EXPENSES		\$1,420.40	(GROSS MARGIN)
FIXED EXPENSES	\$98.41		
NET FARM INCOME		\$1,321.99	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$280.19		
NET OPERATING PROFIT		\$1,041.79	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$41.83		
RETURN TO LAND AND RISK		\$999.96	

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 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)	\$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)	\$0.93	200 LBS	\$186.00		\$186.00
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		\$199.99	\$199.99
: Interest				\$49.97	\$49.97
PUMP WATER*		48 AC. IN.			
SUBTOTAL			\$281.61	\$249.96	\$531.57

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50 HR		\$25.35	\$104.42	\$0.00	\$38.94	\$168.71
SUBTOTAL		1.50 HR		\$25.35	\$104.42	\$0.00	\$38.94	\$168.71
HARVEST OPERATIONS								
SWATHER (5X)	16 FT SP	0.55 HR		\$11.00	\$6.85	\$0.76	\$9.44	\$28.04
RAKE (5X)	40 HP	0.25 HR		\$5.00	\$2.51	\$0.36	\$1.54	\$9.41
BAILER (5X)	96 HP	1.25 HR		\$25.00	\$25.31	\$1.40	\$3.07	\$54.78
BALE WAGON (5X)	SP	1.00 HR		\$20.00	\$20.80	\$18.37	\$5.84	\$65.01
SUBTOTAL		3.05 HR		\$61.00	\$55.46	\$20.88	\$19.89	\$157.24
OVERHEAD EXPENSES								
DOWNTIME		0.70 HR		\$14.00				\$14.00
EMPLOYEE BENEFITS				\$15.54				\$15.54
INSURANCE			\$0.06					\$0.06
LAND TAXES							\$3.21	\$3.21
SUPERVISION AND MANAGEMENT				\$133.21				\$133.21
OTHER EXPENSES			\$71.33					\$71.33
SUBTOTAL		0.70 HR	\$71.39	\$162.76			\$3.21	\$237.36
TOTAL OPERATING EXPENSES		5.25 HR	\$353.00	\$249.11	\$159.88	\$20.88	\$312.01	\$1,094.88
NET OPERATING PROFIT								\$805.62
INTEREST ON OPERATING CAPITAL		(\$173.27 @ 8.75%)						\$15.16
INTEREST ON EQUIPMENT INVESTMENT								\$15.18
RETURN TO LAND AND RISK								\$775.28

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

BUDGET SUMMARY

GROSS RETURN		\$1,900.50	
VARIABLE OPERATING EXPENSES	\$533.77		
RETURN OVER VARIABLE EXPENSES	\$1,366.73		(GROSS MARGIN)
FIXED EXPENSES	\$312.01		
NET FARM INCOME	\$1,054.73		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$249.11		
NET OPERATING PROFIT	\$805.62		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.34		
RETURN TO LAND AND RISK		\$775.28	

TABLE 8. Wheat, sprinkler-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	\$7.90	40.00 CWT		\$316.00
DIRECT PAYMENT	\$0.00	40.00 CWT	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	40.00 CWT	0.85	\$0.00
GRAZING	\$44.00			\$44.00
TOTAL				\$360.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.56	110 LBS	\$61.60		\$61.60
NITROGEN (N)	\$0.93	150 LBS	\$139.50		\$139.50
PHOSPHATE (P205)	\$0.93	50 LBS	\$46.50		\$46.50
INSECTICIDE (CUSTOM)	\$18.62	1 ACRE	\$18.62		\$18.62
PUMP WATER*		28 AC. IN.			
CROP INSURANCE	\$5.88		\$5.88		\$5.88
SUBTOTAL			\$272.11		\$272.11

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	\$4.28	\$9.83	\$36.88
DISC (2X)	145 HP	0.34 HR		\$6.80	\$9.33	\$2.29	\$5.74	\$24.16
FERTILIZE	DEALER APPLIED							
DRILL	70 HP	0.21 HR		\$4.20	\$4.25	\$0.41	\$4.55	\$13.41
IRRIGATE (4X)		1.00 HR		\$16.90	\$60.91	\$0.00	\$22.71	\$100.52
SUBTOTAL		2.03 HR		\$37.50	\$87.65	\$6.99	\$42.83	\$174.97

HARVEST OPERATIONS							
COMBINE (CUSTOM)			\$18.86				\$18.86
HAUL (CUSTOM)			\$8.00				\$8.00
SUBTOTAL			\$26.86				\$26.86

OVERHEAD EXPENSES							
DOWNTIME		0.26 HR		\$5.15			\$5.15
EMPLOYEE BENEFITS				\$6.75			\$6.75
INSURANCE			\$0.03				\$0.03
LAND TAXES						\$3.21	\$3.21
SUPERVISION AND MANAGEMENT				\$25.29			\$25.29
OTHER EXPENSES			\$71.33				\$71.33
SUBTOTAL		0.26 HR	\$71.35	\$37.19		\$3.21	\$111.76

TOTAL OPERATING EXPENSES		2.29 HR	\$370.32	\$74.69	\$87.65	\$6.99	\$46.05	\$585.70
NET OPERATING PROFIT								(\$225.70)
INTEREST ON OPERATING CAPITAL	(\$161.95	@	8.75%)			\$14.17
INTEREST ON EQUIPMENT INVESTMENT								\$13.17
RETURN TO LAND AND RISK								(\$253.03)

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

GROSS RETURN		\$360.00	
VARIABLE OPERATING EXPENSES	\$464.96		
RETURN OVER VARIABLE EXPENSES		(\$104.96)	(GROSS MARGIN)
FIXED EXPENSES	\$46.05		
NET FARM INCOME		(\$151.01)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$74.69		
NET OPERATING PROFIT		(\$225.70)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$27.34		
RETURN TO LAND AND RISK		(\$253.03)	

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 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	FIXED COST	TOTAL
SEED	\$0.76	100 LBS	\$76.00		\$76.00
FERTILIZER (16-20-0)	\$0.93	150 LBS	\$139.50		\$139.50
PUMP WATER*		28 AC. IN.			
SUBTOTAL			\$215.50		\$215.50

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	\$4.28	\$9.83	\$36.88
DISC (2X)	145 HP	0.34 HR		\$6.80	\$9.33	\$2.29	\$5.74	\$24.16
DRILL	70 HP	0.21 HR		\$4.20	\$4.25	\$0.41	\$4.55	\$13.41
IRRIGATE (4X)		1.00 HR		\$16.90	\$60.91	\$0.00	\$22.71	\$100.52
SUBTOTAL		2.03 HR		\$37.50	\$87.65	\$6.99	\$42.83	\$174.97

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER	14 FT	0.16 HR		\$3.20	\$1.99	\$0.22	\$2.75	\$8.16
BALER	145 HP	0.25 HR		\$5.00	\$6.86	\$1.04	\$3.42	\$16.32
BALE WAGON	S. P.	0.20 HR		\$4.00	\$4.16	\$3.67	\$1.17	\$13.00
SUBTOTAL		0.61 HR		\$12.20	\$13.01	\$4.94	\$7.33	\$37.48

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.41 HR		\$8.20				\$8.20
EMPLOYEE BENEFITS			\$8.95				\$8.95
INSURANCE		\$0.04					\$0.04
LAND TAXES						\$3.21	\$3.21
SUPERVISION AND MANAGEMENT			\$45.19				\$45.19
OTHER EXPENSES		\$71.33					\$71.33
SUBTOTAL	0.41 HR	\$71.36	\$62.33			\$3.21	\$136.91

TOTAL OPERATING EXPENSES	3.05 HR	\$286.86	\$112.03	\$100.66	\$11.92	\$53.38	\$564.86
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NET OPERATING PROFIT							\$79.14
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INTEREST ON OPERATING CAPITAL	(\$132.91	@	8.75%)		\$11.63
INTEREST ON EQUIPMENT INVESTMENT							\$18.01

RETURN TO LAND AND RISK							\$49.50
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$644.00	
VARIABLE OPERATING EXPENSES	\$399.45		
RETURN OVER VARIABLE EXPENSES		\$244.55	(GROSS MARGIN)
FIXED EXPENSES	\$53.38		
NET FARM INCOME		\$191.17	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$112.03		
NET OPERATING PROFIT		\$79.14	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$29.64		
RETURN TO LAND AND RISK		\$49.50	

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 2025
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.65	1,859 LBS		\$1,208.35
COTTON SEED	\$0.08	2,974.40 LBS		\$249.85
DIRECT PAYMENT	\$0.0000	1,859 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.3404	700 LBS	0.85	\$202.54
TOTAL				\$1,660.74

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.00	15 LBS	\$105.00		\$105.00
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			\$1.64		\$1.64
PUMP WATER*		28 AC. IN.			
SUBTOTAL			\$116.69		\$116.69

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$3.40	\$4.66	\$1.15	\$2.87	\$12.08
PLOW	145 HP	0.48 HR		\$9.60	\$13.17	\$4.28	\$9.83	\$36.88
DISC (2X)	145 HP	0.34 HR		\$6.80	\$9.33	\$2.29	\$5.74	\$24.16
FLOAT	145 HP	0.16 HR		\$3.20	\$4.39	\$0.64	\$2.25	\$10.48
PRE-IRRIGATE		0.25 HR		\$4.23	\$15.23	\$0.00	\$5.68	\$25.13
CULTIVATOR	65 HP	0.21 HR		\$4.20	\$2.74	\$1.56	\$3.41	\$11.91
PLANTER	70 HP	0.26 HR		\$5.20	\$5.26	\$0.66	\$11.02	\$22.14
SLED	70 HP	0.15 HR		\$3.00	\$3.04	\$0.20	\$1.48	\$7.72
CULTIVATOR (3X)	65 HP	0.63 HR		\$12.60	\$8.22	\$4.69	\$10.22	\$35.73
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$12.68	\$45.68	\$0.00	\$17.04	\$75.39
SUBTOTAL		3.40 HR	\$20.00	\$64.90	\$111.71	\$15.48	\$69.53	\$281.63
HARVEST OPERATIONS								
COTTON PICKER (2X)	2-ROW	0.74 HR		\$14.80	\$14.88	\$11.56	\$288.64	\$329.87
HAUL (2X)	65 HP	1.00 HR		\$20.00	\$13.04	\$1.28	\$9.21	\$43.54
GIN COTTON (CUSTOM)			\$276.99					\$276.99
SUBTOTAL		1.74 HR	\$276.99	\$34.80	\$27.93	\$12.83	\$297.85	\$650.40
POSTHARVEST OPERATIONS								
SHREDDER	70 HP	0.14 HR		\$2.80	\$2.83	\$0.18	\$5.55	\$11.36
SUBTOTAL		0.14 HR		\$2.80	\$2.83	\$0.18	\$5.55	\$11.36
OVERHEAD EXPENSES								
DOWNTIME		1.03 HR		\$20.65				\$20.65
EMPLOYEE BENEFITS				\$18.45				\$18.45
INSURANCE			\$0.07					\$0.07
LAND TAXES							\$3.21	\$3.21
SUPERVISION AND MANAGEMENT				\$116.43				\$116.43
OTHER EXPENSES			\$71.33					\$71.33
SUBTOTAL		1.03 HR	\$71.40	\$155.53			\$3.21	\$230.15
TOTAL OPERATING EXPENSES		6.31 HR	\$485.08	\$258.03	\$142.47	\$28.50	\$376.14	\$1,290.23
NET OPERATING PROFIT								\$370.51
INTEREST ON OPERATING CAPITAL		(\$94.29 @	8.75%)				\$8.25
INTEREST ON EQUIPMENT INVESTMENT								\$170.05
RETURN TO LAND AND RISK								\$192.21

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

BUDGET SUMMARY

GROSS RETURN		#####	
VARIABLE OPERATING EXPENSES	\$656.05		
RETURN OVER VARIABLE EXPENSES		#####	(GROSS MARGIN)
FIXED EXPENSES	\$376.14		
NET FARM INCOME	\$258.03	\$628.54	(RETURN TO CAPITAL, LABOR, LAND & RISK)
NET OPERATING PROFIT	\$370.51		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$178.30		
RETURN TO LAND AND RISK		\$192.21	

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 2025
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
GROSS RETURNS				
COTTON LINT	\$0.65	1,719 LBS		\$1,117.35
COTTON SEED	\$0.08	2,750 LBS		\$231.03
DIRECT PAYMENT	\$0.0000	1,719 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.3404	700 LBS	0.85	\$202.54
TOTAL				\$1,550.92

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.00	20 LBS	\$140.00		\$140.00
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			\$151.24		\$151.24

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$3.40	\$4.66	\$1.15	\$2.87	\$12.08
PLOW	145 HP	0.48 HR		\$9.60	\$13.17	\$4.28	\$9.83	\$36.88
DISC (2X)	145 HP	0.34 HR		\$6.80	\$9.33	\$2.29	\$5.74	\$24.16
FLOAT	145 HP	0.16 HR		\$3.20	\$4.39	\$0.64	\$2.25	\$10.48
PRE-IRRIGATE		0.25 HR		\$4.23	\$15.23	\$0.00	\$5.68	\$25.13
CULTIVATOR	65 HP	0.21 HR		\$4.20	\$2.74	\$1.56	\$3.41	\$11.91
PLANTER	70 HP	0.26 HR		\$5.20	\$5.26	\$0.66	\$11.02	\$22.14
SLED	70 HP	0.15 HR		\$3.00	\$3.04	\$0.20	\$1.48	\$7.72
CULTIVATOR (3X)	65 HP	0.63 HR		\$12.60	\$8.22	\$4.69	\$10.22	\$35.73
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$12.68	\$45.68	\$0.00	\$17.04	\$75.39
SUBTOTAL		3.40 HR	\$20.00	\$64.90	\$111.71	\$15.48	\$69.53	\$281.63
HARVEST OPERATIONS								
COTTON STRIPPER	70 HP	0.62 HR		\$12.40	\$12.55	\$1.13	\$35.42	\$61.50
HAUL	65 HP	0.75 HR		\$15.00	\$9.78	\$0.96	\$6.91	\$32.65
GIN COTTON (CUSTOM)			\$331.25					\$331.25
SUBTOTAL		1.37 HR	\$331.25	\$27.40	\$22.34	\$2.09	\$42.33	\$425.41
POSTHARVEST OPERATIONS								
SHREDDER	70 HP	0.14 HR		\$0.56	\$2.83	\$0.18	\$5.55	\$9.12
SUBTOTAL		0.14 HR		\$0.56	\$2.83	\$0.18	\$5.55	\$9.12
OVERHEAD EXPENSES								
DOWNTIME		0.98 HR		\$19.55				\$19.55
EMPLOYEE BENEFITS				\$16.71				\$16.71
INSURANCE			\$0.07				\$0.07	\$0.07
LAND TAXES							\$3.21	\$3.21
SUPERVISION AND MANAGEMENT				\$108.72				\$108.72
OTHER EXPENSES			\$71.33					\$71.33
SUBTOTAL		0.98 HR	\$71.39	\$144.99			\$3.21	\$219.59
TOTAL OPERATING EXPENSES		5.89 HR	\$573.89	\$237.85	\$136.88	\$17.75	\$120.62	\$1,086.99
NET OPERATING PROFIT								\$463.93
INTEREST ON OPERATING CAPITAL		(\$110.21 @	8.75%)				\$9.64
INTEREST ON EQUIPMENT INVESTMENT								\$53.59
RETURN TO LAND AND RISK								\$400.71

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

GROSS RETURN		#####	
VARIABLE OPERATING EXPENSES	\$728.52		
RETURN OVER VARIABLE EXPENSES	\$822.40	(GROSS MARGIN)	
FIXED EXPENSES	\$120.62		
NET FARM INCOME	\$701.78	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$237.85		
NET OPERATING PROFIT	\$463.93	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$63.23		
RETURN TO LAND AND RISK	\$400.71		

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area,
Actual 2025

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	OAT HAY	PICKER COTTON	STRIPPER COTTON
	TONS	TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD	6.10	6.10	40.00	3.50	1,859.00	1,719.00
PRIMARY PRICE	\$305.00	\$305.00	\$7.90	\$184.00	\$0.65	\$0.65
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$202.54	\$202.54
SECOND INCOME	\$0.00	\$40.00	\$44.00	\$0.00	\$249.85	\$231.03
GROSS RETURN	\$1,860.50	\$1,900.50	\$360.00	\$644.00	\$1,660.74	\$1,550.92
CASH OPERATING EXPENSES						
SEED	\$138.00		\$61.60	\$76.00	\$105.00	\$140.00
FERTILIZER	\$86.00	\$186.00	\$186.00	\$139.50	\$4.80	\$4.80
CHEMICALS	\$0.00	\$5.25	\$18.62		\$5.25	\$5.25
CROP INSURANCE			\$5.88		\$1.64	\$1.19
OTHER PURCHASED INPUTS		\$90.36				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$98.67	\$55.46	\$26.74	\$39.75	\$81.56	\$75.97
FUEL-IRRIGATION	\$91.37	\$104.42	\$60.91	\$60.91	\$60.91	\$60.91
REPAIRS	\$25.98	\$20.88	\$6.99	\$11.92	\$28.50	\$17.75
CUSTOM CHARGES			\$26.86		\$296.99	\$351.25
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	\$440.10	\$536.98	\$468.17	\$402.66	\$659.27	\$731.73
RETURN OVER CASH EXPENSES	\$1,420.40	\$1,363.52	(\$108.17)	\$241.34	\$1,001.47	\$819.19
FIXED EXPENSES	\$98.41	\$308.80	\$42.83	\$50.17	\$372.93	\$117.41
TOTAL EXPENSES	\$538.51	\$845.77	\$511.01	\$452.83	\$1,032.19	\$849.14
NET FARM INCOME	\$1,321.99	\$1,054.73	(\$151.01)	\$191.17	\$628.54	\$701.78
LABOR AND MANAGEMENT COSTS	\$280.19	\$249.11	\$74.69	\$112.03	\$258.03	\$237.85
NET OPERATING PROFIT	\$1,041.79	\$805.62	(\$225.70)	\$79.14	\$370.51	\$463.93
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$15.16	\$14.17	\$11.63	\$8.25	\$9.64
INTEREST ON EQUIPMENT INVESTMENT	\$41.83	\$15.18	\$13.17	\$18.01	\$170.05	\$53.59
TOTAL CAPITAL COSTS	\$41.83	\$30.34	\$27.34	\$29.64	\$178.30	\$63.23
RETURN TO LAND AND RISK	\$999.96	\$775.28	(\$253.03)	\$49.50	\$192.21	\$400.71

Flex Computation -197.03282 117.67529 735.18838 571.70088

TABLE 13. Whole farm summary, Artesia-Lake Arthur area,
Actual 2025

GROSS RETURNS		
ALFALFA HAY	411 ACRES	\$778,826
CROP		\$14,160
GRAZING		
WHEAT	8.5 ACRES	\$2,686
CROP		\$0
DIRECT PAYMENTS		\$0
COUNTER CYCLICAL PAYMENT		\$374
GRAZING		
OAT HAY	8 ACRES	\$5,152
CROP		
PICKER COTTON	47.5 ACRES	\$57,397
COTTON LINT		\$11,868
COTTON SEED		\$0
DIRECT PAYMENTS		\$9,621
COUNTER CYCLICAL PAYMENT		
STRIPPER COTTON	25 ACRES	\$27,934
COTTON LINT		\$5,776
COTTON SEED		\$0
DIRECT PAYMENTS		\$5,063
COUNTER CYCLICAL PAYMENT		
		\$918,856
GROSS RETURN		
CASH OPERATING EXPENSES		
SEED		\$17,485
FERTILIZER		\$73,791
CHEMICALS		\$2,397
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$31,988
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$31,577
FUEL-IRRIGATION		\$47,593
REPAIRS		\$10,826
CUSTOM CHARGES		\$23,117
LAND TAXES		\$1,423
OTHER EXPENSES		\$31,630
		\$271,978
TOTAL CASH EXPENSES		\$646,878
RETURN OVER CASH EXPENSES		\$65,541
FIXED EXPENSES		\$337,518
TOTAL EXPENSES		\$581,337
NET FARM INCOME		\$123,888
LABOR AND MANAGEMENT COSTS		\$457,449
NET OPERATING PROFIT		\$6,214
CAPITAL COSTS		\$17,432
INTEREST ON OPERATING CAPITAL		
INTEREST ON EQUIPMENT INVESTMENT		\$23,645
TOTAL CAPITAL COSTS		\$23,645
RETURN TO LAND AND RISK		\$433,804

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$425,229	55.56%
\$2,500 /ACRE	\$412,366	29.07%
\$4,000 /ACRE	\$399,504	19.69%
\$5,500 /ACRE	\$386,641	14.88%

* 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)