

BUDGET AREA..... COTTON CITY-ANIMAS AREA, HIDALGO COUNTY, 2019.
 FARM SZ 700 ACRES
 IRRIGATION TYPE. FLOOD/SPRINKLER
 NUMBER OF CROP 4

TABLE 1. Basic cost information for the Cotton City-Animas area, Projected 2019

WATER USE				ITEM			
ACREAGE SUMMARY:	LAND US (ACRES)	AC. IN. PER ACR	TOTAL AC. IN.				
GRAIN SORGHUM	136	30	4080	Labor Wage Rate:			
ARP	0			Equipment operators	\$/hour		\$8.55
FLEX IN COTTON	0	28	0	General & Irrigators	\$/hour		\$7.50
COTTON	153	28	4284	Purchased Inputs:			
ARP	0			Fertilizer:			
FLEX IN COTTON	0	28	0	Nitrogen (N)	\$/pound		\$0.42
GREEN CHILE	20	54	1080	Phosphate (P205)	\$/pound		\$0.49
RED CHILE	20	48	960	Anhydrous Ammonia (NH3)	\$/ton		\$745.00
ROADS, HOMESTE	20			Seed:			
				Grain Sorghum	\$/pound		\$2.05
TOTAL	349		10404	Cotton (picker)	\$/pound		\$8.10
				Chile			
				green	\$/pound		\$18.00
				red	\$/pound		\$18.00
				wheat	\$/pound		\$0.40
				Energy:			
				Natural gas (Gas Co NM)	\$/MCF		\$3.98
				(service charge)	\$/month		\$10.00
				Diesel fuel	\$/gallon		\$2.70
				Gasoline	\$/gallon		\$2.35
				Electricity (Columbus)	cents/KwHr		\$9.27
				LP Gas	\$/gallon		\$2.55
				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 /acre (full value)		\$2.57
				Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed		\$22.12
				- R	Value)		\$19.03
				Supervision Factors			
				Field Crop-Irrigation	\$/labor hour		\$1.00
				Field Crop-Equipment & General	\$/labor hour		\$0.50
				Vegetable Crop-Irrigation	\$/labor hour		\$2.90
				Vegetable Crop-Equipment & General	\$/labor hour		\$1.00
				Management Rate			
				Field Crops	percent/GR		7.00%
				Vegetable Crops	percent/TOE		10.00%

ACRE FEET PER ACRE OF WATER RIG 2.484241

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

ITEM				
Electricity (Domestic & Shop)				\$256.00 per month 3072
Telephone				\$121.60 per month 1459.2
Accounting & Legal				\$1,817.60
Misc. Supplies & Hand Tools				\$2,822.40
Pickup and Auto				
miles	20000	@	0.5 per mile	10000
Insurance				
- general liability (non-employee)				\$1,907.20
- fire/theft				\$1,536.00
Property Taxes				
- non-planted land				9.515
- other than land & machinery				560
Building repairs and maintenance				\$1,446.40
Dues, fees, publications				\$435.20
Farmstead Equipment				\$179.20
				Total \$25,244.72
				Total Per Planted Acre \$76.73

TABLE 4. WHEAT, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 640 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	\$5.10	50 CWT							\$255.00
TOTAL								\$255.00	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.40	100 LBS	40						\$40.00
ANHYDROUS AMMONIA (NH3)	\$0.37	250 LBS	93.125						\$93.13
NITROGEN (N)	\$0.42	30 LBS	12.6						\$12.60
PHOSPHATE (P2O5)	\$0.49	80 LBS	39.2						\$39.20
PUMP WATER*		24 ACRE IN.							
CROP INSURANCE									
SUBTOTAL								\$184.93	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		\$1.20	\$3.92	\$1.13	\$3.85	\$10.10	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.40	\$0.40	\$1.37	\$3.61	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.53	\$2.38	\$1.08	\$7.70	
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$2.80	\$0.81	\$0.00	\$4.47	
DRILL	96 HP	0.18 HR		\$1.54	\$2.28	\$2.13	\$0.00	\$5.94	
IRRIGATE (4X)		0.6 HR		\$4.50	\$4.50	\$0.00	\$33.75	\$42.75	
DISC	96 HP	0.25 HR		\$2.14	\$3.16	\$2.95	\$0.00	\$8.25	
SUBTOTAL		1.52 HR		\$12.37	\$20.60	\$9.80	\$40.05	\$82.82	
HARVEST OPERATIONS									
COMBINE (CUSTOM)			32.22					\$32.22	
HAUL TO STORAGE (CUSTOM)			9.5					\$9.50	
HAUL TO MARKET (CUSTOM)			22.5					\$22.50	
SUBTOTAL			64.22	\$0.00	\$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							\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$18.86				\$18.86	
OTHER EXPENSES			76.73166					\$76.73	
SUBTOTAL		0.155 HR	76.97898	\$22.41			\$2.57	\$101.96	
TOTAL OPERATING EXPENSES		1.675 HR	326.124	\$34.78	\$20.60	\$9.80	\$42.62	\$433.92	
NET OPERATING PROFIT								-\$178.92	
INTEREST ON OPERATING CAPITAL		(105.4153 @	0.055)					\$5.80	
INTEREST ON EQUIPMENT INVESTMENT								\$6.48	
RETURN TO LAND AND RISK								-\$191.21	

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

BUDGET SUMMARY

GROSS RETURN		\$255.00	
VARIABLE OPERATING EXPENSES	356.5287		
RETURN OVER VARIABLE EXPENSES		-\$101.53	(GROSS MARGIN)
FIXED EXPENSES	42.61868		
NET FARM INCOME		-\$144.15	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	34.77713		
NET OPERATING PROFIT		-\$178.92	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	12.28271		
RETURN TO LAND AND RISK		-\$191.21	

TABLE 5. CORN FOR GRAIN, SPRINKLER IRRIGATED, BUDGETED PER ACRE COSTS AND RETURNS FOR A 640 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	\$3.85	85 CWT						\$327.25	
TOTAL							\$327.25		
<hr/>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED	\$0.91	32 000	29					\$29.00	
ANHYDROUS AMMONIA (NH3)	\$0.37	250 LBS	93.125					\$93.13	
NITROGEN (N)	\$0.42	80 LBS	33.6					\$33.60	
PHOSPHATE (P2O5)	\$0.49	100 LBS	49					\$49.00	
HERBICIDE	\$7.83	1 ACRE	7.8324					\$7.83	
PUMP WATER*		40 AC. IN.							
CROP INSURANCE									
SUBTOTAL			212.5574					\$212.56	
<hr/>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
RIPPER	185 HP	0.2 HR		\$1.71	\$5.60	\$1.78	\$6.29	\$15.39	
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	\$1.40	\$0.40	\$1.37	\$3.61	
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$2.80	\$0.81	\$2.75	\$7.21	
PLANTER	185 HP	0.26 HR		\$2.22	\$7.29	\$2.10	\$3.45	\$15.06	
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.32	\$4.96	\$2.63	\$16.50	
IRRIGATE (12X)		1.8 HR		\$13.50	\$22.78	\$24.34	\$16.70	\$77.32	
SUBTOTAL		2.98 HR		\$23.59	\$46.47	\$34.40	\$44.16	\$148.62	
<hr/>									
HARVEST OPERATIONS									
COMBINE (CUSTOM)			30.6					\$30.60	
HAUL TO STORAGE (CUSTOM)			17					\$17.00	
HAUL TO MARKET (CUSTOM)			38.25					\$38.25	
SUBTOTAL			85.85	\$0.00	\$0.00	\$0.00	\$0.00	\$85.85	
<hr/>									
POSTHARVEST OPERATIONS									
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.77	\$1.91	\$1.62	\$6.50	
<hr/>									
OVERHEAD EXPENSES									
DOWNTIME		0.33 HR		\$2.82				\$2.82	
EMPLOYEE BENEFITS				\$4.46				\$4.46	
INSURANCE			0.49572					\$0.50	
LAND TAXES							\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$25.37				\$25.37	
OTHER EXPENSES				76.73166				\$76.73	
SUBTOTAL		0.33 HR		77.22738	\$32.65		\$2.57	\$112.44	
<hr/>									
TOTAL OPERATING EXPENSES		3.45 HR		375.6348	\$57.44	\$48.24	\$36.31	\$48.35	\$565.97
<hr/>									
NET OPERATING PROFIT							-\$238.72		
INTEREST ON OPERATING CAPITAL	(	134.5708	@	0.055	)			\$7.40
INTEREST ON EQUIPMENT INVESTMENT								\$11.71	
RETURN TO LAND AND RISK							-\$257.84		

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

BUDGET SUMMARY

GROSS RETURN		\$327.25	
VARIABLE OPERATING EXPENSES	460.1866		
RETURN OVER VARIABLE EXPENSES		-\$132.94	(GROSS MARGIN)
FIXED EXPENSES	48.3509		
NET FARM INCOME		-\$181.29	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	57.43648		
NET OPERATING PROFIT		-\$238.72	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	19.11433		
RETURN TO LAND AND RISK		-\$257.84	

TABLE 6. Grain sorghum, 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: May 1 - May 20
 Harvesting dates: November 1 - November 25

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAIN SORGHUM	\$6.33	62 CWT						\$392.15
ASCS DIVERSION	0	0 CWT						\$0.00
ASCS DEFICIENCY	0	0 CWT						\$0.00
TOTAL							\$392.15	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED					TOTAL
			INPUTS					
SEED	2.05	8 LBS	\$16.40					\$16.40
ANHYDROUS AMMONIA (NH3)	0.3725	180 LBS	\$67.05					\$67.05
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			\$103.34					\$103.34
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$5.60	\$1.78	\$6.29	\$15.39
DISC	185 HP	0.14 HR		\$1.20	\$3.92	\$1.37	\$4.47	\$10.96
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.40	\$0.40	\$1.37	\$3.61
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.53	\$2.38	\$1.08	\$7.70
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$4.20	\$1.87	\$5.42	\$12.78
LISTER	185 HP	0.18 HR		\$1.54	\$5.04	\$1.64	\$5.66	\$13.88
PRE-IRRIGATE		0.75 HR		\$5.63	\$8.34	\$0.29	\$2.87	\$17.12
ROLLING CULT	96 HP	0.21 HR		\$1.80	\$2.66	\$2.74	\$1.91	\$9.11
PLANTER	96 HP	0.26 HR		\$2.22	\$3.29	\$5.08	\$3.70	\$14.29
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.32	\$4.96	\$2.63	\$16.50
ROTO BUCK (7X)	96 HP	0.105 HR		\$0.90	\$1.33	\$1.27	\$0.94	\$4.43
IRRIGATE (5X)		2.5 HR		\$18.75	\$41.69	\$1.46	\$14.35	\$76.25
SUBTOTAL		5.165 HR		\$40.75	\$85.33	\$25.25	\$50.69	\$202.01
HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$22.94				\$22.94
HAUL TO STORAGE (CUSTOM)				\$11.78				\$11.78
SUBTOTAL				\$34.72	\$0.00	\$0.00	\$0.00	\$34.72
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.77	\$1.91	\$1.62	\$6.50
OVERHEAD EXPENSES								
DOWNTIME		0.51375 HR		\$4.39				\$4.39
EMPLOYEE BENEFITS				\$7.55				\$7.55
INSURANCE				\$0.84				\$0.84
LAND TAXES							\$2.57	\$2.57
SUPERVISION AND MANAGEMENT				\$31.73				\$31.73
OTHER EXPENSES				\$76.73				\$76.73
SUBTOTAL		0.51375 HR		\$77.57	\$43.67		\$2.57	\$123.81
TOTAL OPERATING EXPENSES		5.81875 HR		\$215.63	\$85.62	\$87.10	\$27.16	\$470.38
NET OPERATING PROFIT								-\$78.23
INTEREST ON OPERATING CAPITAL	(	83.12619	@	\$0.06)				\$4.57
INTEREST ON EQUIPMENT INVESTMENT								\$18.59
RETURN TO LAND AND RISK								-\$101.39

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

BUDGET SUMMARY

GROSS RETURN		392.15	
VARIABLE OPERATING EXPENSES	329.8844		
RETURN OVER VARIABLE EXPENSES	62.26564		(GROSS MARGIN)
FIXED EXPENSES	54.87922		
NET FARM INCOME	7.38642		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	85.61596		
NET OPERATING PROFIT	-78.22954		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	23.16058		
RETURN TO LAND AND RISK	-101.3901		

TABLE 7. Upland cotton (picker), 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: April 15 - May 15
 Harvesting dates: October 15 - January 1

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
COTTON LINT	\$0.73	1060 LBS							\$773.80
COTTON SEED	\$0.05	1696 LBS							\$82.68
TOTAL								\$856.48	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$8.10	25 LBS	\$202.50						\$202.50
NITROGEN (N)	\$0.42	32 LBS	\$13.44						\$13.44
PHOSPHATE (P2O5)	\$0.49	40 LBS	\$19.60						\$19.60
HERBICIDE	\$9.46	1 ACRE	\$9.46						\$9.46
CROP INSURANCE	\$0.00	1 DOLLARS	\$0.00						\$0.00
PUMP WATER*		28 AC. IN.							
SUBTOTAL			\$245.00						\$245.00
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
RIPPER	185 HP	0.1 HR		\$0.86	\$2.80	\$0.89	\$3.15	\$7.69	
DISC	185 HP	0.14 HR		\$1.20	\$3.92	\$1.37	\$4.47	\$10.96	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.40	\$0.40	\$1.37	\$3.61	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.53	\$2.38	\$1.08	\$7.70	
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$4.20	\$1.87	\$5.42	\$12.78	
LISTER	185 HP	0.18 HR		\$1.54	\$5.04	\$1.64	\$5.66	\$13.88	
PRE-IRRIGATE		1 HR		\$7.50	\$9.34	\$0.33	\$3.21	\$20.38	
ROLLING CULT.	96 HP	0.21 HR		\$1.80	\$2.66	\$2.74	\$1.91	\$9.11	
PLANTER	96 HP	0.26 HR		\$2.22	\$3.29	\$5.08	\$3.70	\$14.29	
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.32	\$4.96	\$2.63	\$16.50	
HAND HOE (CUSTOM)			\$15.00					\$15.00	
ROTO BUCK (5X)	96 HP	0.075 HR		\$0.64	\$0.95	\$0.90	\$0.67	\$3.17	
IRRIGATE (4X)		4 HR		\$30.00	\$37.35	\$1.31	\$12.85	\$81.52	
SUBTOTAL		6.785 HR	\$15.00	\$52.76	\$78.81	\$23.88	\$46.13	\$216.58	
HARVEST OPERATIONS									
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$20.25	\$57.35	\$41.11	\$129.31	
COTTON TRAILER (2X)	HALF TON	1 HR		\$8.55	\$14.81	\$2.79	\$8.41	\$34.55	
GIN COTTON (CUSTOM)			\$115.75					\$115.75	
SUBTOTAL		2.24 HR	\$115.75	\$19.15	\$35.05	\$60.14	\$49.52	\$279.61	
POSTHARVEST OPERATIONS									
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.77	\$1.91	\$1.62	\$6.50	
OVERHEAD EXPENSES									
DOWNTIME		1.04125 HR		\$8.90				\$8.90	
EMPLOYEE BENEFITS				\$13.16				\$13.16	
INSURANCE			\$1.46					\$1.46	
LAND TAXES							\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$67.04				\$67.04	
OTHER EXPENSES			\$76.73					\$76.73	
SUBTOTAL		1.04125 HR	\$78.19	\$89.10			\$2.57	\$169.86	
TOTAL OPERATING EXPENSES		10.20625 HR	\$453.94	\$162.21	\$115.63	\$85.93	\$99.83	\$917.55	
NET OPERATING PROFIT								-\$61.07	
INTEREST ON OPERATING CAPITAL	(	166.6688	@	\$0.06				\$9.17
INTEREST ON EQUIPMENT INVESTMENT								\$35.66	
RETURN TO LAND AND RISK								-\$105.89	
* Pump water costs are shown under irrigation in the preharvest operations section.									
BUDGET SUMMARY									
GROSS RETURN		\$856.48							
VARIABLE OPERATING EXPENSES	655.5044								
RETURN OVER VARIABLE EXPENSES	\$200.98	(GROSS MARGIN)							
FIXED EXPENSES	99.83307								
NET FARM INCOME	\$101.14	(RETURN TO CAPITAL, LABOR, LAND & RISK)							
LABOR AND MANAGEMENT COST	162.2095								
NET OPERATING PROFIT	-\$61.07	(RETURN TO CAPITAL, LAND & RISK)							
CAPITAL COSTS	44.82334								
RETURN TO LAND AND RISK		-\$105.89							

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	0 LBS							\$0.00
TOTAL									\$4,750.00
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$18.00	4 LBS		\$72.00					\$72.00
ANHYDROUS AMMONIA (NH3)	\$0.37	300 LBS		\$111.75					\$111.75
NITROGEN (N)	\$0.42	60 LBS		\$25.20					\$25.20
PHOSPHATE (P2O5)	\$0.49	150 LBS		\$73.50					\$73.50
HERBICIDE	\$12.57	1 ACRE		\$12.57					\$12.57
INSECTICIDE	\$12.57	1 ACRE		\$12.57					\$12.57
CROP INSURANCE	\$0.00	1 DOLLARS		\$0.00					\$0.00
PUMP WATER*		54 AC. IN.							
SUBTOTAL				\$307.58					\$307.58
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		\$1.20	\$3.92	\$1.37	\$4.47	\$10.96	
PLOW	185 HP	0.48 HR		\$4.10	\$13.45	\$5.38	\$27.26	\$50.20	
DISC	185 HP	0.14 HR		\$1.20	\$3.92	\$1.37	\$4.47	\$10.96	
LASER (CUSTOM)			\$73.33					\$73.33	
LISTER & SPRAY	185 HP	0.13 HR		\$1.11	\$3.64	\$1.53	\$4.63	\$10.92	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.40	\$0.40	\$1.37	\$3.61	
PRE-IRRIGATE		0.75 HR		\$6.41	\$45.02	\$0.07	\$0.67	\$52.17	
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.65	\$1.70	\$4.13	\$8.58	
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.15	\$2.20	\$8.60	\$14.40	
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.23	\$7.68	\$5.92	\$27.38	
THIN & HOE (CUSTOM)			\$90.00					\$90.00	
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$2.66	\$2.53	\$1.88	\$8.86	
IRRIGATE (8X)		4 HR		\$34.20	\$80.04	\$3.28	\$3.55	\$121.07	
SUBTOTAL		6.85 HR	\$163.33	\$58.57	\$166.09	\$27.51	\$66.95	\$482.45	
HARVEST OPERATIONS									
HARVEST GREEN (CUSTOM)			\$900.00					\$900.00	
HARVEST RED (CUSTOM)			\$0.00					\$0.00	
HAUL	3/4 TON	6 HR		\$51.30	\$88.83	\$13.26	\$17.34	\$170.73	
SUBTOTAL		6 HR	\$900.00	\$51.30	\$88.83	\$13.26	\$17.34	\$1,070.73	
POST HARVEST OPERATIONS									
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.67	\$3.96	\$3.36	\$13.47	
SUBTOTAL		0.29 HR	\$0.00	\$2.48	\$3.67	\$3.96	\$3.36	\$13.47	
OVERHEAD EXPENSES									
DOWNTIME		0.5975 HR		\$3.45				\$3.45	
EMPLOYEE BENEFITS				\$20.22				\$20.22	
INSURANCE			\$2.25					\$2.25	
LAND TAXES						\$2.57		\$2.57	
SUPERVISION AND MANAGEMENT				\$200.00				\$200.00	
OTHER EXPENSES			\$76.73					\$76.73	
SUBTOTAL		0.5975 HR	\$78.98	\$223.67			\$2.57	\$305.21	
TOTAL OPERATING EXPENSES		13.7375 HR	\$1,449.89	\$336.02	\$258.59	\$44.73	\$90.22	\$2,179.44	
NET OPERATING PROFIT								\$2,570.56	
INTEREST ON OPERATING CAPITAL	(	285.6977	@	\$0.06)				\$15.71
INTEREST ON EQUIPMENT INVESTMENT								\$46.75	
RETURN TO LAND AND RISK								\$2,508.09	

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

BUDGET SUMMARY

GROSS RETURN	\$4,750.00	
VARIABLE OPERATING EXPENSES	1753.209	
RETURN OVER VARIABLE EXPENSES	\$2,996.79	(GROSS MARGIN)
FIXED EXPENSES	90.21612	
NET FARM INCOME	\$2,906.57	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	336.016	
NET OPERATING PROFIT	\$2,570.56	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	62.46548	
RETURN TO LAND AND RISK	\$2,508.09	

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	YIELD							TOTAL
GROSS RETURNS									
RED CHILE	\$0.60	3500 LBS							\$2,100.00
TOTAL								\$2,100.00	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL		
SEED	18.00	4 LBS	\$72.00				\$72.00		
ANHYDROUS AMMONIA (NH3)	0.37	230 LBS	\$85.68				\$85.68		
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			\$257.10				\$257.10		
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		\$1.20	\$3.92	\$1.37	\$4.47	\$10.96	
PLOW	185 HP	0.48 HR		\$4.10	\$13.45	\$5.38	\$27.26	\$50.20	
DISC	185 HP	0.14 HR		\$1.20	\$3.92	\$1.37	\$4.47	\$10.96	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.53	\$2.38	\$1.08	\$7.70	
LISTER	185 HP	0.12 HR		\$1.03	\$3.36	\$1.09	\$3.77	\$9.25	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.40	\$0.40	\$1.37	\$3.61	
PRE-IRRIGATE		0.75 HR		\$6.41	\$40.02	\$0.07	\$0.67	\$47.17	
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.65	\$1.70	\$1.18	\$5.64	
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.15	\$2.20	\$8.60	\$14.40	
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.23	\$7.68	\$4.07	\$25.53	
THIN & HOE (CUSTOM)			\$90.00					\$90.00	
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$3.11	\$2.53	\$1.88	\$9.32	
IRRIGATE (11X)		5.5 HR		\$47.03	\$73.37	\$0.50	\$4.88	\$125.77	
SUBTOTAL	8.54 HR		\$90.00	\$73.02	\$157.11	\$26.67	\$63.71	\$410.52	
HARVEST OPERATIONS									
HARVEST (CUSTOM)			\$700.00					\$700.00	
HAUL	3/4 TON	3 HR		\$25.65	\$44.42	\$6.63	\$8.67	\$85.36	
SUBTOTAL	3 HR		\$700.00	\$25.65	\$44.42	\$6.63	\$8.67	\$785.36	
POST HARVEST OPERATIONS									
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.67	\$3.96	\$3.36	\$13.47	
SUBTOTAL	0.29 HR		\$0.00	\$2.48	\$3.67	\$3.96	\$3.36	\$13.47	
OVERHEAD EXPENSES									
DOWNTIME		1.395 HR		\$11.93				\$11.93	
EMPLOYEE BENEFITS				\$18.21				\$18.21	
INSURANCE			\$2.02					\$2.02	
LAND TAXES						\$2.57		\$2.57	
SUPERVISION AND MANAGEMENT				\$96.83				\$96.83	
OTHER EXPENSES			\$76.73					\$76.73	
SUBTOTAL	1.395 HR		\$78.75	\$126.96	\$0.00	\$0.00	\$2.57	\$208.28	
TOTAL OPERATING EXPENSES		13.225 HR	\$1,125.85	\$228.11	\$205.20	\$37.26	\$78.31	\$1,674.73	
NET OPERATING PROFIT								\$425.27	
INTEREST ON OPERATING CAPITAL		(237.7179 @	\$0.06)					\$13.07	
INTEREST ON EQUIPMENT INVESTMENT								\$37.74	
RETURN TO LAND AND RISK								\$374.45	
* Pump water costs are shown under irrigation in the preharvest operations section.									
BUDGET SUMMARY									
GROSS RETURN			\$2,100.00						
VARIABLE OPERATING EXPENSES	\$1,368.31								
RETURN OVER VARIABLE EXPENSES	\$731.69	(GROSS MARGIN)							
FIXED EXPENSES	\$78.31								
NET FARM INCOME	\$653.38	(RETURN TO CAPITAL, LABOR, LAND & RISK)							
LABOR AND MANAGEMENT COST	\$228.11								
NET OPERATING PROFIT	\$425.27	(RETURN TO CAPITAL, LAND & RISK)							
CAPITAL COSTS	\$50.82								
RETURN TO LAND AND RISK			\$374.45						

TABLE 10. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County, 2019.

	GRAIN SORGHUM	PICKER COTTON	GREEN CHILE	RED CHILE
	-----FLOOD-----			
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	\$6.33	\$0.73	\$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	\$392.15	\$856.48	\$4,750.00	\$2,100.00
CASH OPERATING EXPENSES				
SEED	\$16.40	\$202.50	\$72.00	\$72.00
FERTILIZER	\$67.05	\$33.04	\$210.45	\$156.78
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	\$37.07	\$68.94	\$133.52	\$91.81
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	\$2.57	\$2.57	\$2.57	\$2.57
OTHER EXPENSES	\$77.57	\$78.19	\$78.98	\$78.75
TOTAL CASH EXPENSES	\$332.45	\$658.07	\$1,755.77	\$1,370.88
RETURN OVER CASH EXPENSES	\$59.70	\$198.41	\$2,994.23	\$729.12
FIXED EXPENSES	\$52.31	\$97.27	\$87.65	\$75.74
TOTAL EXPENSES	\$384.76	\$755.34	\$1,843.43	\$1,446.62
NET FARM INCOME	\$7.39	\$101.14	\$2,906.57	\$653.38
LABOR AND MANAGEMENT COSTS	\$85.62	\$162.21	\$332.50	\$228.11
NET OPERATING PROFIT	-\$78.23	-\$61.07	\$2,574.07	\$425.27
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$4.57	\$9.17	\$15.71	\$13.07
INTEREST ON EQUIPMENT INVESTMENT	\$18.59	\$35.66	\$46.75	\$37.74
TOTAL CAPITAL COSTS	\$23.16	\$44.82	\$62.47	\$50.82
RETURN TO LAND AND RISK	-\$101.39	-\$105.89	\$2,511.61	\$374.45

TABLE 11. Whole farm summary, Cotton City-Animas Area, Hidalgo County,
Projected 2019

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$53,332
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
UPLAND COTTON	153 ACRES	
LINT		\$118,391
SEED		\$12,650
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
GREEN CHILE	20 ACRES	
GREEN		\$95,000
RED		\$0
RED CHILE	20 ACRES	
CROP		\$42,000
GROSS RETURN		\$321,374
CASH OPERATING EXPENSES		
SEED		\$36,093
FERTILIZER		\$21,518
CHEMICALS		\$5,170
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$20,097
FUEL-IRRIGATION		\$18,716
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$844
OTHER EXPENSES		\$25,668
TOTAL CASH EXPENSES		\$210,591
RETURN OVER CASH EXPENSES		\$110,783
FIXED EXPENSES		\$25,264
TOTAL EXPENSES		\$235,855
NET FARM INCOME		\$85,518
LABOR AND MANAGEMENT COSTS		\$47,674
NET OPERATING PROFIT		\$37,844
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,600
INTEREST ON EQUIPMENT INVESTMENT		\$9,673
TOTAL CAPITAL COSTS		\$12,273
RETURN TO LAND AND RISK		\$25,571

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
500 /ACRE	17,570.91	10.07%
700 /ACRE	14,370.91	8.30%
900 /ACRE	11,170.91	7.06%
1100 /ACRE	7,970.91	6.14%
1300 /ACRE	4,770.91	5.44%
1500 /ACRE	1,570.91	4.88%

* 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 -30.48818 27.03339