

TABLE 8. Barley, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Projected 2018  
 Planting dates: August 20 - September 30  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
BARLEY	\$6.12	35.00 CWT						\$214.20
DIRECT PAYMENT	\$0.00	35.00 CWT	0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	35.00 CWT	0.85					\$0.00
GRAZING	\$40.00							\$40.00
<b>TOTAL</b>								<b>\$254.20</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.40	110 LBS	\$44.00					\$44.00
NITROGEN (N)	\$0.31	150 LBS	\$46.50					\$46.50
INSECTICIDE (CUSTOM)	\$0.00	1 X/ACRE	\$0.00					\$0.00
PUMP WATER*		28 AC. IN.						
CROP INSURANCE	\$5.88		\$5.88					\$5.88
<b>SUBTOTAL</b>			<b>\$96.38</b>					<b>\$96.38</b>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.46	\$10.69	\$4.29	\$7.08	\$25.51
DISC (2X)	145 HP	0.34 HR		\$2.45	\$7.57	\$2.30	\$4.17	\$16.49
FERTILIZE	DEALER APPLIED							
DRILL	70 HP	0.21 HR		\$1.51	\$3.45	\$0.42	\$4.21	\$9.60
IRRIGATE (4X)		1.00 HR		\$7.50	\$39.41	\$0.00	\$23.28	\$70.19
<b>SUBTOTAL</b>		<b>2.03 HR</b>		<b>\$14.92</b>	<b>\$61.13</b>	<b>\$7.01</b>	<b>\$38.74</b>	<b>\$121.79</b>
<b>HARVEST OPERATIONS</b>								
COMBINE (CUSTOM)			\$17.91					\$17.91
HAUL (CUSTOM)			\$7.00					\$7.00
<b>SUBTOTAL</b>			<b>\$24.91</b>					<b>\$24.91</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$2.68				\$2.68
INSURANCE			\$0.01					\$0.01
LAND TAXES							\$1.78	\$1.78
SUPERVISION AND MANAGEMENT				\$17.88				\$17.88
OTHER EXPENSES			\$59.30					\$59.30
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$59.31</b>	<b>\$20.56</b>			<b>\$1.78</b>	<b>\$81.66</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>2.03 HR</b>	<b>\$180.61</b>	<b>\$35.48</b>	<b>\$61.13</b>	<b>\$7.01</b>	<b>\$40.52</b>	<b>\$324.74</b>
<b>NET OPERATING PROFIT</b>								<b>(\$70.54)</b>
INTEREST ON OPERATING CAPITAL		( \$67.30 @ 7.50% )						\$5.05
INTEREST ON EQUIPMENT INVESTMENT								\$11.90
<b>RETURN TO LAND AND RISK</b>								<b>(\$87.49)</b>

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

BUDGET SUMMARY

GROSS RETURN		\$254.20	
VARIABLE OPERATING EXPENSES	\$248.74		
RETURN OVER VARIABLE EXPENSES		\$5.46	(GROSS MARGIN)
FIXED EXPENSES	\$40.52		
NET FARM INCOME		(\$35.06)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$35.48		
NET OPERATING PROFIT		(\$70.54)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$16.95		
RETURN TO LAND AND RISK		(\$87.49)	

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... ARTESIA-LAKE ARTHUR ARE/ Projected 2018  
FARM SIZE..... 500 ACRES  
IRRIGATION TYPE..... SPRINKLER  
NUMBER OF CROPS..... 6

VERSION 1.0

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\* YOU MAY ENTER DATA IN ANY INPUT TABLE WITH  
HIGHLIGHTED CELLS OR YOU MAY STRIKE  
[ENTER] AND RETURN TO THE MENU

\*\* BE SURE PRINTER IS ON AND PAPER IS ALIGNED  
BEFORE YOU PRINT

TABLE 10. Cucumbers, sprinkler-irrigated, budgeted per  
 above average management, Artesia-Lake A  
 Planting dates: April 1 - April 15  
 Harvesting dates: June 1 - July 31

ITEM	PRICE
<b>GROSS RETURNS</b>	
CUCUMBERS	5
<b>TOTAL</b>	
<b>PURCHASED INPUTS</b>	
SEED	40
FERTILIZER (18-27-12)	0.14
FERTILIZER (32-0-0)	0.11
HERBICIDE	7.872
INSECTICIDE (CUSTOM)	10.8928
PUMP WATER*	

SUBTOTAL

<u>PREHARVEST OPERATIONS</u>	<u>POWER UNIT</u>
DISC	126 HP
PLOW	126 HP
DISC (2X)	126 HP
FLOAT	70 HP
FERTILIZE (CUSTOM)	DEALER APP
PRE-IRRIGATE	
CULTIVATOR	65 HP
PLANTER	70 HP
CULTIVATOR (2X)	40 HP
THIN & HOE (2X)	
IRRIGATE (14X)	

SUBTOTAL

HARVEST OPERATIONS

HARVEST (CUSTOM)	
HAUL (TRAILER)	40 HP

SUBTOTAL

OVERHEAD EXPENSES

DOWNTIME  
EMPLOYEE BENEFITS  
INSURANCE  
LAND TAXES  
SUPERVISION AND MANAGEMENT  
OTHER EXPENSES

SUBTOTAL

TOTAL OPERATING EXPENSES

NET OPERATING PROFIT

INTEREST ON OPERATING CAPITAL  
INTEREST ON EQUIPMENT INVESTMENT

RETURN TO LAND AND RISK

\* Pump water costs are shown under irrigation in the preh

GROSS RETURN  
VARIABLE OPERATING EXPENSES  
RETURN OVER VARIABLE EXPENSES  
FIXED EXPENSES  
NET FARM INCOME  
LABOR AND MANAGEMENT COST  
NET OPERATING PROFIT  
CAPITAL COSTS  
RETURN TO LAND AND RISK

r acre costs and returns for a 500 acre farm with  
Arthur, 2003.

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YIELD	TOTAL
180 CWT	900
	<hr/> 900.00

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QUANTITY	PURCHASED INPUTS	TOTAL
5 LBS	200	200
150 LBS	21	21
150 LBS	16.5	16.5
1 X/ACRE	7.872	7.872
1 X/ACRE	10.8928	10.8928
24 AC. IN.		

		256.26					256.26
ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLIED	0.17 HR	1.224	3.78634865	1.149387	2.0843539	8.244089552	
	0.48 HR	3.456	10.6908668	4.286928	4.6030369	23.03683168	
	0.34 HR	2.448	7.5726973	2.298774	4.16870781	16.4881791	
	0.16 HR	1.152	2.6307072	0.153936	0.75035685	4.687000054	
	0.05 HR		0.375	1.40391761	0	1.33041077	3.109328385
	0.21 HR		1.512	2.450448	1.573719	1.76774243	7.303909429
	0.26 HR		1.872	4.2748992	0.669786	5.86754866	12.68423386
	0.42 HR		3.024	3.76992	3.05697	4.8823189	14.7332089
		40					40
	3.5 HR		26.25	19.6548466	0	18.6257508	64.53059739
	5.42 HR	40.00	41.31	56.23	13.19	44.08	194.82
		585					585
	1 HR		3.25	8.976	#REF!	#REF!	#REF!
	1.00 HR	585.00	3.25	8.98	#REF!	#REF!	#REF!
0 HR		0				0	
		7.43634				7.43634	
	0.02974536				1.78166667	0.02974536	
		#REF!				#REF!	
	59.3029797					59.30297968	
0.00 HR	59.33	#REF!			1.78	#REF!	
6.42 HR	940.60	#REF!	65.21	#REF!	#REF!	#REF!	
						#REF!	
( #REF! @	0.075 )					#REF!	
						30.30545385	
						#REF!	

harvest operations section.  
BUDGET SUMMARY

#REF!	900	
#REF!	#REF!	(GROSS MARGIN)
#REF!	#REF!	(RETURN TO CAPITAL, LABOR, LAND & RISK)
#REF!	#REF!	(RETURN TO CAPITAL, LAND & RISK)
#REF!	#REF!	

TABLE 2. Pumping costs and data for irrigation wells, Artesia-Lake Arthur

INPUT DATA

DELIVERY PSI:		DEPTH CHAR
SPRINKLER HEAD..	40	
GALLONS PER MINUTE (GPM)...	500	
WORK HORSEPOWER.....	10.1010101	
EFFICIENCY FACTOR:		
ELECTRICITY.....	0.47	
NATURAL GAS.....	0.12	
LP GAS.....	0.12	
DIESEL.....	0.16	
FUEL COST PER UNIT:		
ELECTRICITY.....	5.6	CENTS/K
NATURAL GAS.....	3.48	\$/MCF
LP GAS.....	0.84	\$/GAL
DIESEL.....	1.05	\$/GAL

TOTAL FUEL COSTS:

ELECTRIC WELL:		
COST PER HOUR.....	.....\$	0.92842191
COST PER ACRE INCH.	.....\$	0.84034561
NATURAL GAS WELL:		
COST PER HOUR.....	.....\$	0.84728978
COST PER ACRE INCH.	.....\$	0.76691022
LP GAS WELL:		
COST PER HOUR.....	.....\$	1.98743376
COST PER ACRE INCH.	.....\$	1.79889254
DIESEL WELL:		
COST PER HOUR.....	.....\$	1.21636501
COST PER ACRE INCH.	.....\$	1.10097252

TABLE 3. Equipment summary for a 500 acre sprinkler-irrigated farm with 2002.

EQUIPMENT		ANNUAL	
ITEM &	SIZE	HOURS	NUMBER
		OF USE	
TRACTOR 40 HP		74.1	1
TRACTOR 65 HP		245.485	1
TRACTOR 70 HP		169.48	1
TRACTOR 96 HP		356.25	1
TRACTOR 145 HP		309.925	1
COTTON PICKER 4-ROW		60.68	1
COTTON STRIPPER MTD		36.89	1
SWATHER 16 FT		176.84	1
BALE WAGON S.P.		320.8	1
BALER PTO		401	2
PLANTER 4-ROW		36.79	1
CULTIVATOR 4-ROW		118.86	1
DISC 12 FT		106.845	1
DRILL 12 FT		27.405	1
PLANE 14 FT		32.49	1
FLOAT 14 FT		50	1
PLOW (MOLDBOARD) 4-16 IN		103.2	1
SHREDDER 4-ROW		19.81	1
COTTON TRAILER		126.625	5
RAKE 8 FT		74.1	1
SLED		21.225	1
NATURAL GAS BOOSTER PUMP		18553.4231	3
SIDE-ROLL SPRINKLER		18553.4231	13
NATURAL GAS WELL		18553.4231	11

CHARACTERISTICS:		DELIVERY PSI:			
STATIC.....	60	BOOSTER PUMP..	45		
DRAW DOWN .....	20				
TOTAL HEAD.....	80				
CASING.....	250				
		GALLONS PER MINUTE (GPM)...	500		
		WORK HORSEPOWER.....	5.97348485		
EFFICIENCY FACTOR:					
		ELECTRICITY.....	0.47		
		NATURAL GAS.....	0.12		
		LP GAS.....	0.12		
		DIESEL.....	0.16		
FUEL COST PER HOUR:					
wHr		ELECTRICITY.....	5.6	CENTS/K	wHr
		NATURAL GAS.....	3.48	\$/MCF	
		LP GAS.....	0.84	\$/GAL	
		DIESEL.....	1.05	\$/GAL	
<u>TOTAL FUEL COSTS (BOOSTER PUMP):</u>					
ELECTRIC:					
		COST PER HOUR.....	.....\$	0.56141409	
		COST PER ACRE INCH	.....\$	0.50815461	
NATURAL GAS:					
		COST PER HOUR.....	.....\$	0.51333171	
		COST PER ACRE INCH	.....\$	0.46463364	
LP GAS:					
		COST PER HOUR.....	.....\$	1.18670211	
		COST PER ACRE INCH	.....\$	1.07412364	
DIESEL:					
		COST PER HOUR.....	.....\$	0.7291367	
		COST PER ACRE INCH	.....\$	0.65996593	

above average management, Artesia-Lake Arthur area,

VARIABLE COSTS					FIXED COSTS		
TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR	DEPRE-CIATION	TAXES	TOTAL PER HOUR
675	221.7072	15.1905	2.992	0.205	50	9.4	0.80161943
2050	1193.54807	275.43417	4.862	1.122	137.5	20.68	0.64435709
5600	657.717984	137.2788	3.8808	0.81	250	28.2	1.64149162
6560	2014.551	748.5525	5.65488	2.1012	343.333333	38.728	1.07245287
56165	2647.13916	649.447838	8.541225	2.0955	2794	262.636	9.86250222
104500	385.342272	2950.2616	6.3504	48.62	9350	703.12	165.674357
3860		118.7858		3.22	766.666667	43.24	21.9546399
19990	695.193408	2577.443	3.9312	14.575	2750	206.8	16.720199
20600	2486.8416	7159	7.752	22.3160848	2250	169.2	7.54114713
10500		1168.915		2.915	1100	82.72	2.94942643
3400		200.1376		5.44	680	25.568	19.178255
1500		101.6253		0.855	200	11.28	1.77755342
2250		137.028713		1.2825	300	16.92	2.96616594
2200		75.96666		2.772	440	16.544	16.6591498
2750		17.8695		0.55	366.666667	20.68	11.9220273
600		6.75		0.135	60	3.384	1.26768
4000		235.296		2.28	533.333333	30.08	5.45943152
2500		22.7815		1.15	333.333333	18.8	17.7755342
6000		27.351		0.216	800	45.12	6.67419546
3400		231.7848		3.128	340	25.568	4.9334413
375		6.2083125		0.2925	50	2.82	2.48857479
7500	9524.06041	3469.49011	0.51333171	0.187	1000	56.4	0.05693828
32500		872.010884		0.047	4333.33333	244.4	0.24673255
121000	15720.1257	3710.68461	0.84728978	0.2	11000	909.92	0.71307165
420,475	35,546	24,915			40,228	2,992	



TABLE 2. Pumping costs and data for irrigation wells, Artesia-Lake Arthur area, 2002.

INPUT DATA

DELIVERY PSI:		DEPTH CHARACTERISTICS:		DELIVERY PSI:
SPRINKLER HEAD..	40	STATIC.....	60	BOOSTER PUMP..
		DRAW DOWN .....	20	
		TOTAL HEAD.....	80	
		CASING.....	250	
GALLONS PER MINUTE (GPM)...	500			GALLONS PER MINUTE (GF
WORK HORSEPOWER.....	10.1010101			WORK HORSEPOWER.....
EFFICIENCY FACTOR:				EFFICIENCY FACTOR:
ELECTRICITY.....	0.47			ELECTRICITY.....
NATURAL GAS.....	0.12			NATURAL GAS.....
LP GAS.....	0.12			LP GAS.....
DIESEL.....	0.16			DIESEL.....
FUEL COST PER UNIT:	:			FUEL COST PER HOUR:
ELECTRICITY.....	6.84	CENTS/K	wHr	ELECTRICITY.....
NATURAL GAS.....	3.71	\$/MCF		NATURAL GAS.....
LP GAS.....	0.98	\$/GAL		LP GAS.....
DIESEL.....	1.4	\$/GAL		DIESEL.....
<u>TOTAL FUEL COSTS:</u>				<u>TOTAL FUEL COSTS (BOO:</u>
ELECTRIC WELL:				ELECTRIC:
COST PER HOUR.....	.....\$	1.12735818		COST PER HC
COST PER ACRE INCH.....	.....\$	1.02040947		COST PER AC
NATURAL GAS WELL:				NATURAL GAS:
COST PER HOUR.....	.....\$	0.90130606		COST PER HC
COST PER ACRE INCH.....	.....\$	0.81580216		COST PER AC
LP GAS WELL:				LP GAS:
COST PER HOUR.....	.....\$	2.31367272		COST PER HC
COST PER ACRE INCH.....	.....\$	2.0941823		COST PER AC
DIESEL WELL:				DIESEL:
COST PER HOUR.....	.....\$	1.61182002		COST PER HC
COST PER ACRE INCH.....	.....\$	1.45891202		COST PER AC

TABLE 3. Equipment summary for a 500 acre sprinkler-irrigated farm with above average management, Artesia-Lake Arthur area, 2001.

<u>EQUIPMENT</u>		<u>VARIABLE COSTS</u>						
ITEM &	SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR
TRACTOR 40 HP		74.1	1	750	288.21936	15.1905	3.8896	0.205
TRACTOR 65 HP		245.485	1	2000	1551.61249	275.43417	6.3206	1.122
TRACTOR 70 HP		169.48	1	5365	876.957312	155.0742	5.1744	0.915
TRACTOR 96 HP		356.25	1	6800	2686.068	748.5525	7.53984	2.1012
TRACTOR 145 HP		309.925	1	26620	3918.50575	1024.94057	12.6434	3.30706
COTTON PICKER 4-ROW		60.68	1	84770	513.789696	3177.2048	8.4672	52.36
COTTON STRIPPER MTD		36.89	1	3800		118.7858		3.22
SWATHER 16 FT		176.84	1	15215	926.924544	0	5.2416	0
BALE WAGON S.P.		320.8	1	17200	3232.89408	7159	10.0776	22.3160848
BALER PTO		401	2	9440		0		0
PLANTER 4-ROW		36.79	1	3400		200.1376		5.44
CULTIVATOR 4-ROW		118.86	1	1500		99.8424		0.84
DISC 12 FT		106.845	1	2250		137.028713		1.2825
DRILL 12 FT		27.405	1	2200		85.61322		3.124
PLANE 14 FT		32.49	1	2750		17.8695		0.55
FLOAT 14 FT		50	1	600		7.2		0.144
PLOW (MOLDBOARD) 4-16 IN		103.2	1	4000		235.296		2.28
SHREDDER 4-ROW		19.81	1	2500		22.7815		1.15
COTTON TRAILER		126.625	5	6000		30.39		0.24
RAKE 8 FT		74.1	1	3400		241.8624		3.264
SLED		21.225	1	375		6.2083125		0.2925
NATURAL GAS BOOSTER PUMP		18553.4231	3	7500	10116.7372	3469.49011	0.54527605	0.187
SIDE-ROLL SPRINKLER		18553.4231	13	32500		872.010884		0.047
NATURAL GAS WELL		18553.4231	11	121000	16722.3126	3710.68461	0.90130606	0.2
				361,935	40,834	21,811		

P)...	500	
.....	5.97348485	
.....	0.47	
.....	0.12	
.....	0.12	
.....	0.16	
.....	6.84	CENTS/K wHr
.....	3.71	\$/MCF
.....	0.98	\$/GAL
.....	1.4	\$/GAL

STER PUMP):

DUR.....	.....\$	0.67908436
DRE INCH	.....\$	0.61466189

DUR.....	.....\$	0.54527605
DRE INCH	.....\$	0.49354753

DUR.....	.....\$	1.3794858
DRE INCH	.....\$	1.24861858

DUR.....	.....\$	0.96218226
DRE INCH	.....\$	0.87090324

FIXED COSTS

DEPRE- CIATION	TAXES	TOTAL PER HOUR
50	8.95	0.79554656
137.5	19.69	0.64032426
250	26.85	1.63352608
343.333333	36.874	1.06724865
2688.66667	144.3814	9.14107628
9350	669.46	165.119644
766.66667	41.17	21.8985272
2750	196.9	16.6642162
2250	161.1	7.51589776
1100	78.76	2.93955112
680	24.344	19.1449851
200	10.74	1.77301026
300	16.11	2.95858487
440	15.752	16.63025
366.66667	19.69	11.8915564
60	3.222	1.26444
533.333333	28.64	5.44547804
333.333333	17.9	17.7301026
800	42.96	6.65713722
340	24.344	4.91692308
50	2.685	2.48221437
1000	53.7	0.05679275
4333.33333	232.7	0.24610194
11000	866.36	0.71072384
40,123	2,743	

TABLE 1. Acreage Summary, Eddy County, Artesia Lake Arthur Area,  
Projected 2018

ACREAGE SUMMARY:	LAND USE (ACRES)	WATER USE	
		AC.IN. PER AC.	TOTAL AC.IN.
BUDGET AREA.....	ARTESIA-LAKE ARTHUR AREA		
FARM SIZE.....	500 ACRES		
IRRIGATION TYPE.....	SPRINKLER		
NUMBER OF CROPS.....	6		
ALFALFA ESTABLISHMENT	57.00	42	2,394
ALFALFA	285.00	48	13,680
BARLEY	8.50	28	238
ARP	0.00		
FLEX IN PICKER COTTON	1.50	28	42
OAT HAY	8.00	28	224
PICKER COTTON	59.50	28	1,666
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
STRIPPER COTTON	59.50	28	1,666
ARP	0.00		
FLEX IN PICKER COTTON	10.50	28	294
TOTAL	500.00		20,498
ACRE FEE PER ACRE OF WATER RIGHTS			3.42

TABLE 2. Basic cost information for the Artesia-Lake Arthur area,  
Projected 2018

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$7.20
General & Irrigators	\$/hour		\$7.50
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		\$0.31
Phosphate (P <sub>2</sub> O <sub>5</sub> )	\$/pound		\$0.24
Chemicals:			
Herbicide	\$/acre		\$0.00
Insecticide	\$/acre		\$0.00
Seed:			
Alfalfa	\$/pound		\$4.00
Cotton			
picker	\$/pound		\$7.55
stripper	\$/pound		\$7.55
Oats	\$/pound		\$0.44
Barley	\$/pound		\$0.40
Wire:	\$/pound		\$3.25
Natural gas	\$/MCF		\$4.00
(service charge)	\$/month		\$10.00
Diesel fuel	\$/gallon		\$2.70
Gasoline	\$/gallon		\$2.40
Electricity	cents/KwHr		8.32
LP Gas	\$/gallon		\$4.00
Employee Liability Insurance	\$/1,000 wages		\$0.72
Employee Benefits	percent/wages		18.00%
Labor Downtime	percent		0.00%
Financial Rates:			
Operating Capital Interest Rate	percent		7.50%
Land Interest Rate	percent		7.00%
Equipment Interest Rate	percent		7.50%
Real Interest Rate	percent		4.00%
Land Taxes	\$250.00 /acre (full value)		\$1.78
Personal Property Tax Rate - NR	\$/1,000 (Assessed Value)		\$21.38
- R			\$18.58
Supervision Factors			
Field Crop-Irrigation	\$/labor hour		5.50%
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,  
Projected 2018

Item			
Electricity (Domestic & Shop)	\$248.92	per month	\$2,987.04
Telephone	\$124.46	per month	\$1,493.52
Accounting & Legal			\$1,727.20
Misc. Supplies & Hand Tools			\$1,615.44
Pickup and Auto			
miles	25,400	@	\$0.500 per mile
			\$12,700.00
Insurance			
- general liability (non-employee)			\$1,929.13
- fire/theft			\$1,727.20
Property Taxes			
- non-planted land			\$0.00
- other than land & machinery			\$0.00
Building repairs and maintenance			\$1,457.96
Dues, fees, publications			\$444.50
Farmstead Equipment			\$189.23
		Total	\$26,271.22
	Total Per Planted Acre		\$59.30



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, Projected 2018  
Planting dates: March 15 - April 30

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$185.00	5.60 TONS (STACKED)						\$1,036.00
<b>TOTAL</b>							<b>\$1,036.00</b>	
<hr/>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS			FIXED COST	TOTAL	
SEED	\$4.00	20 LBS	\$80.00				\$80.00	
FERTILIZER (16-20-0)	\$0.22	200 LBS	\$44.00				\$44.00	
HERBICIDE	\$0.00	1 ACRE	\$0.00				\$0.00	
PUMP WATER*		42 AC. IN.						
<b>SUBTOTAL</b>			<b>\$124.00</b>				<b>\$124.00</b>	
<hr/>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.22	\$3.79	\$1.15	\$2.08	\$8.24
FLOW	145 HP	0.48 HR		\$3.46	\$10.69	\$4.29	\$7.08	\$25.51
FLOAT	70 HP	0.16 HR		\$1.15	\$2.63	\$0.15	\$0.75	\$4.69
PLANE (3X)	145 HP	0.57 HR		\$4.10	\$12.70	\$2.33	\$12.08	\$31.20
DISC (2X)	145 HP	0.34 HR		\$2.45	\$7.57	\$2.30	\$4.17	\$16.49
FLOAT (2X)	70 HP	0.32 HR		\$2.30	\$5.26	\$0.31	\$1.50	\$9.37
DRILL (2X)	70 HP	0.42 HR		\$3.02	\$6.91	\$0.84	\$8.42	\$19.19
IRRIGATE (6X)		1.50 HR		\$11.25	\$59.11	\$0.00	\$34.92	\$105.29
<b>SUBTOTAL</b>		<b>3.96 HR</b>		<b>\$28.96</b>	<b>\$108.66</b>	<b>\$11.36</b>	<b>\$71.01</b>	<b>\$219.99</b>
<hr/>								
HARVEST OPERATIONS								
SWATHER (3X)	16 FT	0.33 HR		\$2.38	\$3.34	\$0.48	\$7.24	\$13.43
RAKE	40 HP	0.05 HR		\$0.36	\$0.45	\$0.08	\$0.40	\$1.28
BALER (3X)	145 HP	0.75 HR		\$5.40	\$16.70	\$3.14	\$8.08	\$33.33
BALEWAGON (3X)	SP	0.60 HR		\$4.32	\$11.16	\$13.39	\$4.51	\$33.38
<b>SUBTOTAL</b>		<b>1.73 HR</b>		<b>\$12.46</b>	<b>\$31.65</b>	<b>\$17.09</b>	<b>\$20.22</b>	<b>\$81.42</b>
<hr/>								
OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$7.46				\$7.46
INSURANCE			\$0.03					\$0.03
SUPERVISION AND MANAGEMENT				\$72.73				\$72.73
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$0.03</b>	<b>\$80.18</b>				<b>\$80.21</b>
<hr/>								
<b>TOTAL OPERATING EXPENSES</b>		<b>5.69 HR</b>	<b>\$124.03</b>	<b>\$121.60</b>	<b>\$140.31</b>	<b>\$28.45</b>	<b>\$91.23</b>	<b>\$505.62</b>
<hr/>								
<b>NET OPERATING PROFIT</b>							<b>\$530.38</b>	
<b>INTEREST ON EQUIPMENT INVESTMENT</b>							<b>\$41.95</b>	
<b>RETURN TO LAND AND RISK</b>							<b>\$488.43</b>	
<hr/>								
BUDGET SUMMARY								
GROSS RETURN		\$1,036.00						
VARIABLE OPERATING EXPENSES	\$292.79							
RETURN OVER VARIABLE EXPENSES		\$743.21	(GROSS MARGIN)					
FIXED EXPENSES	\$91.23							
NET FARM INCOME		\$651.98	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$121.60							
NET OPERATING PROFIT		\$530.38	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$41.95							
RETURN TO LAND AND RISK		\$488.43						

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, Projected 2018  
Harvesting Dates: May 5 - November 1

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
ALFALFA HAY	\$185.00	5.60 TONS (STACKED)	\$1,036.00
GRAZING	\$40.00		\$40.00
<b>TOTAL</b>			<b>\$1,076.00</b>

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)	\$0.31	200 LBS	\$62.00		\$62.00
WIRE	\$3.25	48 LBS	\$155.97		\$155.97
DRYING AGENT (AGRI-DRY)	\$8.26	1 /TON	\$46.23		\$46.23
ESTABLISHMENT: Principal		5 YEARS		\$97.69	\$97.69
Interest				\$18.73	\$18.73
PUMP WATER*		48 AC. IN.			
<b>SUBTOTAL</b>			<b>\$269.46</b>	<b>\$116.42</b>	<b>\$385.88</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50 HR		\$11.25	\$67.56	\$0.00	\$39.91	\$118.72
<b>SUBTOTAL</b>		1.50 HR		\$11.25	\$67.56	\$0.00	\$39.91	\$118.72
<b>HARVEST OPERATIONS</b>								
SWATHER (5X)	16 FT SP	0.55 HR		\$3.96	\$5.56	\$0.80	\$12.06	\$22.38
RAKE (5X)	40 HP	0.25 HR		\$1.80	\$2.24	\$0.38	\$1.99	\$6.41
BALER (5X)	96 HP	1.25 HR		\$9.00	\$20.55	\$1.46	\$3.87	\$34.88
BALE WAGON (5X)	SP	1.00 HR		\$7.20	\$18.60	\$22.32	\$7.51	\$55.63
<b>SUBTOTAL</b>		3.05 HR		\$21.96	\$46.96	\$24.95	\$25.44	\$119.31
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$5.98				\$5.98
INSURANCE			\$0.02					\$0.02
LAND TAXES							\$1.78	\$1.78
SUPERVISION AND MANAGEMENT				\$75.49				\$75.49
OTHER EXPENSES			\$59.30					\$59.30
<b>SUBTOTAL</b>		0.00 HR	\$59.33	\$81.47			\$1.78	\$142.58
<b>TOTAL OPERATING EXPENSES</b>		4.55 HR	\$328.78	\$114.68	\$114.52	\$24.95	\$183.55	\$766.49
<b>NET OPERATING PROFIT</b>								\$309.51
INTEREST ON OPERATING CAPITAL		( \$157.61 @ 7.50% )						\$11.82
INTEREST ON EQUIPMENT INVESTMENT								\$22.14
<b>RETURN TO LAND AND RISK</b>								<b>\$275.55</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,076.00	
VARIABLE OPERATING EXPENSES	\$468.25		
RETURN OVER VARIABLE EXPENSES		\$607.75	(GROSS MARGIN)
FIXED EXPENSES	\$183.55		
NET FARM INCOME		\$424.20	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$114.68		
NET OPERATING PROFIT		\$309.51	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.96		
<b>RETURN TO LAND AND RISK</b>		<b>\$275.55</b>	

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,  
 Projected 2018  
 Planting dates: February 1 - February 28  
 Harvesting Dates: June 1 - June 30

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
OAT HAY	\$150.00	3.50 TONS (STACKED)	\$525.00
TOTAL			\$525.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.44	100 LBS	\$44.00		\$44.00
FERTILIZER (16-20-0)	\$0.24	150 LBS	\$36.00		\$36.00
PUMP WATER*		28 AC. IN.			
SUBTOTAL			\$80.00		\$80.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.46	\$10.69	\$4.29	\$7.08	\$25.51
DISC (2X)	145 HP	0.34 HR		\$2.45	\$7.57	\$2.30	\$4.17	\$16.49
DRILL	70 HP	0.21 HR		\$1.51	\$3.45	\$0.42	\$4.21	\$9.60
IRRIGATE (4X)		1.00 HR		\$7.50	\$39.41	\$0.00	\$23.28	\$70.19
SUBTOTAL		2.03 HR		\$14.92	\$61.13	\$7.01	\$38.74	\$121.79

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER	14 FT	0.16 HR		\$1.15	\$1.62	\$0.23	\$3.51	\$6.51
BALER	145 HP	0.25 HR		\$1.80	\$5.57	\$1.05	\$2.69	\$11.11
BALE WAGON	S. P.	0.20 HR		\$1.44	\$3.72	\$4.46	\$1.50	\$11.13
SUBTOTAL		0.61 HR		\$4.39	\$10.91	\$5.74	\$7.70	\$28.75

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS			\$3.48				\$3.48
INSURANCE		\$0.01					\$0.01
LAND TAXES						\$1.78	\$1.78
SUPERVISION AND MANAGEMENT			\$36.85				\$36.85
OTHER EXPENSES		\$59.30					\$59.30
SUBTOTAL	0.00 HR	\$59.32	\$40.33			\$1.78	\$101.43

TOTAL OPERATING EXPENSES	2.64 HR	\$139.32	\$59.64	\$72.03	\$12.75	\$48.23	\$331.96
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NET OPERATING PROFIT							\$193.04
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INTEREST ON OPERATING CAPITAL	( \$58.42 @ 7.50% )						\$4.38
INTEREST ON EQUIPMENT INVESTMENT							\$17.67

RETURN TO LAND AND RISK							\$170.99
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\* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$525.00	
VARIABLE OPERATING EXPENSES	\$224.10		
RETURN OVER VARIABLE EXPENSES	\$300.90		(GROSS MARGIN)
FIXED EXPENSES	\$48.23		
NET FARM INCOME	\$252.68		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$59.64		
NET OPERATING PROFIT	\$193.04		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$22.05		
RETURN TO LAND AND RISK	\$170.99		

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, Projected 2018  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE						TOTAL	
<b>GROSS RETURNS</b>										
COTTON LINT	\$0.75	700 LBS							\$525.00	
COTTON SEED	\$0.10	1,120.00 LBS							\$109.20	
DIRECT PAYMENT	\$0.0000	700 LBS	0.85						\$0.00	
COUNTER CYCLICAL PAYMENT	\$0.1373	700 LBS	0.85						\$81.69	
<b>TOTAL</b>									<b>\$715.89</b>	
<b>PURCHASED INPUTS</b>										
	PRICE	QUANTITY	PURCHASED INPUTS						FIXED COST	TOTAL
SEED	\$7.55	15 LBS	\$113.25						\$113.25	
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.								
<b>SUBTOTAL</b>			<b>\$124.94</b>							<b>\$124.94</b>
<b>PREHARVEST OPERATIONS</b>										
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL		
DISC	145 HP	0.17 HR		\$1.22	\$3.79	\$1.15	\$2.08	\$8.24		
PLOW	145 HP	0.48 HR		\$3.46	\$10.69	\$4.29	\$7.08	\$25.51		
DISC (2X)	145 HP	0.34 HR		\$2.45	\$7.57	\$2.30	\$4.17	\$16.49		
FLOAT	145 HP	0.16 HR		\$1.15	\$3.56	\$0.64	\$1.69	\$7.04		
PRE-IRRIGATE		0.25 HR		\$1.88	\$9.85	\$0.00	\$5.82	\$17.55		
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$2.45	\$1.57	\$1.77	\$7.30		
PLANTER	70 HP	0.26 HR		\$1.87	\$4.27	\$0.67	\$5.87	\$12.68		
SLED	70 HP	0.15 HR		\$1.08	\$2.47	\$0.21	\$0.89	\$4.64		
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.54	\$7.35	\$4.72	\$5.30	\$21.91		
HAND HOE (CUSTOM)			\$20.00					\$20.00		
IRRIGATE (3X)		0.75 HR		\$5.63	\$29.56	\$0.00	\$17.46	\$52.64		
<b>SUBTOTAL</b>		<b>3.40 HR</b>	<b>\$20.00</b>	<b>\$24.78</b>	<b>\$81.57</b>	<b>\$15.55</b>	<b>\$52.13</b>	<b>\$194.02</b>		
<b>HARVEST OPERATIONS</b>										
COTTON PICKER (2X)	2-ROW	0.74 HR		\$5.33	\$12.08	\$12.68	\$183.49	\$213.58		
HAUL (2X)	65 HP	1.00 HR		\$7.20	\$11.67	\$1.32	\$6.65	\$26.85		
GIN COTTON (CUSTOM)			\$104.30					\$104.30		
<b>SUBTOTAL</b>		<b>1.74 HR</b>	<b>\$104.30</b>	<b>\$12.53</b>	<b>\$23.75</b>	<b>\$14.00</b>	<b>\$190.14</b>	<b>\$344.73</b>		
<b>POSTHARVEST OPERATIONS</b>										
SHREDDER	70 HP	0.14 HR		\$1.01	\$2.30	\$0.19	\$2.96	\$6.46		
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$1.01</b>	<b>\$2.30</b>	<b>\$0.19</b>	<b>\$2.96</b>	<b>\$6.46</b>		
<b>OVERHEAD EXPENSES</b>										
DOWNTIME		0.00 HR		\$0.00				\$0.00		
EMPLOYEE BENEFITS				\$6.90				\$6.90		
INSURANCE			\$0.03					\$0.03		
LAND TAXES							\$1.78	\$1.78		
SUPERVISION AND MANAGEMENT				\$50.29				\$50.29		
OTHER EXPENSES			\$59.30					\$59.30		
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$59.33</b>	<b>\$57.19</b>			<b>\$1.78</b>	<b>\$118.30</b>		
<b>TOTAL OPERATING EXPENSES</b>		<b>5.28 HR</b>	<b>\$308.57</b>	<b>\$95.50</b>	<b>\$107.62</b>	<b>\$29.74</b>	<b>\$247.01</b>	<b>\$788.45</b>		
<b>NET OPERATING PROFIT</b>									<b>(\$72.56)</b>	
INTEREST ON OPERATING CAPITAL		( \$90.52 @	7.50%	)						\$6.79
INTEREST ON EQUIPMENT INVESTMENT									\$125.27	
<b>RETURN TO LAND AND RISK</b>									<b>(\$204.61)</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$715.89	
VARIABLE OPERATING EXPENSES	\$445.93		
RETURN OVER VARIABLE EXPENSES	\$269.96	(GROSS MARGIN)	
FIXED EXPENSES	\$247.01		
NET FARM INCOME	\$22.95	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
aes	\$95.50		
NET OPERATING PROFIT	(\$72.56)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$132.06		
RETURN TO LAND AND RISK		(\$204.61)	



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, Projected 2018  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.73	700 LBS		\$511.00
COTTON SEED	\$0.10	1,120 LBS		\$109.20
DIRECT PAYMENT	\$0.0000	700 LBS	0.85	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	700 LBS	0.85	\$81.69
<b>TOTAL</b>				<b>\$701.89</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	20 LBS	\$151.00		\$151.00
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.			
<b>SUBTOTAL</b>			<b>\$162.24</b>		<b>\$162.24</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.22	\$3.79	\$1.15	\$2.08	\$8.24
PLOW	145 HP	0.48 HR		\$3.46	\$10.69	\$4.29	\$7.08	\$25.51
DISC (2X)	145 HP	0.34 HR		\$2.45	\$7.57	\$2.30	\$4.17	\$16.49
FLOAT	145 HP	0.16 HR		\$1.15	\$3.56	\$0.64	\$1.69	\$7.04
PRE-IRRIGATE		0.25 HR		\$1.88	\$9.85	\$0.00	\$5.82	\$17.55
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$2.45	\$1.57	\$1.77	\$7.30
PLANTER	70 HP	0.26 HR		\$1.87	\$4.27	\$0.67	\$5.87	\$12.68
SLED	70 HP	0.15 HR		\$1.08	\$2.47	\$0.21	\$0.89	\$4.64
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.54	\$7.35	\$4.72	\$5.30	\$21.91
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$5.63	\$29.56	\$0.00	\$17.46	\$52.64
<b>SUBTOTAL</b>		<b>3.40 HR</b>	<b>\$20.00</b>	<b>\$24.78</b>	<b>\$81.57</b>	<b>\$15.55</b>	<b>\$52.13</b>	<b>\$194.02</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	70 HP	0.62 HR		\$4.46	\$10.19	\$1.16	\$15.70	\$31.51
HAUL	65 HP	0.75 HR		\$5.40	\$8.75	\$0.99	\$4.99	\$20.13
GIN COTTON (CUSTOM)			\$134.89					\$134.89
<b>SUBTOTAL</b>		<b>1.37 HR</b>	<b>\$134.89</b>	<b>\$9.86</b>	<b>\$18.95</b>	<b>\$2.15</b>	<b>\$20.69</b>	<b>\$186.54</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	70 HP	0.14 HR		\$0.56	\$2.30	\$0.19	\$2.96	\$6.01
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$0.56</b>	<b>\$2.30</b>	<b>\$0.19</b>	<b>\$2.96</b>	<b>\$6.01</b>

OVERHEAD EXPENSES	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$6.34				\$6.34
INSURANCE			\$0.03					\$0.03
LAND TAXES							\$1.78	\$1.78
SUPERVISION AND MANAGEMENT				\$49.29				\$49.29
OTHER EXPENSES			\$59.30					\$59.30
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$59.33</b>	<b>\$55.62</b>			<b>\$1.78</b>	<b>\$116.73</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>4.91 HR</b>	<b>\$376.46</b>	<b>\$90.83</b>	<b>\$102.81</b>	<b>\$17.88</b>	<b>\$77.56</b>	<b>\$665.54</b>
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<b>NET OPERATING PROFIT</b>								<b>\$36.35</b>
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INTEREST ON OPERATING CAPITAL		( \$107.78 @	7.50%	)				\$8.08
INTEREST ON EQUIPMENT INVESTMENT								\$35.77

<b>RETURN TO LAND AND RISK</b>								<b>(\$7.51)</b>
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\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN		\$701.89	
VARIABLE OPERATING EXPENSES	\$497.16		
RETURN OVER VARIABLE EXPENSES	\$204.74	(GROSS MARGIN)	
FIXED EXPENSES	\$77.56		
NET FARM INCOME	\$127.18	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$90.83		
NET OPERATING PROFIT	\$36.35	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$43.86		
RETURN TO LAND AND RISK		(\$7.51)	

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area,  
Projected 2018

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON
	TONS	TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD	5.60	5.60	35.00	3.50	700.00	700.00
PRIMARY PRICE	\$185.00	\$185.00	\$6.12	\$150.00	\$0.75	\$0.73
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$81.69	\$81.69
SECOND INCOME	\$0.00	\$40.00	\$40.00	\$0.00	\$109.20	\$109.20
GROSS RETURN	\$1,036.00	\$1,076.00	\$254.20	\$525.00	\$715.89	\$701.89
CASH OPERATING EXPENSES						
SEED	\$80.00		\$44.00	\$44.00	\$113.25	\$151.00
FERTILIZER	\$44.00	\$62.00	\$46.50	\$36.00	\$4.80	\$4.80
CHEMICALS	\$0.00	\$5.25	\$0.00		\$5.25	\$5.25
CROP INSURANCE			\$5.88		\$1.64	\$1.19
OTHER PURCHASED INPUTS		\$202.21				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$81.20	\$46.96	\$21.72	\$32.62	\$68.21	\$63.40
FUEL-IRRIGATION	\$59.11	\$67.56	\$39.41	\$39.41	\$39.41	\$39.41
REPAIRS	\$28.45	\$24.95	\$7.01	\$12.75	\$29.74	\$17.88
CUSTOM CHARGES			\$24.91		\$124.30	\$154.89
LAND TAXES		\$1.78	\$1.78	\$1.78	\$1.78	\$1.78
OTHER EXPENSES	\$0.03	\$59.33	\$59.31	\$59.32	\$59.33	\$59.33
TOTAL CASH EXPENSES	\$292.79	\$470.03	\$250.52	\$225.88	\$447.71	\$498.94
RETURN OVER CASH EXPENSES	\$743.21	\$605.97	\$3.68	\$299.12	\$268.18	\$202.96
FIXED EXPENSES	\$91.23	\$181.77	\$38.74	\$46.45	\$245.23	\$75.78
TOTAL EXPENSES	\$384.02	\$651.80	\$289.26	\$272.32	\$692.95	\$574.72
NET FARM INCOME	\$651.98	\$424.20	(\$35.06)	\$252.68	\$22.95	\$127.18
LABOR AND MANAGEMENT COSTS	\$121.60	\$114.68	\$35.48	\$59.64	\$95.50	\$90.83
NET OPERATING PROFIT	\$530.38	\$309.51	(\$70.54)	\$193.04	(\$72.56)	\$36.35
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$11.82	\$5.05	\$4.38	\$6.79	\$8.08
INTEREST ON EQUIPMENT INVESTMENT	\$41.95	\$22.14	\$11.90	\$17.67	\$125.27	\$35.77
TOTAL CAPITAL COSTS	\$41.95	\$33.96	\$16.95	\$22.05	\$132.06	\$43.86
RETURN TO LAND AND RISK	\$488.43	\$275.55	(\$87.49)	\$170.99	(\$204.61)	(\$7.51)
Flex Computation			-36.846761	235.10231	165.88608	104.04541

TABLE 13. Whole farm summary, Artesia-Lake Arthur area,  
Projected 2018

GROSS RETURNS		
ALFALFA HAY	342 ACRES	\$365,712
CROP GRAZING		\$11,400
BARLEY	8.5 ACRES	\$1,821
CROP		\$0
DIRECT PAYMENTS		\$0
COUNTER CYCLICAL PAYMENT		\$340
GRAZING		
OAT HAY	8 ACRES	\$4,200
CROP		
PICKER COTTON	82 ACRES	\$43,050
COTTON LINT		\$8,954
COTTON SEED		\$0
DIRECT PAYMENTS		\$6,699
COUNTER CYCLICAL PAYMENT		
STRIPPER COTTON	59.5 ACRES	\$30,405
COTTON LINT		\$6,497
COTTON SEED		\$0
DIRECT PAYMENTS		\$4,861
COUNTER CYCLICAL PAYMENT		
		<u>\$483,939</u>
GROSS RETURN		
CASH OPERATING EXPENSES		
SEED		\$23,557
FERTILIZER		\$21,540
CHEMICALS		\$2,239
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$57,629
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$27,823
FUEL-IRRIGATION		\$28,850
REPAIRS		\$12,396
CUSTOM CHARGES		\$19,620
LAND TAXES		\$789
OTHER EXPENSES		\$26,284
		<u>\$220,878</u>
TOTAL CASH EXPENSES		\$263,060
RETURN OVER CASH EXPENSES		\$54,483
FIXED EXPENSES		
TOTAL EXPENSES		\$275,361
NET FARM INCOME		\$208,577
LABOR AND MANAGEMENT COSTS		\$53,630
NET OPERATING PROFIT		\$154,947
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$4,485
INTEREST ON EQUIPMENT INVESTMENT		\$21,345
		<u>\$25,829</u>
TOTAL CAPITAL COSTS		
RETURN TO LAND AND RISK		<u><u>\$129,118</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$109,118	18.89%
\$2,500 /ACRE	\$79,118	9.87%
\$4,000 /ACRE	\$49,118	6.68%
\$5,500 /ACRE	\$19,118	5.05%

\* 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)