		WATE	R USE
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
		_	
ALFALFA ESTABLISHMENT	52.00 *	8	416
ALFALFA	260.00	50	13,000
BARLEY	17.00	28	476
ARP	0.00		
FLEX IN PICKER COTTON	3.00	30	90
OAT HAY	20.00	28	560
PICKER COTTON	68.00	30	2,040
ARP	0.00		
FLEX IN PICKER COTTON	12.00	30	360
STRIPPER COTTON	68.00	30	2,040
ARP	0.00		
FLEX IN PICKER COTTON	12.00	30	360
RED CHILE	40.00	48	1,920
TOTAL	500.00		21,262
ACRE FEET PER ACRE	OF WATER RIGHTS		3.54

*DOUBLE-CROPPED

TABLE 2. Basic cost information for the Artesia-Lake Arthur area, Projected 2017

Projected 2017				
Item				
Labor Wage Rate:				
Equipment operators		\$/hour		\$7.20
General & Irrigators		\$/hour		\$7.50
Purchased Inputs:				
Fertilizer:				
Nitrogen (N)		\$/pound		\$0.22
Phosphate (P ₂ 0 ₅)		\$/pound		\$0.27
Seed:				
Alfalfa		\$/pound		\$3.05
Cotton				
picker		\$/pound		\$7.55
stripper		\$/pound		\$7.55
Barley		\$/pound		\$0.40
Oats		\$/pound		\$0.34
Red Chile		\$/pound		\$18.00
Wire:		\$/lb.		\$0.03
Natural gas		\$/MCF		\$4.00
(service charge)		\$/month		\$10.00
Diesel fuel		\$/gallon		\$2.35
Gasoline		\$/gallon		\$2.10
Electricity		cents/KwHr		\$8.32
LP Gas		\$/gallon		\$2.55
Employee Liability Insurance		\$/\$1000 wag	ges	\$0.72
Employee Benefits		percent/wag	18.00%	
Labor Downtime		percent		25.00%
Financial Rates:				
Operating Capital Interest Rate		percent		7.50%
Land Interest Rate		percent		Amount
Equipment Interest Rate		percent		7.50%
Real Interest Rate		percent		7.00%
Land Taxes	\$250.00	/acre (full va	lue)	\$1.79
Personal Property Tax Rat - NR		\$/\$1,000	(Assessed	\$21.42
- R		ψ/ψ1,000	Value)	\$19.10
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, Projected 2017

Item					
Electricity (Domestic & Shop)				per month	\$3,48
Telephone			\$211.75	per month	\$2,54
Accounting & Legal					\$3,20
Misc. Supplies & Hand Tools					\$4,09
Pickup and Auto					
miles	24,200	@	\$0.500	per mile	\$12,10
Insurance					
- general liability (non-employee)					\$1,80
- fire/theft					\$2,71
Property Taxes					
- non-planted land					\$
- other than land & machinery					S
Building repairs and maintenance					S
Dues, fees, publications					\$1,36
Farmstead Equipment					\$41
				•	***
				Total	\$31,71
	т	otal Per Pi	anted Acre		\$63.4

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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,
Projected 2017
Planting dates: September 1 - September 30

Planting dates: Septembe	r 1 - September 30							
ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED HERBICIDE PUMP WATER	\$3.05 \$32.40	20 LBS 1 ACRE 8 AC. IN.	\$61.00 \$32.40					\$61.00 \$32.40
SUBTOTAL			\$93.40				_	\$93.40
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.46	\$9.31	\$3.90	\$4.97	\$21.63
DISC (2X)	145 HP	0.34 HR		\$2.45	\$6.59	\$2.30	\$3.18	\$14.52
PLANE (3X)	145 HP	0.57 HR		\$4.10	\$11.05	\$2.33	\$10.09	\$27.57
DISC FLOAT (2X)	145 HP 70 HP	0.17 HR 0.32 HR		\$1.22 \$2.30	\$3.30 \$4.58	\$1.15 \$0.31	\$1.59 \$1.46	\$7.26 \$8.65
DRILL (2X)	65 HP	0.42 HR		\$3.02	\$4.29	\$0.99	\$7.40 \$7.19	\$15.49
IRRIGATE (2X)	03111	1.00 HR		\$7.50	\$7.02	\$1.45	\$2.32	\$18.29
SUBTOTAL		3.30 HR		\$24.06	\$46.13	\$12.42	\$30.81	\$113.41
OVERHEAD EXPENSES								
DOWNTIME		0.46 HR		\$3.28				\$3.28
EMPLOYEE BENEFITS				\$4.33				\$4.33
INSURANCE			\$0.02					\$0.02
SUPERVISION AND MANAGEMENT				\$14.59				\$14.59
SUBTOTAL		0.46 HR	\$0.02	\$22.19				\$22.21
TOTAL OPERATING EXPENSES		3.76 HR	\$93.41	\$46.25	\$46.13	\$12.42	\$30.81	\$229.02

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.

above average manag Projected 2017 Harvesting dates: N		e Arthur are	a,							
ITEM	PRICE		YIELI)						TOTAL
GROSS RETURNS										
ALFALFA HAY GRAZING	\$175.00 \$40.00		5.60	TONS (S	STACKED)					\$980.00 \$40.00
TOTAL									-	\$1,020.00
PURCHASED INPUTS	PRICE		QUANT	TTY	PURCHASED INPUTS				FIXED COST	TOTAL
INSECTICIDE (CUSTOM) HERBICIDE (CUSTOM) INSECT SCOUTING FERTILIZER (5-26-30) WIRE DRYING AGENT (AGRI-DRY) ESTABLISHMENT: Principal Interest PUMP WATER*	\$25.02 \$36.36 \$5.25 \$0.21 \$0.03 \$8.26		1 1 200 48 1 5	X/ACRE ACRE ACRE LBS LBS /TON YEARS AC. IN.	\$50.05 \$36.36 \$5.25 \$42.00 \$1.25 \$46.23				\$45.80 \$9.35	\$50.05 \$36.36 \$5.25 \$42.00 \$1.25 \$46.23 \$45.80 \$9.35
SUBTOTAL					\$181.14				\$55.15	\$236.30
PREHARVEST OPERATIONS	POWER UNIT		ACCOMPLIS RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (7X)			3.50	HR		\$26.25	\$43.87	\$9.05	\$14.53	\$93.70
SUBTOTAL			3.50	HR		\$26.25	\$43.87	\$9.05	\$14.53	\$93.70
HARVEST OPERATIONS										
SWATHER (5X) RAKE (5X) BALER (5X) BALE WAGON (5X)	16 FT SP 40 HP 96 HP SP		0.55 0.25 1.25 1.00	HR HR		\$3.96 \$1.80 \$9.00 \$7.20	\$4.84 \$1.96 \$17.89 \$16.28	\$0.80 \$0.51 \$1.37 \$16.75	\$12.05 \$2.86 \$3.52 \$7.51	\$21.65 \$7.13 \$31.78 \$47.74
SUBTOTAL			3.05	HR		\$21.96	\$40.97	\$19.43	\$25.94	\$108.30
OVERHEAD EXPENSES										
DOWNTIME EMPLOYEE BENEFITS INSURANCE LAND TAXES SUPERVISION AND MANAGEMENT OTHER EXPENSES			0.70	HR	\$0.03 \$63.43	\$5.04 \$8.68 \$71.68			\$1.79	\$5.04 \$8.68 \$0.03 \$1.79 \$71.68 \$63.43
SUBTOTAL			0.70	HR	\$63.46	\$85.40			\$1.79	\$150.65
TOTAL OPERATING EXPENSES			7.25	HR	\$244.61	\$133.61	\$84.84	\$28.48	\$97.41	\$588.95
NET OPERATING PROFIT										\$431.05
INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMEN	т	(\$108.84	@	7.50%)				\$8.16 \$21.86
RETURN TO LAND AND RISK										\$401.03
* Pump water costs are shown under irrigat	tion in the preharves		s section. SUMMARY							
GROSS RETURN VARIABLE OPERATING EXPENSES RETURN OVER VARIABLE EXPENSES FIXED EXPENSES		\$357.93 \$97.41	\$1,020.00 \$662.07	·	SS MARGIN)		ID 0 D:0:0			
NET FARM INCOME LABOR AND MANAGEMENT COST NET OPERATING PROFIT		\$133.61	\$564.66 \$431.05	·	RN TO CAPITAL, RN TO CAPITAL,		•			
CAPITAL COSTS RETURN TO LAND AND RISK		\$30.02	\$401.03							

TABLE 8. Barley, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2017

Planting dates: August 20 - September 30

Harvesting dates: June 15 - July 1 ITEM YIELD PRICE TOTAL GROSS RETURNS BARLEY \$6.12 35.00 CWT 35.00 CWT \$214.20 DIRECT PAYMENT \$0.00 \$0.00 COUNTER CYCLICAL PAYMENT \$0.00 \$0.00 GRAZING \$40.00 \$40.00 TOTAL \$254.20 PURCHASED PURCHASED INPUTS PRICE QUANTITY **INPUTS** TOTAL SEED 110 LBS 150 LBS \$0.45 \$49.50 \$49.50 NITROGEN (N) \$0.22 \$33.00 \$33.00 INSECTICIDE (CUSTOM) \$20.01 \$20.01 \$20.01 1 ACRE PUMP WATER* 28 AC. IN. CROP INSURANCE \$2.94 \$2.94 \$2.94 SUBTOTAL \$105.45 \$105.45 POWER ACCOMPLISHMENT PURCHASED FUEL & FIXED REPAIRS PREHARVEST OPERATIONS UNIT RATE **INPUTS** LABOR LUBE COST TOTAL PLOW 145 HP 0.48 HR 0.17 HR \$3.46 \$1.22 \$9.31 \$3.30 \$21.63 \$3.90 \$4.97 DISC 145 HP \$1.59 \$1.15 \$7.26 FLOAT 70 HP 0.16 HR \$1.15 \$2.29 \$0.15 \$0.73 \$4.33 FERTILIZE DEALER APPLIED DRILL 70 HP 0.21 HR \$1.51 \$3.01 \$0.42 \$3.92 \$8.85 IRRIGATE (4X) 2.00 HR \$15.00 \$24.57 \$5.07 \$8.13 \$52.77 3.02 HR \$22.34 \$42.46 \$10.69 \$19.34 \$94.84 SUBTOTAL HARVEST OPERATIONS COMBINE (CUSTOM) \$17.91 \$17.91 HAUL (CUSTOM) \$7.00 \$7.00 \$24.91 SUBTOTAL \$24.91 OVERHEAD EXPENSES DOWNTIME 0.22 HR \$1.55 \$1.55 EMPLOYEE BENEFITS \$4.02 \$4.02 INSURANCE \$0.02 \$0.02 LAND TAXES \$1.79 \$1.79 SUPERVISION AND MANAGEMENT \$17.93 \$17.93 OTHER EXPENSES \$63.43 \$63.43 SUBTOTAL 0.22 HR \$63.44 \$23.50 \$88.73 \$1.79 TOTAL OPERATING EXPENSES 3.24 HR \$193.80 \$45.84 \$42.46 \$10.69 \$21.12 \$313.92 NET OPERATING PROFIT (\$59.72)INTEREST ON OPERATING CAPITAL \$68.09 7.50%) \$5.11 INTEREST ON EQUIPMENT INVESTMENT \$8.36 RETURN TO LAND AND RISK (\$73.19) * Pump water costs are shown under irrigation in the preharvest operation section.

BUDGET SUMMARY

GROSS RETURN		\$254.20	
VARIABLE OPERATING EXPENSES	\$246.96		
RETURN OVER VARIABLE EXPENSES		\$7.24	(GROSS MARGIN)
FIXED EXPENSES	\$21.12		
NET FARM INCOME		(\$13.88)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$45.84		
NET OPERATING PROFIT		(\$59.72)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.46		
RETURN TO LAND AND RISK		(\$73.19)	

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, Projected 2017
Planting dates: February 1 - February 28
Harvesting dates: June 1 - June 30

ITEM	PRICE		YIELI	D						TOTAL
GROSS RETURNS										
OAT HAY	\$140.00		3.50	TONS (S	STACKED)					\$490.00
TOTAL									-	\$490.00
TOTAL										φ490.00
PURCHASED INPUTS	PRICE		QUANT	TITY	PURCHASED INPUTS					TOTAL
SEED FERTILIZER (16-20-0) PUMP WATER*	\$0.34 \$0.17		150	LBS LBS AC. IN.	\$34.00 \$25.50					\$34.00 \$25.50
SUBTOTAL					\$59.50				-	\$59.50
PREHARVEST OPERATIONS	POWER UNIT		ACCOMPLIS RATI		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
					1141 010					
PLOW DISC FLOAT	145 HP 145 HP 70 HP		0.48 0.34 0.16	HR		\$3.46 \$2.45 \$1.15	\$9.31 \$6.59 \$2.29	\$3.90 \$2.30 \$0.15	\$4.97 \$3.18 \$0.73	\$21.63 \$14.52 \$4.33
FERTILIZE (CUSTOM) DRILL IRRIGATE (4X)	70 HP		0.21 2.00		\$0.00	\$1.51 \$15.00	\$3.01 \$24.57	\$0.42 \$5.07	\$3.92 \$8.13	\$0.00 \$8.85 \$52.77
SUBTOTAL			3.19			\$23.57	\$45.76	\$11.84	\$20.93	\$102.10
HARVEST OPERATIONS						4	******	*****	4	*
SWATHER	16 FT		0.11	HR		\$0.79	\$0.97	\$0.16	\$2.41	\$4.33
BALER	126 HP		0.25			\$1.80	\$4.85	\$1.03	\$2.00	\$9.68
BALE WAGON	S. P.		0.20	пк		\$1.44	\$3.26	\$3.35	\$1.50	\$9.55
SUBTOTAL			0.56	HR		\$4.03	\$9.07	\$4.54	\$5.92	\$23.56
OVERHEAD EXPENSES										
DOWNTIME EMPLOYEE BENEFITS INSURANCE			0.40	HR	\$0.02	\$2.86 \$4.97				\$2.86 \$4.97 \$0.02
LAND TAXES SUPERVISION AND MANAGEMENT OTHER EXPENSES					\$63.43	\$34.46			\$1.79	\$1.79 \$34.46 \$63.43
SUBTOTAL			0.40	HR	\$63.45	\$42.29			\$1.79	\$107.53
TOTAL OPERATING EXPENSES			4.15	HR	\$122.95	\$69.89	\$54.83	\$16.38	\$28.63	\$292.68
NET OPERATING PROFIT										\$197.32
INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTMEN	IT	(\$45.28	@	7.50%)				\$3.40 \$14.02
RETURN TO LAND AND RISK										\$179.90
* Pump water costs are shown under irriga	ation in the preha	rvest operat	ion section.							_
		BUDGET	SUMMARY							
GROSS RETURN		£104.40	\$490.00							
VARIABLE OPERATING EXPENSES RETURN OVER VARIABLE EXPENSES		\$194.16	\$295.84	(GROS	SS MARGIN)					
FIXED EXPENSES NET FARM INCOME		\$28.63	\$267.21	(RFTII	RN TO CAPITAL, I	ABOR I AN	D & RISK)			
LABOR AND MANAGEMENT COST NET OPERATING PROFIT		\$69.89	\$197.32		RN TO CAPITAL, I					
CAPITAL COSTS RETURN TO LAND AND RISK		\$17.41	\$197.32 \$179.90	(NEIU	IXIN TO CAPITAL, I	-NIND & KISP	×)			

TABLE 10. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, 2002.

Planting dates: April 15 - May 15

Harvesting dates: October 15 - January 15

Harvesting dates: Octobe	r 15 - January 15	5								
ITEM	PRICE		YIEI	LD						TOTAL
GROSS RETURNS										
COTTON LINT	\$0.750		700	LBS						\$525.00
COTTON SEED	\$0.075		1,120							\$84.00
DIRECT PAYMENT	\$0.000			LBS						\$0.00
COUNTER CYCLICAL PAYMENT	\$0.087		700	LBS						\$61.11
TOTAL										\$670.11
										ψ070.11
DUDOLIA CED INDUTO	DDICE		OLIAN	TIT\/	PURCHASED					TOTAL
PURCHASED INPUTS	PRICE		QUAN	IIIY	INPUTS					TOTAL
SEED	\$7.55			LBS	\$113.25					\$113.25
FOLIAR FERTILIZER	\$4.80			X/ACRE	\$4.80					\$4.80
INSECT SCOUTING HERBICIDE (CUSTOM)	\$5.25			ACRE X/ACRE	\$5.25 \$80.91					\$5.25 \$80.91
INSECTICIDE (CUSTOM)	\$80.91 \$31.56			X/ACRE	\$31.56					\$31.56
CROP INSURANCE	ψ01.00		· ·	FCIC	\$0.53					\$0.53
PUMP WATER*			30	AC. IN.	*****					• • • • • •
SUBTOTAL					\$236.30				,	\$236.30
PREHARVEST OPERATIONS	POWER UNIT		ACCOMPL RA		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP		0.17	HR		\$1.22	\$3.30	\$1.15	\$1.59	\$7.26
PLOW	145 HP		0.48			\$3.46	\$9.31	\$3.90	\$4.97	\$21.63
DISC (2X)	145 HP		0.34			\$2.45	\$6.59	\$2.30	\$3.18	\$14.52
FLOAT	145 HP		0.16			\$1.15	\$3.10	\$0.64	\$1.33	\$6.22
LISTER	145 HP		0.18			\$1.30	\$3.49	\$1.07	\$2.36	\$8.22
PRE-IRRIGATE	or UD		0.75			\$5.63	\$6.58	\$1.36	\$2.18	\$15.74
CULTIVATOR PLANTER	65 HP 70 HP		0.21 0.26			\$1.51 \$1.87	\$2.14 \$3.72	\$0.48 \$0.67	\$1.15 \$4.32	\$5.29 \$10.58
SLED	70 HP		0.26			\$1.07 \$1.08	\$2.15	\$0.67	\$4.32 \$0.81	\$4.22
CULTIVATOR (3X)	65 HP		0.63			\$4.54	\$6.43	\$1.44	\$3.46	\$15.87
HAND HOE (CUSTOM)					\$20.00		• • •	•	• • • •	\$20.00
IRRIGATE (3X)			1.50	HR		\$11.25	\$19.74	\$4.07	\$6.54	\$41.60
SUBTOTAL		,	4.83	HR	\$20.00	\$35.45	\$66.55	\$17.27	\$31.88	\$171.15
HARVEST OPERATIONS										
COTTON PICKER (2X)	2-ROW		0.74	HR		\$5.33	\$10.52	\$12.68	\$158.39	\$186.92
HAUL (2X)	65 HP		1.00			\$7.20	\$10.21	\$1.32	\$5.33	\$24.06
GIN COTTON (CUSTOM)					\$104.30					\$104.30
SUBTOTAL		•	1.74	HR	\$104.30	\$12.53	\$20.73	\$14.00	\$163.72	\$315.28
POSTHARVEST OPERATIONS										
SHREDDER	70 HP		0.14	HR		\$1.01	\$2.00	\$0.19	\$2.19	\$5.39
SUBTOTAL			0.14	HR		\$1.01	\$2.00	\$0.19	\$2.19	\$5.39
OVERHEAD EXPENSES										
			2.25	D		A 0.00				00.00
DOWNTIME EMPLOYEE BENEFITS			0.95	HK		\$6.82 \$8.82				\$6.82 \$8.82
INSURANCE					\$0.04	Ψ0.02				\$0.04
LAND TAXES									\$1.79	\$1.79
SUPERVISION AND MANAGEMENT						\$47.15				\$47.15
OTHER EXPENSES					\$63.43					\$63.43
SUBTOTAL		•	0.95	HR	\$63.46	\$62.78			\$1.79	\$128.03
TOTAL OPERATING EXPENSES		•	7.66	HR	\$424.06	\$111.77	\$89.28	\$31.46	\$199.58	\$856.15
NET OPERATING PROFIT										(\$186.04)
INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTM	ENT	(\$142.55	@	7.50%)				\$10.69 \$106.11
RETURN TO LAND AND RISK										(\$302.84)
* Pump water costs are shown under irr	gation in the pre		ration section SUMMARY	i.						
GROSS RETURN			\$670.11							
VARIABLE OPERATING EXPENSES		\$544.80	+							
RETURN OVER VARIABLE EXPENSES			\$125.31	(GROS	S MARGIN)					
FIXED EXPENSES		\$199.58	(A-1 0-)	(DET: :-	ON TO CARITAL	00D 1 4415 1	DIOK:			
NET FARM INCOME LABOR AND MANAGEMENT COST		\$111.77	(\$74.27)	(KE I UF	RN TO CAPITAL, LA	OUK, LAND &	KIOK)			
NET OPERATING PROFIT		ψιιι.//	(\$186.04)	(RETUR	RN TO CAPITAL, LAI	ND & RISK)				
CAPITAL COSTS		\$116.80			,	- /				
RETURN TO LAND AND RISK			(\$302.84)							

TABLE 11. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2017
Planting dates: April 15 - May 15

Harvesting dates: Octobe										
ITEM	PRICE		YIEL	.D						TOTA
GROSS RETURNS										
COTTON LINT	\$0.700		700	LBS						\$490.00
COTTON SEED	\$0.075		1,120							\$84.00
DIRECT PAYMENT COUNTER CYCLICAL PAYMENT	\$0.000 \$0.137			LBS LBS						\$0.00 \$96.11
COUNTER CTOLICAL PATIMENT	φυ.137		700	LDO						\$90.11
TOTAL										\$670.11
					PURCHASED					
PURCHASED INPUTS	PRICE		QUAN	TITY	INPUTS					TOTA
SEED	\$7.55		20	LBS	\$151.00					\$151.00
FOLIAR FERTILIZER	\$4.80			X/ACRE	\$4.80					\$4.80
INSECT SCOUTING	\$5.25			ACRE	\$5.25					\$5.25
HERBICIDE (CUSTOM) INSECTICIDE (CUSTOM)	\$45.34 \$33.18			X/ACRE X/ACRE	\$45.34 \$33.18					\$45.34 \$33.18
CROP INSURANCE	φουσ		ŭ	FCIC	\$0.74					\$0.74
PUMP WATER*			30	AC. IN.						
CROP INSURANCE	\$0.00				\$0.00				_	\$0.00
SUBTOTAL					\$240.30					\$240.30
	POWER		ACCOMPLI	SHMENT	PURCHASED		FUEL &		FIXED	
PREHARVEST OPERATIONS	UNIT		RAT		INPUTS	LABOR	LUBE	REPAIRS	COST	TOTA
DISC	145 HP		0.17			\$1.22	\$3.30	\$1.15	\$1.59	\$7.26
PLOW	145 HP		0.48			\$3.46	\$9.31	\$3.90	\$4.97	\$21.63
DISC (2X) FLOAT	145 HP 145 HP		0.34 0.16			\$2.45 \$1.15	\$6.59 \$3.10	\$2.30	\$3.18 \$1.33	\$14.52 \$6.22
LIST	145 HP		0.18			\$1.15	\$3.10	\$0.64 \$1.07	\$2.36	\$8.22
PRE-IRRIGATE			0.75			\$5.63	\$6.58	\$1.36	\$2.18	\$15.74
CULTIVATOR	65 HP		0.21			\$1.51	\$2.14	\$0.48	\$1.15	\$5.29
PLANTER	70 HP		0.26			\$1.87	\$3.72	\$0.67	\$4.32	\$10.58
SLED CULTIVATOR (3X)	70 HP 65 HP		0.15 0.63			\$1.08 \$4.54	\$2.15 \$6.43	\$0.18 \$1.44	\$0.81 \$3.46	\$4.22 \$15.87
HAND HOE (CUSTOM)	03 HF		0.03	ПК	\$20.00	φ4.54	\$0.43	φ1. 44	φ3.40	\$20.00
IRRIGATE (3X)			1.50	HR		\$11.25	\$19.74	\$4.07	\$6.54	\$41.60
SUBTOTAL			4.83	HR	\$20.00	\$35.45	\$66.55	\$17.27	\$31.88	\$171.15
HARVEST OPERATIONS										
COTTON STRIPPER	70 HP		0.62	HR		\$4.46	\$8.87	\$3.49	\$62.45	\$79.27
HAUL	65 HP		0.75			\$5.40	\$7.66	\$0.99	\$4.00	\$18.05
GIN COTTON (CUSTOM)					\$134.89					\$134.89
SUBTOTAL		•	1.37	HR	\$134.89	\$9.86	\$16.53	\$4.48	\$66.44	\$232.21
POSTHARVEST OPERATIONS										
SHREDDER	70 HP		0.14	HR		\$0.56	\$2.00	\$0.19	\$2.19	\$4.94
SUBTOTAL			0.14	HR		\$0.56	\$2.00	\$0.19	\$2.19	\$4.94
OVERHEAD EXPENSES										
			0.89	ш		# 0.40				00.40
DOWNTIME EMPLOYEE BENEFITS			0.09	пк		\$6.43 \$8.26				\$6.43 \$8.26
INSURANCE					\$0.03	****				\$0.03
LAND TAXES									\$1.79	\$1.79
SUPERVISION AND MANAGEMENT OTHER EXPENSES					\$63.43	\$47.09				\$47.09 \$63.43
SUBTOTAL			0.89	HR	\$63.46	\$61.78			\$1.79	\$127.02
TOTAL OPERATING EXPENSES			7.23		\$458.65	\$107.65	\$85.08	\$21.93	\$102.30	\$775.62
NET OPERATING PROFIT										(\$105.51
INTEREST ON OPERATING CAPITAL		,	\$143.40	@	7.50%)				\$10.76
INTEREST ON OPERATING CAPITAL INTEREST ON EQUIPMENT INVESTM	ENT	(\$143.40	w	7.50%	,				\$55.19
RETURN TO LAND AND RISK										(\$171.45
* Pump water costs are shown under irr	igation in the preha		ion section. SUMMARY							
ODOGO DETURY		DUDGET								
GROSS RETURN VARIABLE OPERATING EXPENSES		\$565.67	\$670.11							
RETURN OVER VARIABLE EXPENSES		ψυσυ.01	\$104.44	(GROS	SS MARGIN)					
FIXED EXPENSES		\$102.30								
NET FARM INCOME			\$2.15	(RETU	RN TO CAPITAL, I	LABOR, LAN	D & RISK)			
		0407.05	Ψ2							
LABOR AND MANAGEMENT COST		\$107.65				AND & DICL	0			
		\$107.65 \$65.95	(\$105.51)		RN TO CAPITAL, I	LAND & RISH	<)			

TABLE 12. Red chile, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2017
Planting dates: April 1 - April 15

	- April 15 otember 1 - October 30								
ITEM GROSS RETURNS	PRICE		YIELD						TOTA
RED CHILE	\$0.60	3,200	LBS						\$1,920.00
TOTAL									\$1,920.00
				PURCHASED					
PURCHASED INPUTS	PRICE	QI	UANTITY	INPUTS					TOTA
SEED	\$18.00	8	LBS	\$144.00					\$144.00
NITROGEN (N)	\$0.22		LBS	\$26.40					\$26.40
PHOSPHATE (P205) HERBICIDE (CUSTOM)	\$0.27 \$34.59	70 1	LBS X/ACRE	\$18.90 \$34.59					\$18.90 \$34.59
INSECTICIDE (CUSTOM)	\$40.88		X/ACRE	\$40.88					\$40.88
CROP INSURANCE			DOLLARS	\$20.00					\$20.00
NOVA CHEMICAL APPLICATION	\$4.30		AI OZ PER ACRE	\$0.00					\$0.00
PUMP WATER*		48	AC. IN.						
SUBTOTAL				\$284.77					\$284.77
DDELLADVECT ODEDATIONS	POWER		MPLISHMENT	PURCHASED	LAROR	FUEL &	DEDAIDS	FIXED	TOTA
PREHARVEST OPERATIONS	UNIT		RATE	INPUTS	LABOR	LUBE	REPAIRS	COST	TOTA
PLOW	145 HP	0.48			\$3.46	\$9.31	\$3.90	\$4.97	\$21.63
DISC (2X) PLANE	145 HP 145 HP	0.34 0.16			\$2.45 \$1.15	\$6.59 \$3.10	\$2.30 \$0.65	\$3.18 \$2.83	\$14.52 \$7.74
FERTILIZE	DEALER APPLIED	0.10	1110		ψ1.10	ψ0.10	ψ0.00	Ψ2.00	ψ1.1-
LIST	145 HP	0.18			\$1.30	\$3.49	\$1.07	\$2.36	\$8.22
PRE-IRRIGATE CULTIVATOR	65 HP	0.75 0.21			\$5.63 \$1.51	\$5.26 \$2.14	\$1.09 \$0.48	\$1.74 \$1.15	\$13.72 \$5.29
PLANTER	70 HP	0.21			\$1.87	\$3.72	\$0.46 \$0.67	\$4.32	\$5.28 \$10.58
CULTIVATOR (5X)	65 HP	1.05			\$7.56	\$10.72	\$2.41	\$5.76	\$26.45
THIN (CUSTOM)				\$45.00					\$45.00
IRRIGATE (7X) HAND HOE (CUSTOM)		3.50	HR	\$20.00	\$26.25	\$36.85	\$7.60	\$12.20	\$82.91 \$20.00
CHEMICAL APPLICATION (CUSTON	1)			\$0.00					\$0.00
SUBTOTAL	•	6.93	HR	\$65.00	\$51.17	\$81.19	\$20.17	\$38.52	\$256.05
HARVEST OPERATIONS									
HAND PICK (CUSTOM)				\$640.00					\$640.00
FIELD HAUL	145 HP	0.90	HR	φ040.00	\$6.48	\$17.45	\$3.60	\$8.16	\$35.69
HAUL (CUSTOM)				\$96.00					\$96.00
SUBTOTAL	-	0.90	HR	\$736.00	\$6.48	\$17.45	\$3.60	\$8.16	\$771.69
POSTHARVEST OPERATIONS									
SHREDDER	70 HP	0.14	HR		\$1.01	\$2.00	\$0.19	\$2.19	\$5.39
SUBTOTAL	-	0.14	HR		\$1.01	\$2.00	\$0.19	\$2.19	\$5.39
OVERHEAD EXPENSES									
DOWNTIME		0.93	HR		\$6.70				\$6.70
EMPLOYEE BENEFITS					\$10.56				\$10.56
INSURANCE LAND TAXES				\$0.04				\$1.79	\$0.04 \$1.79
SUPERVISION AND MANAGEMENT					\$134.75			Ψ1.75	\$134.75
OTHER EXPENSES				\$63.43					\$63.43
SUBTOTAL	-	0.93	HR	\$63.47	\$152.00			\$1.79	\$217.26
TOTAL OPERATING EXPENSES	-	8.90	HR	\$1,149.24	\$210.66	\$100.64	\$23.96	\$50.65	\$1,535.15
NET OPERATING PROFIT									\$384.85
INTEREST ON OPERATING CAPITA INTEREST ON EQUIPMENT INVEST		\$170.03	@	7.50%)				\$12.75 \$25.56
RETURN TO LAND AND RISK									\$346.53
* Pump water costs are shown under	irrigation in the preharvest one	ration section	1						φο τοισο
		T SUMMARY							
GROSS RETURN		\$1,920.00							
VARIABLE OPERATING EXPENSES RETURN OVER VARIABLE EXPENSES	####### S	\$646.16	(GROSS MARG	IN)					
FIXED EXPENSES	\$50.65								
NET FARM INCOME	0010.00	\$595.51	(RETURN TO C	APITAL, LABOR, I	AND & RISH	()			
LABOR AND MANAGEMENT COST NET OPERATING PROFIT	\$210.66	\$384.85	(RETURN TO C	APITAL, LAND & F	RISK)				
CAPITAL COSTS	\$38.32	↓ 00-1.03	(
RETURN TO LAND AND RISK		\$346.53							

TABLE 13. Summary of per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2017

Projected 2017	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON	RED CHILE
		TONS	CWT	TONS	LBS	LBS	LBS
PRIMARY YIELD		5.60	35.00	3.50	700.00	700.00	3200.00
PRIMARY PRICE		\$175.00	\$6.12	\$140.00	\$0.75	\$0.70	\$0.60
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$61.11	\$96.11	\$0.00
SECOND INCOME		\$40.00	\$40.00	\$0.00	\$84.00	\$84.00	\$0.00
GROSS RETURN		\$1,020.00	\$254.20	\$490.00	\$670.11	\$670.11	\$1,920.00
CASH OPERATING EXPENSES							
SEED	\$61.00		\$49.50	\$34.00	\$113.25	\$151.00	\$144.00
FERTILIZER		\$42.00	\$33.00	\$25.50	\$4.80	\$4.80	\$45.30
CHEMICALS	\$32.40	\$86.41	\$20.01		\$117.72	\$83.76	\$75.47
CROP INSURANCE			\$2.94		\$0.53	\$0.74	\$20.00
OTHER PURCHASED INPUTS		\$52.73					
CANAL WATER							
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$39.11	\$40.97	\$17.90	\$30.26	\$62.96	\$58.76	\$58.52
FUEL-IRRIGATION	\$7.02	\$43.87	\$24.57	\$24.57	\$26.32	\$26.32	\$42.12
REPAIRS	\$12.42	\$28.48	\$10.69	\$16.38	\$31.46	\$21.93	\$23.96
CUSTOM CHARGES LAND TAXES		\$1.79	\$24.91 \$1.79	\$1.79	\$124.30 \$1.79	\$154.89 \$1.79	\$801.00 \$1.79
OTHER EXPENSES	\$0.02	\$63.46	\$63.44	\$63.45	\$63.46	\$63.46	\$63.47
TOTAL CASH EXPENSES	\$151.96	\$359.72	\$248.74	\$195.95	\$546.59	\$567.45	\$1,275.62
RETURN OVER CASH EXPENSES	(\$151.96)	\$660.28	\$5.46	\$294.05	\$123.52	\$102.66	\$644.38
FIXED EXPENSES	\$30.81	\$95.62	\$19.34	\$26.85	\$197.79	\$100.51	\$48.87
TOTAL EXPENSES	\$182.77	\$455.34	\$268.08	\$222.79	\$744.38	\$667.96	\$1,324.49
NET FARM INCOME	(\$182.77)	\$564.66	(\$13.88)	\$267.21	(\$74.27)	\$2.15	\$595.51
LABOR AND MANAGEMENT COSTS	\$46.25	\$133.61	\$45.84	\$69.89	\$111.77	\$107.65	\$210.66
NET OPERATING PROFIT	(\$229.02)	\$431.05	(\$59.72)	\$197.32	(\$186.04)	(\$105.51)	\$384.85
CAPITAL COSTS							
INTEREST ON OPERATING CAPITAL		\$8.16	\$5.11	\$3.40	\$10.69	\$10.76	\$12.75
INTEREST ON EQUIPMENT INVESTMENT		\$21.86	\$8.36	\$14.02	\$106.11	\$55.19	\$25.56
TOTAL CAPITAL COSTS	\$0.00	\$30.02	\$13.46	\$17.41	\$116.80	\$65.95	\$38.32
RETURN TO LAND AND RISK	(\$229.02)	\$401.03	(\$73.19)	\$179.90	(\$302.84)	(\$171.45)	\$346.53

TABLE 14. Whole farm summary, Artesia-Lake Arthur area, Projected 2017

Projected 2017					
GROSS RETURNS					
ALFALFA HAY	260	ACRES			
CROP	200	NONEO	\$265,200		
BARLEY	17	ACRES			
CROP			\$4,321		
DIRECT PAYMENT			\$0		
COUNTER CYCLICAL PAYM		ACDEC	\$0		
OAT HAY CROP	20	ACRES	\$9,800		
PICKER COTTON	95	ACRES	ψ9,000		
COTTON LINT	00	7.020	\$49,875		
COTTON SEED			\$7,980		
DIRECT PAYMENT			\$0		
COUNTER CYCLICAL PAYM			\$5,805		
STRIPPER COTTON COTTON LINT	68	ACRES	\$22,220		
COTTON LINT			\$33,320 \$5,712		
DIRECT PAYMENT			\$0,712		
COUNTER CYCLICAL PAYME	ENT		\$6,535		
RED CHILE	40	ACRES			
CROP			\$76,800		
			<u>-</u>		
GROSS RETURN				\$465,349	
CASH OPERATING EXPENSES					
SEED SEED			\$31,480		
FERTILIZER			\$14,585		
CHEMICALS			\$44,390		
CROP INSURANCE			\$950		
OTHER PURCHASED INPUT	S		\$13,710		
CANAL WATER			\$0		
FUEL, OIL & LUBRICANTS-E	QUIPMENT		\$25,913		
FUEL-IRRIGATION REPAIRS			\$18,656 \$13,999		
CUSTOM CHARGES			\$13,999 \$54,804		
LAND TAXES			\$893		
OTHER EXPENSES			\$31,732		
			_		
TOTAL CASH EXPE	ENSES			\$251,113	
DETUDALONED OAGU ENDENO	-0				0044000
RETURN OVER CASH EXPENSI	=5				\$214,236
FIXED EXPENSES			\$43,000		
I IXED EXILENOES			Ψ10,000		
TOTAL EXPENSES				\$294,113	
NET FARM INCOME					\$171,236
LABOR AND MANAGEMENT CO	STS		\$65,686		
NET OPERATING PROFIT					\$105,550
NET OF ERATING FROM					\$105,550
CAPITAL COSTS					
INTEREST ON OPERATING (CAPITAL		\$4,534		
INTEREST ON EQUIPMENT I	NVESTMENT	Γ	\$20,962		
			-		
TOTAL CAPITAL CO	JSIS			\$25,496	
RETURN TO LAND AND RISK					\$80,053
				=	ψ00,000
-					
LAND VALUE		RETURN	RETURN ON		
		TO RISK*	INVESTMENT**		
\$1,000 /ACRE		\$45,053	15.27%		
\$2,500 /ACRE		(\$7,447)	7.32%		
\$4,000 /ACRE		(\$59,947)	4.82%		
\$5,500 /ACRE		(\$112,447)	3.59%		

 $^{^{\}star}$ 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)