

BUDGET AREA: COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2007.
 FARM'S: 400 ACRES
 IRRIGATION TYP FLOOD/PRESSURIZER
 NUMBER OF CRO 4

ACREAGE SUMMARY:	WATER USE		
	LAND U (ACRES)	AC IN PER AC	TOTAL AC. IN.
GRAIN SORGHUM	156	30	4680
ARP	0		0
FLEX IN COTTG	0	28	0
COTTG	153	28	4284
ARP	0		0
FLEX IN COTTG	0	28	0
GREEN CHLE	20	54	1080
RED CHLE	20	48	960
ROADS, HOUSES	20		
TOTAL	549		10404
ACRE FEET PER ACRE OF WATER	2.68424		

TABLE 1 Basic cost information for the Cotton City-Animas area, Projected 2017

Item	Unit	Cost
Labor Wage Rate		
Equipment operators	\$/hour	\$8.55
General & Irrigator	\$/hour	\$7.50
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.22
Phosphorus (P2O5)	\$/pound	\$0.27
Adapted Ammonia (NH3)	\$/ton	\$717.00
Seed:		
Grain Sorghum	\$/pound	\$1.70
Cotton (picker)	\$/pound	\$7.55
Chile:		
green	\$/pound	\$18.00
red	\$/pound	\$18.00
wheat	\$/pound	\$0.44
Energy:		
Natural gas (Gas. Co. NM)	\$/MCF	\$3.98
(contract charge)	\$/month	\$10.00
Diesel fuel	\$/gallon	\$2.40
Chile	\$/gallon	\$2.10
Electricity (Cibola)	cents/kWh	\$0.27
LP Gas	\$/gallon	\$2.55
Employee Liability Insurance	\$/51,000 wages	\$20.00
Employee Benefits	percent's ages	0.18
Labor Discount	percent	0.25
Financial Rates:		
Operating Capital Interest Rate	percent	5.50%
Land Interest Rate	percent	3.00%
Equipment Interest Rate	percent	5.50%
Real Interest Rate	percent	4.00%
Land Taxes	\$/40 acres (half value)	\$2.56
Personal Property Tax Rate - NR	\$/51,000 (Assesse Value)	\$22.10
- R		\$19.03
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment & General	\$/labor hour	\$0.50
Vegetable Crop-Irrigation	\$/labor hour	\$2.00
Vegetable Crop-Equipment & General	\$/labor hour	\$1.00
Management Rate		
Field Crops	percent/CR	7.00%
Vegetable Crops	percent/TCE	10.00%

TABLE 1a. Overhead cost information for Cotton City-Animas area, 2007.

ITEM	Unit	Cost
Electricity (Domestic & Shop)	net month	2000
Telephone	\$/1000	1376.4
Accounting & Legal	net month	61,704.96
Misc. Supplies & Hand Tools		\$2,688.05
Plum and App	20000 @ 0.5 net mile	10000
Insurance:		
- annual liability (non-employee)		\$1,862.90
- fire/ theft		\$1,422.00
Property Taxes		9.511
- non-annual land		540
- other fixed cost & machinery		\$1,267.20
Building, roads and maintenance		\$111.40
Depr. fees, amortization		\$109.40
Financial Interest		
Total		\$26,812.17
Total Per Planned Acre		\$74.29

TABLE 4. WHEAT, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 700 ACRE FARM WITH ABOVE AVERAGE MANAGEMENT, COTTON CITY-ANIMAS AREA, HIDALGO COUNTY
PLANTING DATES: DECEMBER 10 - DECEMBER 20
HARVEST DATES: JUNE 15 - JULY 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	\$4.20	50 CWT						\$210.00
TOTAL								
\$210.00								
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	\$0.44	100 LBS	44				\$44.00	
ANHYDROUS AMMONIA (N)	\$0.36	250 LBS	89.625				\$89.63	
NITROGEN (N)	\$0.22	30 LBS	6.6				\$6.60	
PHOSPHATE (P2O5)	\$0.27	80 LBS	21.6				\$21.60	
PUMP WATER*		24 ACRE IN.						
CROP INSURANCE								
SUBTOTAL			161.825				\$161.83	
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIR	FIXED COST	
DISC	185 HP	0.14 HR		\$1.20	\$3.49	\$1.13	\$3.85	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.25	\$0.40	\$1.37	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.26	\$2.38	\$1.08	
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$2.49	\$0.81	\$0.00	
DRILL	96 HP	0.18 HR		\$1.54	\$2.04	\$2.13	\$0.00	
IRRIGATE (4X)		0.6 HR		\$4.50	\$4.50	\$0.00	\$33.75	
DISC	96 HP	0.25 HR		\$2.14	\$2.83	\$2.95	\$0.00	
SUBTOTAL			1.52 HR	\$12.37	\$18.85	\$9.80	\$40.05	
HARVEST OPERATIONS								
COMBINE (CUSTOM)			32.22				\$32.22	
HAIL TO STORAGE (CUSTOM)			9.5				\$9.50	
HAIL TO MARKET (CUSTOM)			22.5				\$22.50	
SUBTOTAL			64.22	\$0.00	\$0.00	\$0.00	\$64.22	
OVERHEAD EXPENSES								
DOWNTIME		0.155 HR		\$1.33			\$1.33	
EMPLOYEE BENEFITS				\$2.23			\$2.23	
INSURANCE			0.24732				\$0.25	
LAND TAXES						\$2.56	\$2.56	
SUPERVISION AND MANAGEMENT				\$15.71			\$15.71	
OTHER EXPENSES			74.2923				\$74.29	
SUBTOTAL			0.155 HR	\$4.5396	\$19.26	\$2.56	\$96.36	
TOTAL OPERATING EXPENSES			1.675 HR	\$300.585	\$31.63	\$18.85	\$9.80	
							\$42.62	
							\$403.48	
NET OPERATING PROFIT								
							-\$193.48	
INTEREST ON OPERATING CAPITAL	(	93.4275 @	0.055)				\$5.14
INTEREST ON EQUIPMENT INVESTMENT							\$6.48	
RETURN TO LAND AND RISK							-\$205.10	

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

BUDGET SUMMARY

GROSS RETURN		\$210.00		
VARIABLE OPERATING EXPENSES	329.238			
RETURN OVER VARIABLE EXPENSES	42.616	-\$119.24	(GROSS MARGIN)	
FIXED EXPENSES				
NET FARM INCOME		-\$161.85	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	31.6271	-\$193.48	(RETURN TO CAPITAL, LAND & RISK)	
NET OPERATING PROFIT				
CAPITAL COSTS	11.6234			
RETURN TO LAND AND RISK		-\$205.10		

TABLE 5. CORN FOR GRAIN, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 700 ACRE FARM WITH AVERAGE MANAGEMENT, COTTON CITY-ANIMAS AREA, HIDALGO COUNTY

PLANTING DATES: APRIL 1 - MAY 15
HARVEST DATES: SEPTEMBER 15 - NOVEMBER 1

ITEM	PRICE	YIELD					TOTAL
GROSS RETURNS							
CORN FOR GRAIN	\$3.60	85 CWT					\$306.00
TOTAL							\$306.00
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL
SEED	\$0.91	32 000			29		\$29.00
ANHYDROUS AMMONIA (N)	\$0.36	250 LBS			89.625		\$89.63
NITROGEN (N)	\$0.22	90 LBS			17.6		\$17.60
PHOSPHATE (P2O5)	\$0.27	100 LBS			27		\$27.00
HERBICIDE	\$7.83	1 ACRE			7.8324		\$7.83
PUMP WATER*		40 AC. IN.					
CROP INSURANCE							
SUBTOTAL					171.067		\$171.06
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	FUEL & LUBE	REPAIR	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR	\$1.71	\$4.98	\$1.78	\$6.29	\$14.76
DISC & SPRAY	185 HP	0.15 HR	\$1.28	\$1.28	\$0.00	\$10.97	\$13.53
FERTILIZE	185 HP	0.05 HR	\$0.43	\$1.25	\$0.40	\$1.37	\$3.45
ANHYDROUS KNIVES	185 HP	0.1 HR	\$0.86	\$2.49	\$0.81	\$2.75	\$6.90
PLANTER	185 HP	0.26 HR	\$2.22	\$6.48	\$2.10	\$3.45	\$14.25
CULTIVATOR (2X)	96 HP	0.42 HR	\$3.59	\$4.75	\$4.96	\$2.63	\$15.93
IRRIGATE (12X)		1.8 HR	\$13.50	\$20.36	\$24.34	\$16.70	\$74.89
SUBTOTAL		2.98 HR	\$23.59	\$41.58	\$34.40	\$44.16	\$143.73
HARVEST OPERATIONS							
COMBINE (CUSTOM)							\$30.60
HAIL TO STORAGE (CUSTOM)							\$17.00
HAIL TO MARKET (CUSTOM)							\$36.25
SUBTOTAL			85.85	\$0.00	\$0.00	\$0.00	\$85.85
POSTHARVEST OPERATIONS							
SHREDDER	80 HP	0.14 HR	\$1.20	\$1.58	\$1.91	\$1.62	\$6.32
OVERHEAD EXPENSES							
DOWNTIME		0.33 HR		\$2.82			\$2.82
EMPLOYEE BENEFITS				\$4.46			\$4.46
INSURANCE			0.49572				\$0.50
LAND TAXES						\$2.56	\$2.56
SUPERVISION AND MANAGEMENT				\$23.88			\$23.88
OTHER EXPENSES				74.2923			\$74.29
SUBTOTAL		0.33 HR	74.788	\$31.16		\$2.56	\$108.51
TOTAL OPERATING EXPENSES		3.45 HR	331.695	\$55.95	\$43.17	\$36.31	\$48.35
NET OPERATING PROFIT							\$209.47
INTEREST ON OPERATING CAPITAL	(	112.552 @	0.055)				\$6.19
INTEREST ON EQUIPMENT INVESTMENT							\$11.71
RETURN TO LAND AND RISK							\$227.37
* Pump water costs are shown under irrigation in the preharvest operations section.							
BUDGET SUMMARY							
GROSS RETURN		\$306.00					
VARIABLE OPERATING EXPENSES	411.17						
RETURN OVER VARIABLE EXPENSES		-\$105.17	(GROSS MARGIN)				
FIXED EXPENSES	48.3466						
NET FARM INCOME		-\$153.52	(RETURN TO CAPITAL, LABOR, LAND & RISK)				
LABOR AND MANAGEMENT COST	55.949						
NET OPERATING PROFIT		-\$209.47	(RETURN TO CAPITAL, LAND & RISK)				
CAPITAL COSTS	17.9033						
RETURN TO LAND AND RISK		\$227.37					

TABLE 6. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City Animas area, Hidalgo County
 Planting dates: May 1 - May 20
 Harvesting dates: November 1 - November 25

ITEM	PRICE	YIELD					TOTAL	
GROSS RETURNS								
GRAIN SORGHUM	\$5.91	62 CWT					\$366.69	
ASCS DIVERSION	0	0 CWT					\$0.00	
ASCS DEFICIENCY	0	0 CWT					\$0.00	
TOTAL							\$366.69	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	1.7	8 LBS	\$13.60			\$13.60		
ANHYDROUS AMMONIA (N)	0.3585	180 LBS	\$64.53			\$64.53		
HERBICIDE	9.455	1 ACRE	\$9.46			\$9.46		
INSECTICIDE (CUSTOM)	10.065	1 ACRE	\$10.07			\$10.07		
PUMP WATER*		30 AC. IN.						
CROP INSURANCE	0.367647		\$0.37			\$0.37		
SUBTOTAL			\$98.02			\$98.02		
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIR:	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$4.98	\$1.78	\$6.29	\$14.76
DISC	185 HP	0.14 HR		\$1.20	\$3.49	\$1.37	\$4.47	\$10.53
FERTILIZE	185 HP	0.05 HR	\$0.43	\$1.25	\$0.40	\$1.37	\$3.45	\$3.45
DRAG (2X)	96 HP	0.2 HR	\$1.71	\$2.26	\$2.38		\$1.08	\$7.43
DISC & SPRAY	185 HP	0.15 HR	\$1.28	\$3.74	\$1.87		\$5.42	\$12.31
LISTER	185 HP	0.18 HR	\$1.54	\$4.48	\$1.64		\$5.66	\$13.32
PRE-IRRIGATE		0.75 HR	\$5.63	\$8.34	\$0.29		\$2.87	\$17.12
ROLLING CULT	96 HP	0.21 HR	\$1.80	\$2.38	\$2.74		\$1.91	\$8.82
PLANTER	96 HP	0.26 HR	\$2.22	\$2.94	\$5.08		\$3.70	\$13.94
CULTIVATOR (2X)	96 HP	0.42 HR	\$3.59	\$4.75	\$4.96		\$2.63	\$15.93
ROTO BULK (7X)	96 HP	0.105 HR	\$0.90	\$1.19	\$1.27		\$0.94	\$4.29
IRRIGATE (5X)		2.5 HR	\$18.75	\$41.69	\$1.46		\$14.34	\$76.24
SUBTOTAL		5.165 HR		\$40.75	\$81.47	\$25.25	\$50.69	\$198.16
HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$22.94				\$22.94	
HAIL TO STORAGE (CUSTOM)			\$11.78				\$11.78	
SUBTOTAL			\$34.72	\$0.00	\$0.00	\$0.00	\$0.00	\$34.72
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.58	\$1.91	\$1.62	\$6.32
OVERHEAD EXPENSES								
DOWNTIME		0.51375 HR		\$4.39				\$4.39
EMPLOYEE BENEFITS				\$7.55				\$7.55
INSURANCE			\$0.84					\$0.84
LAND TAXES						\$2.56		\$2.56
SUPERVISION AND MANAGEMENT				\$29.95				\$29.95
OTHER EXPENSES			\$74.29					\$74.29
SUBTOTAL		0.51375 HR	\$75.13	\$41.89			\$2.56	\$119.58
TOTAL OPERATING EXPENSES		5.81875 HR	\$207.87	\$83.83	\$83.06	\$27.16	\$54.87	\$466.79
NET OPERATING PROFIT								-\$90.11
INTEREST ON OPERATING CAPITAL	(	79.45639 @	\$0.06)					\$4.37
INTEREST ON EQUIPMENT INVESTMENT								\$18.59
RETURN TO LAND AND RISK								-\$113.07
* Pump water costs are shown under irrigation in the preharvest operations section.								
BUDGET SUMMARY								
GROSS RETURN			366.6857					
VARIABLE OPERATING EXPENSES	318.0858							
RETURN OVER VARIABLE EXPENSES (GROSS MARGIN)	48.59992							
FIXED EXPENSES	54.87394							
NET FARM INCOME	83.83346		6.27403					(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	83.83346							
NET OPERATING PROFIT			-90.1075					(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	22.95874							
RETURN TO LAND AND RISK			-113.066					

TABLE 7. Upland cotton (picker), flood-irrigated, budgeted per acre costs and returns for a 400 acre farm with above average management, Cotton City-Arimas area, Hidalgo County
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 1

ITEM	PRICE	YIELD					TOTAL		
GROSS RETURNS									
COTTON LINT	\$0.75	1060 LBS					\$795.00		
COTTON SEED	\$0.05	1696 LBS					\$82.68		
TOTAL						\$877.68			
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED		TOTAL				
			INPUTS	LABOR					
SEED	\$7.55	25 LBS	\$198.75		\$198.75				
NITROGEN (N)	\$0.22	32 LBS	\$7.04		\$7.04				
PHOSPHATE (P2O5)	\$0.27	40 LBS	\$10.80		\$10.80				
HERBICIDE	\$9.46	1 ACRE	\$9.46		\$9.46				
CROP INSURANCE	\$0.00	1 DOLLAR	\$0.00		\$0.00				
PUMP WATER*		28 AC. IN.							
SUBTOTAL			\$216.05		\$216.05				
PREHARVEST OPERATIONS									
	POWER	ACCOMPLISHMENT	PURCHASED	FUEL	FIXED	TOTAL			
	UNIT	RATE	INPUTS	& LUBE	REPAIR	COST			
RIPPER	185 HP	0.1 HR	\$0.86	\$2.40	\$0.89	\$3.15			
DISC	185 HP	0.14 HR	\$1.20	\$3.49	\$1.37	\$4.47			
FERTILIZE	185 HP	0.05 HR	\$0.43	\$1.25	\$0.40	\$1.37			
DRAG (ZX)	96 HP	0.2 HR	\$1.71	\$2.26	\$2.38	\$1.08			
DISC & SPRAY	185 HP	0.15 HR	\$1.28	\$3.74	\$1.87	\$5.42			
LISTER	165 HP	0.18 HR	\$1.54	\$4.48	\$1.64	\$5.66			
PRE-IRRIGATE		1 HR	\$7.50	\$9.34	\$0.33	\$3.21			
ROLLING CULT.	96 HP	0.21 HR	\$1.80	\$2.38	\$2.74	\$1.91			
PLANTER	96 HP	0.26 HR	\$2.22	\$2.94	\$5.08	\$3.70			
CULTIVATOR (ZX)	96 HP	0.42 HR	\$3.59	\$4.75	\$4.96	\$2.63			
HAND HOE (CUSTOM)			\$15.00			\$15.00			
ROTO BUCK (SX)	96 HP	0.075 HR	\$0.64	\$0.85	\$0.90	\$0.67			
IRRIGATE (4X)		4 HR	\$30.00	\$37.35	\$1.31	\$12.85			
SUBTOTAL			6.785 HR	\$15.00	\$52.76	\$75.31	\$23.88	\$46.13	\$213.07
HARVEST OPERATIONS									
COTTON PICKER (ZX)	2 ROW	1.24 HR	\$10.60	\$18.00	\$57.35	\$41.11	\$127.06		
COTTON TRAILER (ZX)	HALF TON	1 HR	\$8.55	\$13.23	\$2.79	\$8.41	\$32.98		
GIN COTTON (CUSTOM)			\$115.75				\$115.75		
SUBTOTAL			2.24 HR	\$115.75	\$19.15	\$31.23	\$60.14	\$49.51	\$275.79
POSTHARVEST OPERATIONS									
SHREDDER	80 HP	0.14 HR	\$1.20	\$1.58	\$1.91	\$1.62	\$6.32		
OVERHEAD EXPENSES									
DOWNTIME		1.04125 HR	\$8.90				\$8.90		
EMPLOYEE BENEFITS			\$13.16				\$13.16		
INSURANCE			\$1.46				\$1.46		
LAND TAXES					\$2.56		\$2.56		
SUPERVISION AND MANAGEMENT				\$68.52			\$68.52		
OTHER EXPENSES			\$74.29				\$74.29		
SUBTOTAL			1.04125 HR	\$75.75	\$90.58		\$2.56	\$168.90	
TOTAL OPERATING EXPENSES			10.2063 HR	\$422.55	\$163.69	\$108.12	\$85.93	\$99.83	\$880.12
NET OPERATING PROFIT									
INTEREST ON OPERATING CAPITAL	(150.953 @	\$0.06)				\$8.30		
INTEREST ON EQUIPMENT INVESTMENT							\$35.66		
RETURN TO LAND AND RISK						-\$46.40			
* Pump water costs are shown under irrigation in the preharvest operations section.									
BUDGET SUMMARY									
GROSS RETURN							\$877.68		
VARIABLE OPERATING EXPENSES	616.603	\$261.08	(GROSS MARGIN)						
RETURN OVER VARIABLE EXPENSES									
FIXED EXPENSES	99.8257	\$161.25	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
NET FARM INCOME									
LABOR AND MANAGEMENT COST	163.693	\$2.44	(RETURN TO CAPITAL, LAND & RISK)						
NET OPERATING PROFIT									
CAPITAL COSTS	43.959								
RETURN TO LAND AND RISK							-\$46.40		

TABLE 8. Green chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Armas Area, Hidalgo County
Planting dates: March 15 - May 1
Harvesting dates: August 15 - September 15

ITEM	PRICE	YIELD					TOTAL	
GROSS RETURNS								
GREEN CHILE	\$475.00	10 TONS					\$4,750.00	
RED CHILE	0	0 LBS					\$0.00	
TOTAL							\$4,750.00	
PURCHASED INPUTS								
ITEM	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	\$18.00	4 LBS	\$72.00				\$72.00	
ANHYDROUS AMMONIA (N)	\$0.36	300 LBS	\$107.55				\$107.55	
NITROGEN (N)	\$0.22	60 LBS	\$13.20				\$13.20	
PHOSPHATE (P2O5)	\$0.27	150 LBS	\$40.50				\$40.50	
HERBICIDE	\$12.57	1 ACRE	\$12.57				\$12.57	
INSECTICIDE	\$12.57	1 ACRE	\$12.57				\$12.57	
CROP INSURANCE	\$0.00	1 DOLLAR	\$0.00				\$0.00	
PUMP WATER*		54 AC. IN.						
SUBTOTAL			\$258.38				\$258.38	
PREHARVEST OPERATIONS								
ITEM	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$3.49	\$1.37	\$4.47	\$10.53
FLOW	185 HP	0.48 HR		\$4.10	\$11.96	\$6.38	\$27.26	\$48.70
DISC	185 HP	0.14 HR		\$1.20	\$3.49	\$1.37	\$4.47	\$10.53
LASER (CUSTOM)			\$73.33					\$73.33
LISTER & SPRAY	185 HP	0.13 HR		\$1.11	\$3.24	\$1.53	\$4.63	\$10.51
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.25	\$0.40	\$1.37	\$3.45
PRE-IRRIGATE		0.75 HR		\$6.41	\$45.02	\$0.07	\$0.67	\$52.17
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.47	\$1.70	\$4.13	\$8.41
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$1.82	\$2.20	\$8.60	\$14.15
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$7.35	\$7.68	\$5.92	\$28.50
THIN & HOE (CUSTOM)			\$90.00					\$90.00
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$2.38	\$2.53	\$1.88	\$8.68
IRRIGATE (5X)		4 HR		\$34.20	\$80.04	\$3.28	\$3.55	\$121.07
SUBTOTAL		6.85 HR	\$163.33	\$58.57	\$161.60	\$27.51	\$86.95	\$477.95
HARVEST OPERATIONS								
HARVEST GREEN (CUSTOM)			\$900.00					\$900.00
HARVEST RED (CUSTOM)			\$0.00					\$0.00
HAUL	3/4 TON	6 HR		\$51.30	\$79.38	\$13.26	\$17.34	\$161.28
SUBTOTAL		6 HR	\$900.00	\$51.30	\$79.38	\$13.26	\$17.34	\$1,061.28
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.28	\$3.96	\$3.36	\$13.08
SUBTOTAL		0.29 HR	\$0.00	\$2.48	\$3.28	\$3.96	\$3.36	\$13.08
OVERHEAD EXPENSES								
DOWNTIME		0.5975 HR		\$3.45				\$3.45
EMPLOYEE BENEFITS				\$20.22				\$20.22
INSURANCE			\$2.25					\$2.25
LAND TAXES						\$2.56		\$2.56
SUPERVISION AND MANAGEMENT				\$200.00				\$200.00
OTHER EXPENSES			\$74.29					\$74.29
SUBTOTAL		0.5975 HR	\$76.54	\$223.67			\$2.56	\$302.77
TOTAL OPERATING EXPENSES		13.7375 HR	\$1,306.25	\$338.02	\$244.28	\$44.73	\$90.21	\$2,113.47
NET OPERATING PROFIT								\$2,636.53
INTEREST ON OPERATING CAPITAL	(259.1881 @		\$0.06)					\$14.26
INTEREST ON EQUIPMENT INVESTMENT								\$46.75
RETURN TO LAND AND RISK								\$2,575.53
* Pump water costs are shown under irrigation in the preharvest operations section.								
BUDGET SUMMARY								
GROSS RETURN								\$4,750.00
VARIABLE OPERATING EXPENSES	1687.24							\$4,750.00
RETURN OVER VARIABLE EXPENSES								(GROSS MARGIN)
FIXED EXPENSES	90.2097							\$2,636.53
NET FARM INCOME								(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	336.016							\$2,636.53
NET OPERATING PROFIT								(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	61.0075							\$2,575.53
RETURN TO LAND AND RISK								\$2,575.53

TABLE 9. Red chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Armas Area, Hidalgo County
 Planting dates: March 15 - May 1
 Harvesting dates: September 15 - January 31

ITEM	PRICE	YIELD					TOTAL	
GROSS RETURNS								
RED CHILE	\$0.60	3500 LBS					\$2,100.00	
TOTAL							\$2,100.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
SEED	18.00	4 LBS	\$72.00				\$72.00	
ANHYDROUS AMMONIA IN-	0.38	230 LBS	\$82.46				\$82.46	
NITROGEN (N)	0.36	60 LBS	\$21.60				\$21.60	
PHOSPHATE (P2O5)	0.33	150 LBS	\$49.50				\$49.50	
HERBICIDE	14.11	1 ACRE	\$14.11				\$14.11	
INSECTICIDE	14.22	1 ACRE	\$14.22				\$14.22	
CROP INSURANCE	0.00	1 DOLLARS	\$0.00				\$0.00	
PUMP WATER*		48 AC. IN						
SUBTOTAL			\$253.88				\$253.88	
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	185 HP	0.14 HR	\$1.20	\$3.49	\$1.37	\$4.47	\$10.53	
PLOW	185 HP	0.48 HR	\$4.10	\$11.96	\$5.38	\$27.28	\$48.70	
DISC	185 HP	0.14 HR	\$1.20	\$3.49	\$1.37	\$4.47	\$10.53	
DRAG (2X)	96 HP	0.2 HR	\$1.71	\$2.26	\$2.38	\$1.08	\$7.43	
LISTER	185 HP	0.12 HR	\$1.03	\$2.99	\$1.09	\$3.77	\$8.88	
FERTILIZE	185 HP	0.05 HR	\$0.43	\$1.25	\$0.40	\$1.37	\$3.45	
PRE-IRRIGATE	96 HP	0.75 HR	\$6.41	\$40.02	\$0.07	\$3.67	\$47.17	
ROLLING CULT	96 HP	0.13 HR	\$1.11	\$1.47	\$1.70	\$1.18	\$5.46	
VEGETABLE PLANTER	96 HP	0.17 HR	\$1.45	\$1.30	\$2.20	\$6.60	\$14.18	
CULTIVATOR (2X)	96 HP	0.85 HR	\$5.58	\$7.35	\$7.68	\$4.07	\$24.66	
THIN & HOE (CUSTOM)			\$90.00				\$90.00	
ROTO BLOCK (7X)	96 HP	0.21 HR	\$1.80	\$2.78	\$2.53	\$1.88	\$8.98	
IRRIGATE (11X)		5.5 HR	\$47.03	\$73.37	\$0.50	\$4.88	\$125.77	
SUBTOTAL			\$90.00	\$73.02	\$152.34	\$26.67	\$63.71	\$405.74
HARVEST OPERATIONS								
HARVEST (CUSTOM)							\$700.00	
HULL	3/4 TON	3 HR	\$25.65	\$39.69	\$6.63	\$8.67	\$80.64	
SUBTOTAL			\$700.00	\$25.65	\$39.69	\$6.63	\$8.67	\$780.64
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR	\$2.48	\$3.28	\$3.96	\$3.38	\$13.08	
SUBTOTAL			\$0.00	\$2.48	\$3.28	\$3.96	\$3.38	\$13.08
OVERHEAD EXPENSES								
DOWNTIME		1.395 HR	\$11.93				\$11.93	
EMPLOYEE BENEFITS			\$18.21				\$18.21	
INSURANCE			\$2.02				\$2.02	
LAND TAXES			\$2.56				\$2.56	
SUPERVISION AND MANAGEMENT			\$95.27				\$95.27	
OTHER EXPENSES			\$74.29				\$74.29	
SUBTOTAL			1.395 HR	\$76.32	\$125.41	\$0.00	\$2.56	\$204.29
TOTAL OPERATING EXPENSES			13.225 HR	\$1,120.19	\$226.55	\$195.31	\$37.26	\$1,657.62
NET OPERATING PROFIT							\$442.38	
INTEREST ON OPERATING CAPITAL	(	234.4879 @	\$0.06)				\$12.90
INTEREST ON EQUIPMENT INVESTMENT							\$37.74	
RETURN TO LAND AND RISK							\$391.74	
* Pump water costs are shown under irrigation in the preharvest operations section.								
BUDGET SUMMARY								
GROSS RETURN		\$2,100.00						
VARIABLE OPERATING EXPENSES	\$1,352.76	\$747.24	(GROSS MARGIN)					
RETURN OVER VARIABLE EXPENSES								
FIXED EXPENSES	\$78.30							
NET FARM INCOME	\$226.55	\$688.93	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST								
NET OPERATING PROFIT	\$50.64	\$442.38	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS								
RETURN TO LAND AND RISK		\$391.74						

TABLE 10. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, 2007.

	GRAIN SORGHUM	PICKER COTTON	GREEN CHILE	RED CHILE
	-----FLOOD-----			
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	\$5.91	\$0.75	\$475.00	\$0.60
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$82.68	\$0.00	\$0.00
GROSS RETURN	\$366.69	\$877.68	\$4,750.00	\$2,100.00
CASH OPERATING EXPENSES				
SEED	\$13.60	\$188.75	\$72.00	\$72.00
FERTILIZER	\$64.53	\$17.84	\$161.25	\$153.56
CHEMICALS	\$19.52	\$9.46	\$25.13	\$28.32
CROP INSURANCE	\$0.37	\$0.00	\$0.00	\$0.00
OTHER PURCHASED INPUTS				
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$33.03	\$61.43	\$119.19	\$81.92
FUEL-IRRIGATION	\$50.03	\$46.69	\$125.06	\$113.39
REPAIRS	\$27.16	\$85.93	\$44.73	\$37.26
CUSTOM CHARGES	\$34.72	\$130.75	\$1,063.33	\$790.00
LAND TAXES	\$2.56	\$2.56	\$2.56	\$2.56
OTHER EXPENSES	\$75.13	\$75.75	\$76.54	\$76.32
TOTAL CASH EXPENSES	\$320.65	\$619.17	\$1,689.80	\$1,355.33
RETURN OVER CASH EXPENSES	\$46.04	\$258.51	\$3,060.20	\$744.67
FIXED EXPENSES	\$52.31	\$97.26	\$87.65	\$75.74
TOTAL EXPENSES	\$372.96	\$716.43	\$1,777.45	\$1,431.07
NET FARM INCOME	-\$6.27	\$161.25	\$2,972.55	\$668.93
LABOR AND MANAGEMENT COSTS	\$83.83	\$163.69	\$332.50	\$226.55
NET OPERATING PROFIT	-\$90.11	-\$2.44	\$2,640.05	\$442.38
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$4.37	\$8.30	\$14.26	\$12.90
INTEREST ON EQUIPMENT INVESTMENT	\$18.59	\$35.66	\$46.75	\$37.74
TOTAL CAPITAL COSTS	\$22.96	\$43.96	\$61.01	\$50.64
RETURN TO LAND AND RISK	-\$113.07	-\$46.40	\$2,579.04	\$391.74

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County,
Protected 2017

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$49,869
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
UPLAND COTTON		
LINT		\$121,635
SEED		\$12,650
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
GREEN CHILE		
GREEN	20 ACRES	\$95,000
RED		\$0
RED CHILE		
CROP	20 ACRES	\$42,000
GROSS RETURN		\$321,154
CASH OPERATING EXPENSES		
SEED		\$33,608
FERTILIZER		\$17,802
CHEMICALS		\$5,170
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$17,914
FUEL-IRRIGATION		\$18,716
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$843
OTHER EXPENSES		\$24,865
TOTAL CASH EXPENSES		\$201,403
RETURN OVER CASH EXPENSES		\$119,751
FIXED EXPENSES		\$25,263
TOTAL EXPENSES		\$226,666
NET FARM INCOME		\$94,488
LABOR AND MANAGEMENT COSTS		\$47,628
NET OPERATING PROFIT		\$46,860
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,408
INTEREST ON EQUIPMENT INVESTMENT		\$9,673
TOTAL CAPITAL COSTS		\$12,081
RETURN TO LAND AND RISK		\$34,779
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
500 /ACRE	26,779.26	12.47%
700 /ACRE	23,579.26	10.28%
900 /ACRE	20,379.26	9.74%
1100 /ACRE	17,179.26	7.61%
1300 /ACRE	13,979.26	6.73%
1500 /ACRE	10,779.26	6.04%

* 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)

Flex Computation

-42.1672 86.51774