

TABLE 1. Acreage Summary, Eddy County, Artesia Lake Arthur Area, Projected 2016

BUDGET AREA..... ARTESIA-LAKE ARTHUR AREA			
FARM SIZE.....500 ACRES			
IRRIGATION TYPE.....SPRINKLER			
NUMBER OF CROPS.....6			
		WATER USE	
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	57.00	42	2,394
ALFALFA	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 2016

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.50
General & Irrigators	\$/hour	\$7.50
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.48
Phosphate (P <sub>2</sub> O <sub>5</sub> )	\$/pound	\$0.61
Chemicals:		
Herbicide	\$/acre	\$0.00
Insecticide	\$/acre	\$0.00
Seed:		
Alfalfa	\$/pound	\$6.00
Cotton picker stripper	\$/pound	\$7.55
Oats	\$/pound	\$0.40
Barley	\$/pound	\$0.38
Wire:		
Natural gas (service charge)	\$/MCF	\$3.00
Diesel fuel	\$/month	\$10.00
Diesel fuel	\$/gallon	\$2.55
Gasoline	\$/gallon	\$2.40
Electricity	cents/KwHr	8.32
LP Gas	\$/gallon	\$2.75
Employee Liability Insurance	\$/ \$1,000 wages	\$0.64
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	0.00%
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	\$250.00 /acre (full value)	\$1.73
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)	\$20.81
- R		\$18.94
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$0.05
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	0.00%

TABLE 3. Overhead cost information for the Artesia-Lake Arthur area, Projected 2016

Item			
Electricity (Domestic & Shop)	\$237.16	per month	\$2,845.92
Telephone	\$118.58	per month	\$1,422.96
Accounting & Legal			\$1,645.60
Misc. Supplies & Hand Tools			\$1,539.12
Pickup and Auto			
miles	24,200	@ \$0.500 per mile	\$12,100.00
Insurance			
- general liability (non-employee)			\$1,837.99
- fire/theft			\$1,645.60
Property Taxes			
- non-planted land			\$0.00
- other than land & machinery			\$0.00
Building repairs and maintenance			\$1,389.08
Dues, fees, publications			\$423.50
Farmstead Equipment			\$180.29
Total			\$25,030.06
Total Per Planted Acre			\$56.50

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 2016  
Planting dates: March 15 - April 30

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$195.00	6.50 TONS (STACKED)	\$1,267.50
TOTAL			\$1,267.50

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$6.00	20 LBS	\$120.00		\$120.00
FERTILIZER (16-20-0)	\$0.41	200 LBS	\$82.00		\$82.00
HERBICIDE	\$0.00	1 ACRE	\$0.00		\$0.00
PUMP WATER*		42 AC. IN.			
SUBTOTAL			\$202.00		\$202.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$3.58	\$1.15	\$2.08	\$8.08
PLOW	145 HP	0.48 HR		\$3.60	\$10.10	\$4.29	\$7.07	\$25.05
FLOAT	70 HP	0.16 HR		\$1.20	\$2.48	\$0.15	\$0.75	\$4.59
PLANE (3X)	145 HP	0.57 HR		\$4.28	\$11.99	\$2.33	\$12.06	\$30.65
DISC (2X)	145 HP	0.34 HR		\$2.55	\$7.15	\$2.30	\$4.16	\$16.16
FLOAT (2X)	70 HP	0.32 HR		\$2.40	\$4.97	\$0.31	\$1.50	\$9.17
DRILL (2X)	70 HP	0.42 HR		\$3.15	\$6.52	\$0.84	\$8.41	\$18.92
IRRIGATE (6X)		1.50 HR		\$11.25	\$44.90	\$0.00	\$34.87	\$91.03
SUBTOTAL		3.96 HR		\$29.70	\$91.70	\$11.36	\$70.90	\$203.65

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	16 FT	0.33 HR		\$2.48	\$3.15	\$0.48	\$7.22	\$13.33
RAKE	40 HP	0.05 HR		\$0.38	\$0.45	\$0.08	\$0.40	\$1.30
BALER (3X)	145 HP	0.75 HR		\$5.63	\$15.78	\$3.14	\$8.06	\$32.61
BALEWAGON (3X)	SP	0.60 HR		\$4.50	\$11.16	\$13.39	\$4.50	\$33.55
SUBTOTAL		1.73 HR		\$12.98	\$30.54	\$17.09	\$20.18	\$80.78

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS			\$7.68				\$7.68
INSURANCE			\$0.03				\$0.03
SUPERVISION AND MANAGEMENT			\$88.93				\$88.93
SUBTOTAL	0.00 HR	\$0.03	\$96.61				\$96.63

TOTAL OPERATING EXPENSES	5.69 HR	\$202.03	\$139.28	\$122.23	\$28.45	\$91.08	\$583.07
NET OPERATING PROFIT							\$684.43
INTEREST ON EQUIPMENT INVESTMENT							\$30.76
RETURN TO LAND AND RISK							\$653.67

BUDGET SUMMARY			
GROSS RETURN		\$1,267.50	
VARIABLE OPERATING EXPENSES	\$352.71		
RETURN OVER VARIABLE EXPENSES		\$914.79	(GROSS MARGIN)
FIXED EXPENSES	\$91.08		
NET FARM INCOME		\$823.71	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$139.28		
NET OPERATING PROFIT		\$684.43	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$30.76		
RETURN TO LAND AND RISK		\$653.67	

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 2016  
Harvesting Dates: May 5 - November 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$195.00	6.50 TONS (STACKED)						\$1,267.50
GRAZING	\$40.00							\$40.00
<b>TOTAL</b>								<b>\$1,307.50</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
INSECTICIDE (CUSTOM)	\$5.00	2 X/ACRE	\$10.00					\$10.00
HERBICIDE (CUSTOM)	\$34.00	1 X/ACRE	\$34.00					\$34.00
INSECT SCOUTING	\$7.00	1 ACRE	\$7.00					\$7.00
FERTILIZER (5-26-30)	\$0.48	200 LBS	\$96.00					\$96.00
WIRE	\$1.68	56 LBS	\$93.58					\$93.58
DRYING AGENT (AGRI-DRY)	\$8.26	1 /TON	\$53.66					\$53.66
ESTABLISHMENT: Principal		5 YEARS					\$130.73	\$130.73
: Interest							\$19.23	\$19.23
PUMP WATER*		48 AC. IN.						
<b>SUBTOTAL</b>			<b>\$294.25</b>				<b>\$149.96</b>	<b>\$444.21</b>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50 HR		\$11.25	\$51.32	\$0.00	\$39.86	\$102.43
<b>SUBTOTAL</b>		<b>1.50 HR</b>		<b>\$11.25</b>	<b>\$51.32</b>	<b>\$0.00</b>	<b>\$39.86</b>	<b>\$102.43</b>
<b>HARVEST OPERATIONS</b>								
SWATHER (5X)	16 FT SP	0.55 HR		\$4.13	\$5.25	\$0.80	\$12.04	\$22.21
RAKE (5X)	40 HP	0.25 HR		\$1.88	\$2.24	\$0.38	\$1.98	\$6.48
BALER (5X)	96 HP	1.25 HR		\$9.38	\$19.41	\$1.46	\$3.87	\$34.11
BALE WAGON (5X)	SP	1.00 HR		\$7.50	\$18.60	\$22.32	\$7.50	\$55.92
<b>SUBTOTAL</b>		<b>3.05 HR</b>		<b>\$22.88</b>	<b>\$45.51</b>	<b>\$24.95</b>	<b>\$25.39</b>	<b>\$118.72</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$6.14				\$6.14
INSURANCE			\$0.02					\$0.02
LAND TAXES							\$1.73	\$1.73
SUPERVISION AND MANAGEMENT				\$91.69				\$91.69
OTHER EXPENSES			\$56.50					\$56.50
<b>SUBTOTAL</b>		<b>0.00 HR</b>		<b>\$56.52</b>	<b>\$97.83</b>		<b>\$1.73</b>	<b>\$156.09</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.55 HR</b>		<b>\$350.77</b>	<b>\$131.96</b>	<b>\$96.83</b>	<b>\$24.95</b>	<b>\$821.45</b>
<b>NET OPERATING PROFIT</b>								<b>\$486.05</b>
INTEREST ON OPERATING CAPITAL		(	\$165.83	@	5.50%	)		\$9.12
INTEREST ON EQUIPMENT INVESTMENT								\$16.24
<b>RETURN TO LAND AND RISK</b>								<b>\$460.70</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,307.50	
VARIABLE OPERATING EXPENSES	\$472.55		
RETURN OVER VARIABLE EXPENSES		\$834.95	(GROSS MARGIN)
FIXED EXPENSES	\$216.94		
NET FARM INCOME		\$618.01	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$131.96		
NET OPERATING PROFIT		\$486.05	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$25.36		
RETURN TO LAND AND RISK		\$460.70	

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 2016  
 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	\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	35.00 CWT	\$0.00
GRAZING	\$40.00		\$40.00
<b>TOTAL</b>			<b>\$254.20</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$0.49	110 LBS	\$53.90		\$53.90
NITROGEN (N)	\$0.48	150 LBS	\$72.00		\$72.00
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>\$131.78</b>		<b>\$131.78</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.60	\$10.10	\$4.29	\$7.07	\$25.05
DISC (2X)	145 HP	0.34 HR		\$2.55	\$7.15	\$2.30	\$4.16	\$16.16
FERTILIZE	DEALER APPLIED							
DRILL	70 HP	0.21 HR		\$1.58	\$3.26	\$0.42	\$4.21	\$9.46
IRRIGATE (4X)		1.00 HR		\$7.50	\$29.94	\$0.00	\$23.25	\$60.69
<b>SUBTOTAL</b>		<b>2.03 HR</b>		<b>\$15.23</b>	<b>\$50.45</b>	<b>\$7.01</b>	<b>\$38.68</b>	<b>\$111.36</b>

HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$17.91					\$17.91
HAUL (CUSTOM)			\$7.00					\$7.00
<b>SUBTOTAL</b>			<b>\$24.91</b>					<b>\$24.91</b>

OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$2.74				\$2.74
INSURANCE			\$0.01					\$0.01
LAND TAXES							\$1.73	\$1.73
SUPERVISION AND MANAGEMENT				\$17.87				\$17.87
OTHER EXPENSES			\$56.50					\$56.50
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$56.51</b>	<b>\$20.62</b>			<b>\$1.73</b>	<b>\$78.86</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>2.03 HR</b>	<b>\$213.20</b>	<b>\$35.84</b>	<b>\$50.45</b>	<b>\$7.01</b>	<b>\$40.41</b>	<b>\$346.91</b>
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<b>NET OPERATING PROFIT</b>								<b>(\$92.71)</b>
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INTEREST ON OPERATING CAPITAL	(	\$82.33	@	5.50%	)			\$4.53
INTEREST ON EQUIPMENT INVESTMENT								\$8.73

<b>RETURN TO LAND AND RISK</b>								<b>(\$105.97)</b>
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\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN		\$254.20	
VARIABLE OPERATING EXPENSES	\$270.66		
RETURN OVER VARIABLE EXPENSES		(\$16.46)	(GROSS MARGIN)
FIXED EXPENSES	\$40.41		
NET FARM INCOME		(\$56.87)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$35.84		
NET OPERATING PROFIT		(\$92.71)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$13.26		
RETURN TO LAND AND RISK		(\$105.97)	

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 2016  
 Planting dates: February 1 - February 28  
 Harvesting Dates: June 1 - June 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	\$165.00	3.50 TONS (STACKED)						\$577.50
TOTAL								\$577.50
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.40	100 LBS	\$40.00					\$40.00
FERTILIZER (16-20-0)	\$0.61	150 LBS	\$91.50					\$91.50
PUMP WATER*		28 AC. IN.						
SUBTOTAL			\$131.50					\$131.50
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.60	\$10.10	\$4.29	\$7.07	\$25.05
DISC (2X)	145 HP	0.34 HR		\$2.55	\$7.15	\$2.30	\$4.16	\$16.16
DRILL	70 HP	0.21 HR		\$1.58	\$3.26	\$0.42	\$4.21	\$9.46
IRRIGATE (4X)		1.00 HR		\$7.50	\$29.94	\$0.00	\$23.25	\$60.69
SUBTOTAL		2.03 HR		\$15.23	\$50.45	\$7.01	\$38.68	\$111.36
HARVEST OPERATIONS								
SWATHER	14 FT	0.16 HR		\$1.20	\$1.53	\$0.23	\$3.50	\$6.46
BALER	145 HP	0.25 HR		\$1.88	\$5.26	\$1.05	\$2.69	\$10.87
BALE WAGON	S. P.	0.20 HR		\$1.50	\$3.72	\$4.46	\$1.50	\$11.18
SUBTOTAL		0.61 HR		\$4.58	\$10.51	\$5.74	\$7.69	\$28.52
OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$3.56				\$3.56
INSURANCE			\$0.01					\$0.01
LAND TAXES							\$1.73	\$1.73
SUPERVISION AND MANAGEMENT				\$40.52				\$40.52
OTHER EXPENSES			\$56.50					\$56.50
SUBTOTAL		0.00 HR	\$56.51	\$44.09			\$1.73	\$102.34
TOTAL OPERATING EXPENSES		2.64 HR	\$188.01	\$63.89	\$60.95	\$12.75	\$48.11	\$373.71
NET OPERATING PROFIT								\$203.79
INTEREST ON OPERATING CAPITAL		( \$81.47 @ 5.50% )						\$4.48
INTEREST ON EQUIPMENT INVESTMENT								\$12.96
RETURN TO LAND AND RISK								\$186.35

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

BUDGET SUMMARY

GROSS RETURN		\$577.50	
VARIABLE OPERATING EXPENSES	\$261.72		
RETURN OVER VARIABLE EXPENSES		\$315.78	(GROSS MARGIN)
FIXED EXPENSES	\$48.11		
NET FARM INCOME		\$267.68	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$63.89		
NET OPERATING PROFIT		\$203.79	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$17.44		
RETURN TO LAND AND RISK		\$186.35	

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 2016  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.72	700 LBS		\$504.00
COTTON SEED	\$0.07	1,120.00 LBS		\$78.40
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>\$664.09</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	15 LBS	\$113.25		\$113.25
FOLIAR FERTILIZER	\$12.00	1 X/ACRE	\$12.00		\$12.00
INSECT SCOUTING	\$7.00	1 ACRE	\$7.00		\$7.00
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>\$133.89</b>		<b>\$133.89</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$3.58	\$1.15	\$2.08	\$8.08
PLOW	145 HP	0.48 HR		\$3.60	\$10.10	\$4.29	\$7.07	\$25.05
DISC (2X)	145 HP	0.34 HR		\$2.55	\$7.15	\$2.30	\$4.16	\$16.16
FLOAT	145 HP	0.16 HR		\$1.20	\$3.37	\$0.64	\$1.69	\$6.89
PRE-IRRIGATE		0.25 HR		\$1.88	\$7.48	\$0.00	\$5.81	\$15.17
CULTIVATOR	65 HP	0.21 HR		\$1.58	\$2.45	\$1.57	\$1.76	\$7.36
PLANTER	70 HP	0.26 HR		\$1.95	\$4.04	\$0.67	\$5.86	\$12.52
SLED	70 HP	0.15 HR		\$1.13	\$2.33	\$0.18	\$0.88	\$4.52
CULTIVATIR (3X)	65 HP	0.63 HR		\$4.73	\$7.35	\$4.72	\$5.29	\$22.09
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$5.63	\$22.45	\$0.00	\$17.44	\$45.51
<b>SUBTOTAL</b>		<b>3.40 HR</b>	<b>\$20.00</b>	<b>\$25.50</b>	<b>\$70.30</b>	<b>\$15.52</b>	<b>\$52.04</b>	<b>\$183.36</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON PICKER (2X)	2-ROW	0.74 HR		\$5.55	\$11.41	\$12.68	\$183.24	\$212.88
HAUL (2X)	65 HP	1.00 HR		\$7.50	\$11.67	\$1.32	\$6.64	\$27.13
GIN COTTON (CUSTOM)			\$104.30					\$104.30
<b>SUBTOTAL</b>		<b>1.74 HR</b>	<b>\$104.30</b>	<b>\$13.05</b>	<b>\$23.08</b>	<b>\$14.00</b>	<b>\$189.88</b>	<b>\$344.31</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	70 HP	0.14 HR		\$1.05	\$2.17	\$0.19	\$2.96	\$6.37
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$1.05</b>	<b>\$2.17</b>	<b>\$0.19</b>	<b>\$2.96</b>	<b>\$6.37</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				\$7.13				\$7.13
INSURANCE			\$0.03					\$0.03
LAND TAXES							\$1.73	\$1.73
SUPERVISION AND MANAGEMENT				\$46.66				\$46.66
OTHER EXPENSES			\$56.50					\$56.50
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$56.53</b>	<b>\$53.79</b>			<b>\$1.73</b>	<b>\$112.05</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>5.28 HR</b>	<b>\$314.72</b>	<b>\$93.39</b>	<b>\$95.55</b>	<b>\$29.71</b>	<b>\$246.61</b>	<b>\$779.98</b>
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<b>NET OPERATING PROFIT</b>								<b>(\$115.89)</b>
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INTEREST ON OPERATING CAPITAL	( \$92.08 @ 5.50% )							\$5.06
INTEREST ON EQUIPMENT INVESTMENT								\$91.86

<b>RETURN TO LAND AND RISK</b>								<b>(\$212.81)</b>
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\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN	\$664.09		
VARIABLE OPERATING EXPENSES	\$439.98		
RETURN OVER VARIABLE EXPENSES	\$224.12	(GROSS MARGIN)	
FIXED EXPENSES	\$246.61		
NET FARM INCOME	(\$22.50)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
aes	\$93.39		
NET OPERATING PROFIT	(\$115.89)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$96.93		
RETURN TO LAND AND RISK	(\$212.81)		

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 2016  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.67	700 LBS		\$469.00
COTTON SEED	\$0.07	1,120 LBS		\$78.40
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>\$629.09</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	20 LBS	\$151.00		\$151.00
FOLIAR FERTILIZER	\$12.00	1 X/ACRE	\$12.00		\$12.00
INSECT SCOUTING	\$7.00	1 ACRE	\$7.00		\$7.00
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>\$171.19</b>		<b>\$171.19</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$3.58	\$1.15	\$2.08	\$8.08
PLOW	145 HP	0.48 HR		\$3.60	\$10.10	\$4.29	\$7.07	\$25.05
DISC (2X)	145 HP	0.34 HR		\$2.55	\$7.15	\$2.30	\$4.16	\$16.16
FLOAT	145 HP	0.16 HR		\$1.20	\$3.37	\$0.64	\$1.69	\$6.89
PRE-IRRIGATE		0.25 HR		\$1.88	\$7.48	\$0.00	\$5.81	\$15.17
CULTIVATOR	65 HP	0.21 HR		\$1.58	\$2.45	\$1.57	\$1.76	\$7.36
PLANTER	70 HP	0.26 HR		\$1.95	\$4.04	\$0.67	\$5.86	\$12.52
SLED	70 HP	0.15 HR		\$1.13	\$2.33	\$0.18	\$0.88	\$4.52
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.73	\$7.35	\$4.72	\$5.29	\$22.09
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$5.63	\$22.45	\$0.00	\$17.44	\$45.51
<b>SUBTOTAL</b>		<b>3.40 HR</b>	<b>\$20.00</b>	<b>\$25.50</b>	<b>\$70.30</b>	<b>\$15.52</b>	<b>\$52.04</b>	<b>\$183.36</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
COTTON STRIPPER	70 HP	0.62 HR		\$4.65	\$9.63	\$1.16	\$15.67	\$31.11
HAUL	65 HP	0.75 HR		\$5.63	\$8.75	\$0.99	\$4.98	\$20.35
GIN COTTON (CUSTOM)			\$134.89					\$134.89
<b>SUBTOTAL</b>		<b>1.37 HR</b>	<b>\$134.89</b>	<b>\$10.28</b>	<b>\$18.38</b>	<b>\$2.15</b>	<b>\$20.65</b>	<b>\$186.34</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	70 HP	0.14 HR		\$0.56	\$2.17	\$0.19	\$2.96	\$5.88
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$0.56</b>	<b>\$2.17</b>	<b>\$0.19</b>	<b>\$2.96</b>	<b>\$5.88</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				\$6.54				\$6.54
INSURANCE			\$0.02					\$0.02
LAND TAXES							\$1.73	\$1.73
SUPERVISION AND MANAGEMENT				\$44.19				\$44.19
OTHER EXPENSES			\$56.50					\$56.50
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$56.52</b>	<b>\$50.73</b>			<b>\$1.73</b>	<b>\$108.99</b>

TOTAL OPERATING EXPENSES 4.91 HR \$382.60 \$87.06 \$90.85 \$17.85 \$77.39 \$655.76

NET OPERATING PROFIT (\$26.66)

INTEREST ON OPERATING CAPITAL ( \$109.35 @ 5.50% ) \$6.01  
 INTEREST ON EQUIPMENT INVESTMENT \$26.23

RETURN TO LAND AND RISK (\$58.91)

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

BUDGET SUMMARY

GROSS RETURN	\$629.09	
VARIABLE OPERATING EXPENSES	\$491.31	
RETURN OVER VARIABLE EXPENSES	\$137.79	(GROSS MARGIN)
FIXED EXPENSES	\$77.39	
NET FARM INCOME	\$60.40	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$87.06	
NET OPERATING PROFIT	(\$26.66)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$32.25	
RETURN TO LAND AND RISK	(\$58.91)	

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area,  
Projected 2016

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON
	TONS	TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD	6.50	6.50	35.00	3.50	700.00	700.00
PRIMARY PRICE	\$195.00	\$195.00	\$6.12	\$165.00	\$0.72	\$0.67
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$81.69	\$81.69
SECOND INCOME	\$0.00	\$40.00	\$40.00	\$0.00	\$78.40	\$78.40
GROSS RETURN	\$1,267.50	\$1,307.50	\$254.20	\$577.50	\$664.09	\$629.09
CASH OPERATING EXPENSES						
SEED	\$120.00		\$53.90	\$40.00	\$113.25	\$151.00
FERTILIZER	\$82.00	\$96.00	\$72.00	\$91.50	\$12.00	\$12.00
CHEMICALS	\$0.00	\$51.00	\$0.00		\$7.00	\$7.00
CROP INSURANCE			\$5.88		\$1.64	\$1.19
OTHER PURCHASED INPUTS		\$147.25				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$77.33	\$45.51	\$20.51	\$31.02	\$65.61	\$60.91
FUEL-IRRIGATION	\$44.90	\$51.32	\$29.94	\$29.94	\$29.94	\$29.94
REPAIRS	\$28.45	\$24.95	\$7.01	\$12.75	\$29.71	\$17.85
CUSTOM CHARGES			\$24.91		\$124.30	\$154.89
LAND TAXES		\$1.73	\$1.73	\$1.73	\$1.73	\$1.73
OTHER EXPENSES	\$0.03	\$56.52	\$56.51	\$56.51	\$56.53	\$56.52
TOTAL CASH EXPENSES	\$352.71	\$474.28	\$272.39	\$263.45	\$441.71	\$493.04
RETURN OVER CASH EXPENSES	\$914.79	\$833.22	(\$18.19)	\$314.05	\$222.38	\$136.05
FIXED EXPENSES	\$91.08	\$215.20	\$38.68	\$46.37	\$244.88	\$75.65
TOTAL EXPENSES	\$443.79	\$689.49	\$311.07	\$309.82	\$686.59	\$568.69
NET FARM INCOME	\$823.71	\$618.01	(\$56.87)	\$267.68	(\$22.50)	\$60.40
LABOR AND MANAGEMENT COSTS	\$139.28	\$131.96	\$35.84	\$63.89	\$93.39	\$87.06
NET OPERATING PROFIT	\$684.43	\$486.05	(\$92.71)	\$203.79	(\$115.89)	(\$26.66)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$9.12	\$4.53	\$4.48	\$5.06	\$6.01
INTEREST ON EQUIPMENT INVESTMENT	\$30.76	\$16.24	\$8.73	\$12.96	\$91.86	\$26.23
TOTAL CAPITAL COSTS	\$30.76	\$25.36	\$13.26	\$17.44	\$96.93	\$32.25
RETURN TO LAND AND RISK	\$653.67	\$460.70	(\$105.97)	\$186.35	(\$212.81)	(\$58.91)

Flex Computation

-58.55837 245.68068 123.92808 42.9763



TABLE 13. Whole farm summary, Artesia-Lake Arthur area,  
Projected 2016

GROSS RETURNS		
ALFALFA HAY	342 ACRES	\$444,885
CROP		\$11,400
GRAZING		
BARLEY	8.5 ACRES	\$1,821
CROP		\$0
DIRECT PAYMENTS		\$0
COUNTER CYCLICAL PAYMENT		\$340
GRAZING		
OAT HAY	8 ACRES	\$4,620
CROP		
PICKER COTTON	82 ACRES	\$41,328
COTTON LINT		\$6,429
COTTON SEED		\$0
DIRECT PAYMENTS		\$6,699
COUNTER CYCLICAL PAYMENT		
STRIPPER COTTON	59.5 ACRES	\$27,906
COTTON LINT		\$4,665
COTTON SEED		\$0
DIRECT PAYMENTS		\$4,861
COUNTER CYCLICAL PAYMENT		
		\$554,952
GROSS RETURN		
CASH OPERATING EXPENSES		
SEED		\$25,889
FERTILIZER		\$35,076
CHEMICALS		\$15,526
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$41,966
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$26,805
FUEL-IRRIGATION		\$21,916
REPAIRS		\$12,391
CUSTOM CHARGES		\$19,620
LAND TAXES		\$768
OTHER EXPENSES		\$25,041
		\$225,149
TOTAL CASH EXPENSES		
		\$329,804
RETURN OVER CASH EXPENSES		
		\$54,547
FIXED EXPENSES		
		\$279,696
TOTAL EXPENSES		
		\$275,256
NET FARM INCOME		
		\$59,201
LABOR AND MANAGEMENT COSTS		
		\$216,055
NET OPERATING PROFIT		
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,447
INTEREST ON EQUIPMENT INVESTMENT		\$15,653
		\$19,100
TOTAL CAPITAL COSTS		
RETURN TO LAND AND RISK		
		\$196,956

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$176,956	26.33%
\$2,500 /ACRE	\$146,956	13.76%
\$4,000 /ACRE	\$116,956	9.31%
\$5,500 /ACRE	\$86,956	7.04%

\* 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)