BUDGET AREA..... COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2007.

NUMBER OF CROI 4

	WATER USE							
	LAND US (ACRES)							
GRAIN SORGHUM	136	30	4080					
ARP	0							
FLEX IN COTTON	0	28	0					
COTTON	153	28	4284					
ARP	0							
FLEX IN COTTON	0	28	0					
GREEN CHILE	20	54	1080					
RED CHILE	20	48	960					
ROADS, HOMESTE	20							
TOTAL	349		10404					
ACRE FEET PER A	CRE OF W	ATER RI	2.48424					

TABLE 1 Basic cost information for the Cotton City-Animas

TABLE 1 Basic cost information for the	Cotton City	-Animas	
area, Projected 2018			
Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$8.55
General & Irrigators	\$/hour		\$7.50
Developed Investor			
Purchased Inputs: Fertilizer:			
Nitrogen (N)	\$/pound		\$0.31
Phosphate (P205)	\$/pound		\$0.24
Anhydrous Ammonia (NH3)	\$/ton		\$420.00
Seed:			
Grain Sorghum	\$/pound		\$1.32
Cotton (picker)	\$/pound		\$7.55
Chile	-		
green	\$/pound		\$16.00
red	\$/pound		\$16.00
wheat	\$/pound		\$0.44
Energy:			
Natural gas (Gas Co NM)	\$/MCF		\$3.98
(service charge)	\$/month		\$10.00
Diesel fuel	\$/gallon		\$2.75
Gasoline	\$/gallon		\$2.40
Electricity (Columbus) LP Gas	cents/Kw	Hr	\$9.27
LP Gas	\$/gallon		\$2.90
Employee Liability Insurance	\$/\$1,000	wages	\$20.00
Employee Benefits	percent/w	ages	0.18
Labor Downtime	percent		0.25
Financial Rates:			
Operating Capital Interest Rate	percent		5.50%
Land Interest Rate	percent		5.00%
Equipment Interest Rate	percent		5.50%
Real Interest Rate	percent		4.00%
Land Taxes 348	3 /acre (full	value)	\$2.57
Personal Property Tax Rate - NR	\$/\$1,000	(Assessed	\$22.15
- R	,	Value)	\$19.07
Supervision Factors			
Field Crop-Irrigation	\$/labor ho		\$1.00
Field Crop-Equipment & General	\$/labor ho		\$0.50
Vegetable Crop-Irrigation	\$/labor ho \$/labor ho		\$2.90 \$1.00
Vegetable Crop-Equipment & General	φ/Iaυor ΠC	uı	\$1.00
Management Rate			
Field Crops	percent/G	R	7.00%
Vegetable Crops	percent/T	OE	10.00%

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

ITEM						
11EWI						
Electricity (Domestic & Sho	9)			\$254.00	per month	3048
Telephone				\$120.65	per month	1447.8
Accounting & Legal						\$1,803.40
Misc. Supplies & Hand Tool	s					\$2,800.35
Pickup and Auto						
miles	20000	@	0.5	per mile		10000
Insurance						
- general liability (non-emp	loyee)					\$1,892.30
- fire/theft						\$1,524.00
Property Taxes						
- non-planted land						9.535
- other than land & machine	ry					560
Building repairs and mainten	ance					\$1,435.10
Dues, fees, publications						\$431.80
Farmstead Equipment						\$177.80
					Total	\$25,130.09
			Total Per Pl	anted Acre		\$76.38

TABLE 2. Pumping costs and data for irrigation wells, Cotton City-Animas area, Hidalgo County

====		=====	=====		

INPUT DATA

DEPTH CHARACTERISTICS:

STATIC	 150
DRAW DOWN	 50
TOTAL HEAD	200
CASING	 300

GALLONS PER MINUTE 700 WORK HORSEI....... 35.35

EFFICIENCY FACTOR:

ELECTRICIT 0.54
NATURAL C 0.154
LP GAS...... 0.154
DIESEL...... 0.16

FUEL COST PER UNIT:

 ELECTRICIT
 9.27
 CENT: wHr

 NATURAL G
 3.98
 \$/MCF

 LP GAS
 2.9
 \$/GAL

 DIESEL
 2.75
 \$/GAL

FUEL PUMPING COSTS:

---- ------

ELECTRIC WELL:

COST PER HOUR........... 4.56 COST PER ACRE INCH 2.948

NATURAL GAS WELL:

COST PER HOUR.......... 2.579 COST PER ACRE INCH 1.668

LP GAS WELL:

COST PER HOUR........ 18.47 COST PER ACRE INCH 11.94

DIESEL WELL:

COST PER HOUR....... 10.94 COST PER ACRE INCH 7.076

TABLE 3. Equipment summary for a 400 acre, flood/sprinkler-irrigated farm with above average management, Cotton City-Animas area, Hidalgo County

EQUIPMENT VARIABLE COSTS FIXED COSTS ---- ------ ANNUAL HOURS TOTAL FUEL AND FUEL.OIL REPAIR DEPRE-TOTAL ITEM & SIZE OF US NUMBI VALUE LUBRICANT REPAIR 'ER HR 'ER HR CIATION TAXES PER HOUR TRACTOR 80 HP 443 \$26,855.00 \$5,728.88 \$5,234.29 \$12.93 \$11.81 \$1,929.67 \$213.71 \$4.84 TRACTOR 155 HP 230 \$38,035.00 \$6,569.54 \$1,862.80 \$28.54 \$8.09 \$5,994.67 \$331.95 \$27.49 PICKUP 1/2 TON \$13,000.00 \$5,034.96 \$834.00 \$15.12 \$2.50 \$2,600.00 \$95.98 \$2.89 COTTON PICKER 2 RO \$9,430.00 \$9,653.00 \$16.63 \$50.88 190 \$3,155.42 \$5,960.00 \$330.04 \$33.15 SHREDDER 4 ROW \$2,500.00 \$96.31 \$1.85 \$333.33 \$18.46 \$6.76 52 **ROLLING CULT 4 ROW** \$2,000.00 \$81.70 \$266.67 \$14.77 66 \$1.24 \$4.27 **CULTIVATOR 4 ROW** \$1.500.00 \$0.00 \$0.00 \$200.00 \$11.08 147 \$1.43 \$162 47 \$400.00 DISC 14 FT 95 \$3,000,00 \$1.71 \$22 15 \$4 44 **ROTO BUCK** 34 \$1,000.00 \$8.20 \$0.24 \$133.33 \$7.38 \$4.12 RIPPER 4 ROW (7-SHA 43 \$1,200.00 \$34.68 \$0.82 \$160.00 \$8.86 \$3.97 LISTER 4 ROW 57 \$1,600.00 \$56.56 \$0.99 \$213.33 \$11.81 \$3.95 PLANTER 4 ROW 75 \$3,400.00 \$579.93 \$7.72 \$680.00 \$25.10 \$9.38 VEG PLANTER 4 ROW \$1,500.00 \$7.75 \$1.14 \$300.00 \$11.08 \$45.75 SPRAYER 12 FT \$1,375.00 \$123.84 \$2.70 \$183.33 46 \$10.15 \$4.21 \$250.00 \$33.33 DRAG 8-24 FT. 62 \$5.56 \$0.09 \$1.85 \$0.57 PLOW 4-14 \$4,000.00 \$59.90 \$3.12 \$533.33 \$29.53 \$29.32 19 1 COTTON TRAILER 8 B/ \$6,000.00 \$44.06 \$0.29 \$800.00 \$44.30 153 5 \$5.52 FERT SPREADER DLR 16 NATURAL GAS WELL 3 \$59,250.00 \$18,713,95 \$656.64 \$2.58 \$0.09 \$5,642.86 \$437.46 \$0.89 7256 \$175,895.00 \$39,202.75 \$19,501.71 \$26,363.86 \$1,625.66

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

HARVEST DATE	S: JUNE 15 -	JULY 1								
ITEM	PRICE		YIELD							TOTAL
GROSS RETURNS WHEAT	\$4.40			CWT						\$220.00
TOTAL										\$220.00
PURCHASED INPUTS	PRICE		QUANT	ITY	PURCHASE INPUTS	ED				TOTAL
SEED ANHYDROUS AMMONIA (NENTROGEN (N) PHOSPHATE (P2O5) PUMP WATER* CROP INSURANCE SUBTOTAL	\$0.44		100 250 30 80	LBS LBS LBS LBS ACRE IN.	44 52.5 9.3 19.2					\$44.00 \$52.50 \$9.30 \$19.20 \$125.00
DDEHADVEST ODEDATIONS	POWER			ISHMENT	PURCHASE		FUEL	DEDAIDS	FIXED	TOTAL
PREHARVEST OPERATIONS	UNIT		RATE		INPUTS	LABOR		REPAIRS	COST	TOTAL
DISC FERTILIZE DRAG (2X) ANHYDROUS KNIVES DRILL IRRIGATE (4X) DISC	185 HP 185 HP 96 HP 185 HP 96 HP		0.1 0.18	HR HR HR HR HR		\$1.20 \$0.43 \$1.71 \$0.86 \$1.54 \$4.50 \$2.14	\$4.00 \$1.43 \$2.59 \$2.85 \$2.33 \$4.50 \$3.23	\$1.13 \$0.40 \$2.38 \$0.81 \$2.13 \$0.00 \$2.95	\$3.85 \$1.37 \$1.08 \$0.00 \$0.00 \$33.75 \$0.00	\$10.17 \$3.63 \$7.76 \$4.52 \$5.99 \$42.75 \$8.32
SUBTOTAL			1.52	HR		\$12.37	\$20.92	\$9.80	\$40.05	\$83.14
HARVEST OPERATIONS										
COMBINE (CUSTOM) HAUL TO STORAGE (CUSTO HAUL TO MARKET (CUSTO	. *				32.22 9.5 22.5					\$32.22 \$9.50 \$22.50
SUBTOTAL					64.22	\$0.00	\$0.00	\$0.00	\$0.00	\$64.22
OVERHEAD EXPENSES										
DOWNTIME EMPLOYEE BENEFITS INSURANCE LAND TAXES SUPERVISION AND MANAG	EMENT		0.155	HR	0.24732	\$1.33 \$2.23 \$16.41			\$2.57	\$1.33 \$2.23 \$0.25 \$2.57 \$16.41
OTHER EXPENSES					76.38324					\$76.38
SUBTOTAL			0.155	HR	76.63056	\$19.96			\$2.57	\$99.16
TOTAL OPERATING EXPENSE	S		1.675	HR	265.8506	\$32.33	\$20.92	\$9.80	\$42.62	\$371.53
NET OPERATING PROFIT										-\$151.53
INTEREST ON OPERATING INTEREST ON EQUIPMENT		T (75.53287	@	0.055))				\$4.15 \$6.48
RETURN TO LAND AND RISK										-\$162.16
* Pump water costs are show	====== n under irrigat		====== preharvest T SUMMA		section.	====== :	=====	====== =	===== :	=====
GROSS RETURN VARIABLE OPERATING EXPE	INSES	296.5754	\$220.00							
RETURN OVER VARIABLE EXI FIXED EXPENSES	PENSES	42.62267	-\$76.58	(GROS	S MARGIN)					
NET FARM INCOME LABOR AND MANAGEMENT		32.32713	-\$119.20	(RETUF	RN TO CAPIT	TAL, LABO	R, LAND &	RISK)		
NET OPERATING PROFIT CAPITAL COSTS		10.63918	-\$151.53	(RETUF	RN TO CAPIT	ΓAL, LAND	& RISK)			
RETURN TO LAND AND RISK			-\$162.16							

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

TIARVEOT DATES.	DEI TEMBET			•						
ITEM	PRICE		YIELD							TOTAI
GROSS RETURNS CORN FOR GRAIN	\$3.70			CWT						\$314.50
TOTAL										\$314.50
					PURCHASI					
PURCHASED INPUTS	PRICE		QUANT	TY	INPUTS					TOTAI
SEED	\$0.91		32	000	29					\$29.0
ANHYDROUS AMMONIA (NH	\$0.21			LBS	52.5					\$52.5
NITROGEN (N)	\$0.31			LBS	24.8					\$24.8
PHOSPHATE (P2O5) HERBICIDE	\$0.24 \$7.83			LBS ACRE	24 7.8324					\$24.0 \$7.8
PUMP WATER*	φ1.03			AC. IN.	1.0324					Φ1.0
CROP INSURANCE				,						
SUBTOTAL					138.1324					\$138.13
	POWER	А		ISHMENT	PURCHASI		FUEL		FIXED	
PREHARVEST OPERATIONS	UNIT 		RATE		INPUTS	LABOR	& LUBE	REPAIRS	COST	TOTAI
RIPPER 1	85 HP		0.2	HR		\$1.71	\$5.71	\$1.78	\$6.29	\$15.49
DISC & SPRAY 1	85 HP		0.15	HR		\$1.28	\$1.28	\$0.00	\$10.97	\$13.53
	85 HP		0.05			\$0.43	\$1.43	\$0.40	\$1.37	\$3.63
	85 HP			HR		\$0.86	\$2.85	\$0.81	\$2.75	\$7.27
	85 HP		0.26			\$2.22	\$7.42	\$2.10	\$3.45	\$15.20
CULTIVATOR (2X) 9 IRRIGATE (12X)	6 HP		0.42	HR		\$3.59 \$13.50	\$5.43 \$23.27	\$4.96 \$24.34	\$2.63 \$16.70	\$16.6° \$77.80
, ,										
SUBTOTAL			2.98	нк		\$23.59	\$47.39	\$34.40	\$44.16	\$149.54
HARVEST OPERATIONS										
COMBINE (CUSTOM)					30.6					\$30.60
HAUL TO STORAGE (CUSTOM)				17					\$17.00
HAUL TO MARKET (CUSTOM)					38.25					\$38.2
SUBTOTAL					85.85	\$0.00	\$0.00	\$0.00	\$0.00	\$85.8
POSTHARVEST OPERATIONS										
	0 HP		0.14	HR		\$1.20	\$1.81	\$1.91	\$1.62	\$6.54
OVERHEAD EXPENSES										
DOWNTME			0.00	ш		# 0.00				00.0
DOWNTIME EMBLOYEE DENIETE			0.33	HR		\$2.82				\$2.82
EMPLOYEE BENEFITS INSURANCE					0.49572	\$4.46				\$4.40 \$0.50
LAND TAXES					0.49372				\$2.57	\$2.5
SUPERVISION AND MANAGEM	IENT					\$24.48			Ψ2.57	\$24.4
OTHER EXPENSES					76.38324	V =				\$76.38
SUBTOTAL			0.33	HR	76.87896	\$31.76			\$2.57	\$111.2
TOTAL OPERATING EXPENSES			3.45	HR	300.8614	\$56.54	\$49.20	\$36.31	\$48.36	\$491.27
NET OPERATING PROFIT										-\$176.77
INTEREST ON OPERATING CA	PITAL	(97.59633	@	0.055)				\$5.37
INTEREST ON EQUIPMENT IN		`		-		•				\$11.7
										-\$193.8

BUDGET SUMMARY

GROSS RETURN \$314.50 VARIABLE OPERATING EXPENSES 386.3652 RETURN OVER VARIABLE EXPENSES -\$71.87 (GROSS MARGIN) FIXED EXPENSES 48.35734 NET FARM INCOME -\$120.22 (RETURN TO CAPITAL, LABOR, LAND & RISK) LABOR AND MANAGEMENT COST 56.54398 NET OPERATING PROFIT -\$176.77 (RETURN TO CAPITAL, LAND & RISK) CAPITAL COSTS 17.08073 RETURN TO LAND AND RISK -\$193.85

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

Harvesting dates:	November 1	- Novembe	er 25							
ITEM	PRICE		YIELD							TOTAL
GROSS RETURNS GRAIN SORGHUM ASCS DIVERSION ASCS DEFICIENCY	\$6.08 0		0	CWT CWT CWT						\$376.87 \$0.00 \$0.00
TOTAL										\$376.87
					PURCHASI					
PURCHASED INPUTS	PRICE		QUANT	TY 	INPUTS					TOTAL
SEED ANHYDROUS AMMONIA (NH HERBICIDE INSECTICIDE (CUSTOM) PUMP WATER* CROP INSURANCE	1.32 0.21 9.455 10.065		180 1 1	LBS LBS ACRE ACRE AC. IN.	\$10.56 \$37.80 \$9.46 \$10.07					\$10.56 \$37.80 \$9.46 \$10.07
SUBTOTAL					\$68.25					\$68.25
PREHARVEST OPERATIONS	POWER UNIT		RATE		PURCHASI INPUTS			REPAIRS	FIXED COST	TOTAL
RIPPER DISC FERTILIZE DRAG (2X) DISC & SPRAY LISTER PRE-IRRIGATE ROLLING CULT PLANTER CULTIVATOR (2X)	185 HP 185 HP 185 HP 96 HP 185 HP 185 HP 96 HP 96 HP 96 HP		0.2 0.14 0.05 0.2 0.15 0.18 0.75 0.21 0.26	HR HR HR HR HR HR HR		\$1.71 \$1.20 \$0.43 \$1.71 \$1.28 \$1.54 \$5.63 \$1.80 \$2.22 \$3.59	\$5.71 \$4.00 \$1.43 \$2.59 \$4.28 \$5.14 \$8.34 \$2.71 \$3.36 \$5.43	\$1.78 \$1.37 \$0.40 \$2.38 \$1.87 \$1.64 \$0.29 \$2.74 \$5.08 \$4.96	\$6.29 \$4.47 \$1.37 \$1.08 \$5.42 \$5.66 \$2.87 \$1.91 \$3.70 \$2.63	\$15.49 \$11.04 \$3.63 \$7.76 \$12.86 \$13.97 \$17.12 \$9.16 \$14.36 \$16.61
ROTO BUCK (7X) IRRIGATE (5X)	96 HP		0.105 2.5	HR HR		\$0.90 \$18.75	\$1.36 \$41.69	\$1.27 \$1.46	\$0.94 \$14.35	\$4.46 \$76.25
SUBTOTAL			5.165	HR		\$40.75	\$86.02	\$25.25	\$50.69	\$202.71
HARVEST OPERATIONS										
COMBINE (CUSTOM) HAUL TO STORAGE (CUSTO	PM)				\$22.94 \$11.78					\$22.94 \$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	\$1.81	\$1.91	\$1.62	\$6.54
OVERHEAD EXPENSES										
DOWNTIME EMPLOYEE BENEFITS INSURANCE LAND TAXES SUPERVISION AND MANAGE OTHER EXPENSES	EMENT		0.51375	HR	\$0.84 \$76.38	\$4.39 \$7.55 \$30.66			\$2.57	\$4.39 \$7.55 \$0.84 \$2.57 \$30.66 \$76.38
SUBTOTAL			0.51375	HR	\$77.22	\$42.60			\$2.57	\$122.39
TOTAL OPERATING EXPENSES	S		5.81875		\$180.19	\$84.55	\$87.83	\$27.16	\$54.89	\$434.61
NET OPERATING PROFIT										-\$57.74
INTEREST ON OPERATING (INTEREST ON EQUIPMENT I		(NT	65.76447	@	\$0.06)				\$3.62 \$18.59
RETURN TO LAND AND RISK										-\$79.95
* Pump water costs are shown					section.	======	======	====== :	======	======
	J.		T SUMMA							
GROSS RETURN VARIABLE OPERATING EXPE RETURN OVER VARIABLE EXP		295.1791	376.8714 81.69237	(GROS	S MARGIN)					
FIXED EXPENSES NET FARM INCOME		54.88714	26.80524	·	RN TO CAPI	TAL, LABO	R, LAND &	RISK)		
LABOR AND MANAGEMENT O NET OPERATING PROFIT CAPITAL COSTS	COST	84.54646 22.20568	-57.7412	·	RN TO CAPI			,		
RETURN TO LAND AND RISK			-79.9469							

TABLE 7. Upland cotton (picker), 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: April 15 - May 15

Harvesting dates: October 15 - January 1

		- January 1								
ITEM	PRICE		YIELD							TOTAL
GROSS RETURNS										
COTTON LINT	\$0.75		1060	LBS						\$795.00
COTTON SEED	\$0.05		1696							\$82.68
TOTAL										
TOTAL										\$877.68
D. ID. O. I. A. G. D. IV. D. I. T. O.	55105				PURCHASI	ED				
PURCHASED INPUTS	PRICE		QUANT		INPUTS					TOTAL
SEED	\$7.55			LBS	\$188.75					\$188.75
NITROGEN (N)	\$0.31			LBS	\$9.92					\$9.92
PHOSPHATE (P2O5) HERBICIDE	\$0.24 \$9.46			LBS ACRE	\$9.60 \$9.46					\$9.60 \$9.46
CROP INSURANCE	\$0.00			DOLLARS						\$0.00
PUMP WATER*			28	AC. IN.						
SUBTOTAL					\$217.73					\$217.73
	POWER		ACCOMPL	ISHMENT	PURCHASI	ED	FUEL		FIXED	
PREHARVEST OPERATIONS	UNIT		RATE		INPUTS	LABOR		REPAIRS	COST	TOTAL
RIPPER	185 HP			HR		\$0.86	\$2.85	\$0.89	\$3.15	\$7.75
DISC	185 HP		0.14			\$1.20	\$4.00	\$1.37	\$4.47	\$11.04
FERTILIZE	185 HP		0.05			\$0.43	\$1.43	\$0.40	\$1.37	\$3.63
DRAG (2X)	96 HP			HR		\$1.71	\$2.59	\$2.38	\$1.08	\$7.76
DISC & SPRAY LISTER	185 HP 185 HP		0.15 0.18			\$1.28 \$1.54	\$4.28 \$5.14	\$1.87 \$1.64	\$5.42 \$5.66	\$12.86 \$13.97
PRE-IRRIGATE	100111			HR		\$7.50	\$9.34	\$0.33	\$3.21	\$20.38
ROLLING CULT.	96 HP		0.21	HR		\$1.80	\$2.71	\$2.74	\$1.91	\$9.16
PLANTER	96 HP		0.26			\$2.22	\$3.36	\$5.08	\$3.70	\$14.36
CULTIVATOR (2X)	96 HP		0.42	HR	045.00	\$3.59	\$5.43	\$4.96	\$2.63	\$16.61
HAND HOE (CUSTOM) ROTO BUCK (5X)	96 HP		0.075	ШΒ	\$15.00	\$0.64	\$0.97	\$0.90	\$0.67	\$15.00 \$3.19
IRRIGATE (4X)	50111			HR		\$30.00	\$37.35	\$1.31	\$12.85	\$81.52
SUBTOTAL			6.785	HR	\$15.00	\$52.76	\$79.44	\$23.88	\$46.13	\$217.22
HARVEST OPERATIONS										
COTTON PICKER (2X)	2 ROW		1.24			\$10.60	\$20.62	\$57.35		\$129.69
COTTON TRAILER (2X) GIN COTTON (CUSTOM)	HALF TON		1	HR	\$115.75	\$8.55	\$15.12	\$2.79	\$8.41	\$34.87 \$115.75
SUBTOTAL			2.24	HR	\$115.75	\$19.15	\$35.74	\$60.14	\$49.52	\$280.31
POSTHARVEST OPERATIONS										
SHREDDER	80 HP		0.14	HR		\$1.20	\$1.81	\$1.91	\$1.62	\$6.54
OVERHEAD EXPENSES										
DOWNTIME			1.04125	HR		\$8.90				\$8.90
EMPLOYEE BENEFITS					04.40	\$13.16				\$13.16
INSURANCE LAND TAXES					\$1.46				\$2.57	\$1.46 \$2.57
SUPERVISION AND MANAG	EMENT					\$68.52			φ2.51	\$68.52
OTHER EXPENSES					\$76.38	****				\$76.38
SUBTOTAL			1.04125	HR	\$77.85	\$90.58			\$2.57	\$171.00
TOTAL OPERATING EXPENSE	S		10.20625	HR	\$426.32	\$163.69	\$117.00	\$85.93	\$99.84	\$892.79
NET OPERATING PROFIT										-\$15.11
INTEREST ON OPERATING		(153.2596	@	\$0.06)				\$8.43
INTEREST ON EQUIPMENT	INVESTMEN	ΙΤ								\$35.66
RETURN TO LAND AND RISK ========	= ======							=======================================		-\$59.19 ======
	under irrias		oreharvest		section.					
* Pump water costs are shown	i under imge	DODGL								
	r under imge	BODGL	\$877.68							
GROSS RETURN VARIABLE OPERATING EXPE	NSES	629.2491	\$877.68		MADON					
GROSS RETURN VARIABLE OPERATING EXPE RETURN OVER VARIABLE EXI FIXED EXPENSES	NSES		\$877.68 \$248.43	(GROSS	S MARGIN)					
GROSS RETURN VARIABLE OPERATING EXPE RETURN OVER VARIABLE EXI FIXED EXPENSES	:NSES PENSES	629.2491	\$877.68	(GROSS	S MARGIN) IN TO CAPIT	ΓAL, LABOI	R, LAND &	RISK)		
GROSS RETURN VARIABLE OPERATING EXPE RETURN OVER VARIABLE EXI FIXED EXPENSES NET FARM INCOME	:NSES PENSES	629.2491 99.84409	\$877.68 \$248.43	(GROSS				RISK)		

TABLE 8. Green chile, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Cotton City-Animas 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			LBS						\$0.00
TOTAL										\$4,750.00
					PURCHAS					
PURCHASED INPUTS	PRICE		QUANT	ITY	INPUTS					TOTAL
SEED	\$16.00			LBS	\$64.00					\$64.00
ANHYDROUS AMMONIA (NH:				LBS	\$63.00					\$63.00
NITROGEN (N)	\$0.31			LBS	\$18.60					\$18.60
PHOSPHATE (P2O5) HERBICIDE	\$0.24			LBS ACRE	\$36.00					\$36.00
INSECTICIDE	\$12.57 \$12.57			ACRE	\$12.57 \$12.57					\$12.57 \$12.57
CROP INSURANCE	\$0.00			DOLLARS						\$0.00
PUMP WATER*			54	AC. IN.						
SUBTOTAL					\$206.73					\$206.73
	POWER UNIT				PURCHAS		FUEL	DEDAIDS	FIXED	TOTAL
PREHARVEST OPERATIONS			RATE					REPAIRS	COST	
DISC	185 HP		0.14			\$1.20	\$4.00	\$1.37	\$4.47	\$11.04
PLOW DISC	185 HP 185 HP		0.48 0.14			\$4.10 \$1.20	\$13.70 \$4.00	\$5.38 \$1.37	\$27.26 \$4.47	\$50.45 \$11.04
LASER (CUSTOM)	.00 111		0.14		\$73.33	Ψ1.20	ψ4.00	ψ1.01	ψ4.41	\$73.33
	185 HP		0.13	HR		\$1.11	\$3.71	\$1.53	\$4.63	\$10.99
FERTILIZE	185 HP		0.05			\$0.43	\$1.43	\$0.40	\$1.37	\$3.63
PRE-IRRIGATE	00.110		0.75			\$6.41	\$45.02	\$0.07	\$0.67	\$52.17
	96 HP 96 HP		0.13 0.17			\$1.11 \$1.45	\$1.68 \$2.20	\$1.70 \$2.20	\$4.13 \$8.60	\$8.62 \$14.45
	96 HP		0.65			\$5.56	\$8.40	\$7.68	\$5.92	\$27.55
THIN & HOE (CUSTOM)			0.00		\$90.00	ψ0.00	ψο. το	ψ1.00	ψ0.02	\$90.00
	96 HP		0.21 4	HR HR		\$1.80 \$34.20	\$2.71 \$80.04	\$2.53 \$3.28	\$1.88 \$3.55	\$8.92 \$121.07
SUBTOTAL			6.85	HR	\$163.33	\$58.57		\$27.51	\$66.96	\$483.25
HARVEST OPERATIONS										
HARVEST GREEN (CUSTOM))				\$900.00					\$900.00
HARVEST RED (CUSTOM) HAUL	3/4 TON		6	HR	\$0.00	\$51.30	\$90.72	\$13.26	\$17.34	\$0.00 \$172.62
SUBTOTAL			6	HR	\$900.00	\$51.30	\$90.72	\$13.26	\$17.34	\$1,072.62
POST HARVEST OPERATIONS										
	80 HP		0.29	HR		\$2.48	\$3.75	\$3.96	\$3.36	\$13.55
SUBTOTAL			0.29	HR	\$0.00	\$2.48	\$3.75	\$3.96	\$3.36	\$13.55
OVERHEAD EXPENSES										
DOWNTIME			0.5975	HR		\$3.45				\$3.45
EMPLOYEE BENEFITS						\$20.22				\$20.22
INSURANCE					\$2.25					\$2.25
LAND TAXES	NATAIT					# 000 00			\$2.57	\$2.57
SUPERVISION AND MANAGE OTHER EXPENSES	MENI				\$76.38	\$200.00				\$200.00 \$76.38
SUBTOTAL			0.5975	HR	\$78.63	\$223.67			\$2.57	\$304.87
TOTAL OPERATING EXPENSES	3		13.7375	HR	\$1,348.69	\$336.02	\$261.35	\$44.73	\$90.23	\$2,081.02
NET OPERATING PROFIT										\$2,668.98
INTEREST ON OPERATING O		((235.6303	@	\$0.06)				\$12.96
INTEREST ON EQUIPMENT II RETURN TO LAND AND RISK	NVESTIME	NI								\$46.75 \$2,609.27
====== ===============================	======	======	======	======	======	======	======	=======================================		
* Pump water costs are shown	under irrig		preharvest ET SUMMA		section.					
GROSS RETURN			\$4,750.00							
VARIABLE OPERATING EXPERETURN OVER VARIABLE EXP		1654.779	\$3,095.22	(GROSS	S MARGIN)					
FIXED EXPENSES NET FARM INCOME	007	90.22575	\$3,005.00	(RETUR	RN TO CAPI	TAL, LABC	R, LAND 8	RISK)		
LABOR AND MANAGEMENT C	USI	336.016		(DETI ID	N TO CAPI	ΤΔΙ ΙΛΝ ΙΡ	8 DICK			
NET OPERATING PROFIT CAPITAL COSTS RETURN TO LAND AND RISK		59.71177	\$2,668.98 \$2,609.27	(KE I UK	RN TO CAPI	IAL, LAND	α KIOK)			
TETOKIN TO EVIND WIND KINK	======			======		======	======	======		

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

ITEM	PRICE		ELD							TOTA
GROSS RETURNS RED CHILE	\$0.60			LBS						\$2,100.0
TOTAL										\$2,100.0
					PURCHAS					
PURCHASED INPUTS	PRICE	QU	ANTI	TY	INPUTS	LD				TOTA
SEED	18.00			LBS	\$72.00					\$72.0
ANHYDROUS AMMONIA (NH				LBS	\$48.30					\$48.3
NITROGEN (N)	0.36			LBS	\$21.60					\$21.6
PHOSPHATE (P2O5) HERBICIDE	0.33 14.11			LBS ACRE	\$49.50 \$14.11					\$49.5 \$14.1
INSECTICIDE	14.22			ACRE	\$14.22					\$14.2
CROP INSURANCE	0.00			DOLLARS	\$0.00					\$0.0
PUMP WATER*			48	AC. IN.						
SUBTOTAL					\$219.72					\$219.7
	POWER			ISHMENT	PURCHAS		FUEL		FIXED	
PREHARVEST OPERATIONS	UNIT	R 	ATE		INPUTS	LABOR	& LUBE	REPAIRS	COST	TOTA
DISC	185 HP		0.14	HR		\$1.20	\$4.00	\$1.37	\$4.47	\$11.0
PLOW	185 HP		0.48			\$4.10	\$13.70	\$5.38	\$27.26	\$50.4
DISC	185 HP		0.14			\$1.20	\$4.00	\$1.37	\$4.47	\$11.0
DRAG (2X)	96 HP		0.2			\$1.71	\$2.59	\$2.38	\$1.08 \$3.77	\$7.7
LISTER FERTILIZE	185 HP 185 HP		0.12			\$1.03 \$0.43	\$3.42 \$1.43	\$1.09 \$0.40	\$3.77 \$1.37	\$9.3 \$3.6
PRE-IRRIGATE	103111		0.75			\$6.41	\$40.02	\$0.40	\$0.67	\$47.1
ROLLING CULT	96 HP		0.13			\$1.11	\$1.68	\$1.70	\$1.18	\$5.6
VEGETABLE PLANTER	96 HP		0.17	HR		\$1.45	\$2.20	\$2.20	\$8.60	\$14.4
CULTIVATOR (5X)	96 HP		0.65	HR		\$5.56	\$8.40	\$7.68	\$4.07	\$25.7
THIN & HOE (CUSTOM)					\$90.00	4	4		4	\$90.0
ROTO BUCK (7X) IRRIGATE (11X)	96 HP		0.21 5.5			\$1.80 \$47.03	\$3.18 \$73.37	\$2.53 \$0.50	\$1.88 \$4.88	\$9.3 \$125.7
SUBTOTAL		_	8.54	HR	\$90.00	\$73.02	\$157.97	\$26.67	\$63.72	\$411.3
HARVEST OPERATIONS										
HARVEST (CUSTOM)					\$700.00					\$700.0
HAUL	3/4 TON		3	HR	\$700.00	\$25.65	\$45.36	\$6.63	\$8.67	\$86.3
SUBTOTAL			3	HR	\$700.00	\$25.65	\$45.36	\$6.63	\$8.67	\$786.3
POST HARVEST OPERATIONS										
SHREDDER	80 HP		0.29	HR		\$2.48	\$3.75	\$3.96	\$3.36	\$13.5
SUBTOTAL		_	0.29	HR	\$0.00	\$2.48	\$3.75	\$3.96	\$3.36	\$13.5
OVERHEAD EXPENSES										
DOWNTIME EMPLOYEE BENEFITS		1	.395	HK		\$11.93 \$18.21				\$11.9 \$18.2
INSURANCE					\$2.02	φ10.Z1				\$2.0
LAND TAXES					Ψ2.02				\$2.57	\$2.5
SUPERVISION AND MANAGE	MENT					\$93.25				\$93.2
OTHER EXPENSES					\$76.38					\$76.3
SUBTOTAL		1	.395	HR 	\$78.41	\$123.38	\$0.00	\$0.00	\$2.57	\$204.3
TOTAL OPERATING EXPENSES	3		.225		\$1,088.13	\$224.53	\$207.08	\$37.26	\$78.32	\$1,635.3
NET OPERATING PROFIT										\$464.6
INTEREST ON OPERATING O		(219.3	302	@	\$0.06)				\$12.0 \$37.7
RETURN TO LAND AND RISK										\$414.8
	=============	===== ====								

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

GROSS RETURN \$2,100.00 VARIABLE OPERATING EXPENSES RETURN OVER VARIABLE EXPENSES FIXED EXPENSES \$1,332.47 \$767.53 (GROSS MARGIN) \$78.32 NET FARM INCOME
LABOR AND MANAGEMENT COST
NET OPERATING PROFIT \$689.21 (RETURN TO CAPITAL, LABOR, LAND & RISK) \$224.53 \$464.68 (RETURN TO CAPITAL, LAND & RISK) CAPITAL COSTS
RETURN TO LAND AND RISK \$49.81 \$414.88 ---- ------ ------ ------ ------

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	COTTON	CHILE	RED CHILE
		FLOOD		
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	\$6.08	\$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	\$376.87	\$877.68	\$4,750.00	\$2,100.00
CASH OPERATING EXPENSES				
SEED	\$10.56	\$188.75	\$64.00	\$72.00
FERTILIZER	\$37.80	\$19.52	\$117.60	\$119.40
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	\$37.80	\$70.31	\$136.29	\$93.69
FUEL-IRRIGATION	\$50.03	\$46.69	\$125.06	\$113.39
REPAIRS	\$27.16	\$85.93	\$44.73	\$37.26
CUSTOM CHARGES	\$34.72		\$1,063.33	\$790.00
LAND TAXES	\$2.57	•	\$2.57	\$2.57
OTHER EXPENSES	\$77.22	\$77.85	\$78.63	\$78.41
TOTAL CASH EXPENSES	\$297.75	\$631.82	\$1,657.35	\$1,335.04
RETURN OVER CASH EXPENSES	\$79.12	\$245.86	\$3,092.65	\$764.96
FIXED EXPENSES	\$52.32	\$97.27	\$87.66	\$75.75
TOTAL EXPENSES	\$350.07	\$729.09	\$1,745.00	\$1,410.79
NET FARM INCOME	\$26.81	\$148.59	\$3,005.00	\$689.21
LABOR AND MANAGEMENT COSTS	\$84.55	\$163.69	\$332.50	\$224.53
NET OPERATING PROFIT	-\$57.74	-\$15.11	\$2,672.50	\$464.68
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$3.62	\$8.43	\$12.96	\$12.06
INTEREST ON EQUIPMENT INVESTMENT	\$18.59	\$35.66	\$46.75	\$37.74
TOTAL CAPITAL COSTS	\$22.21	\$44.09	\$59.71	\$49.81
RETURN TO LAND AND RISK	-\$79.95 ======	-\$59.19 ====	\$2,612.78	\$414.88
		=======	======	======

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County, Projected 2018

Projected 2018	8				
GROSS RETURNS GRAIN SORGHUM	136	ACRES			
CROP ASCS DEFICIENCY			\$51,255		
ASCS DEFICIENCY			\$0 \$0		
UPLAND COTTON	153	ACRES	A. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0. 0.		
LINT SEED			\$121,635 \$12,650		
ASCS DEFICIENCY			\$0		
ASCS DIVERSION GREEN CHILE	20	ACRES	\$0		
GREEN CHILE	20	ACRES	\$95,000		
RED			\$0		
RED CHILE CROP	20	ACRES	\$42,000		
onoi			Ψ+2,000		
GROSS RETURN					\$322,540
CASH OPERATING EXP	ENSES				
SEED FERTILIZER			\$33,035 \$12,867		
CHEMICALS	\$5,170				
CROP INSURANCE			\$2,210		
OTHER PURCHASED INPUTS CANAL WATER			\$0 \$0		
FUEL, OIL & LUBRICANTS-EQUIPMENT			\$20,498		
FUEL-IRRIGATION REPAIRS			\$18,716 \$18,481		
CUSTOM CHARGES			\$61,794		
LAND TAXES			\$845		
OTHER EXPENSES			\$25,553		
TOTAL CASH EXPENSES				\$199,170	
RETURN OVER CASH EXPENSES					\$123,370
FIXED EXPENSES			\$25,266		
TOTAL EXPENSES				\$224,436	
NET FARM INCOME					\$98,103
LABOR AND MANAGEMENT COSTS			\$47,684		
NET OPERATING PROFIT					\$50,419
CAPITAL COSTS INTEREST ON OPERATING CAPITAL \$					
INTEREST ON EQUIP			\$2,282 \$9,673		
TOTAL CAPITAL COSTS				<u>\$11,955</u>	
RETURN TO LAND AND RISK					\$38,464
=======================================					=======
		RETURN	RETURN ON	-	
LAND VALUE		TO RISK*	INVESTMENT**	-	
500 /ACRE		30,463.98	13.41%		
700 /ACRE 900 /ACRE		27,263.98	11.06% 9.41%		
1100 /ACRE		24,063.98 20,863.98	9.41% 8.19%		
1300 /ACRE		17,663.98	7.25%		
1500 /ACRE		14,463.98	6.50%	-	

^{*} 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)