

TABLE 4. Pumping costs and data for irrigation wells, Chert County, February 2015.

Table with 4 columns: DELIVERY PSL, SPRINKLER, DEPTH CHARACTERISTICS, and various cost metrics like GALLONS PER MINUTE (GPM), WORM HORSEPOWER, EFFICIENCY FACTOR, etc.

TABLE 5. Equipment summary for a 500-acre center-irrigated farm with above average management, Chert County, February 2015.

Table with 6 columns: EQUIPMENT, ANNUAL HOURS, TOTAL VALUE, FUEL OIL, LUBRICANT, REPAIR PER HOUR, and FUEL OIL REPAIR PER HOUR.

EQUIPMENT LIST

Table with 12 columns: ITEM, NEW VALUE, USED VALUE, YEARS LIFE, EQUIP CODE, MAX HOURS, FUEL LBS/HYR, LUBE COST, ACCUM COST, INTEREST PER ANNUM, ALPHA ALPHA EST, HAY, WHEAT, CORN, COTTON, MILK, TOTAL PER ACRE.

INTEREST PROXATION

Table with 6 columns: ALPHA, WHEAT, CORN FOR GRAIN, COTTON, MILK, and various interest rate values.

USAGE LIST

Table with 12 columns: ALPHA ALPHA EST, HAY, WHEAT, CORN, COTTON, MILK, TOTAL PER ACRE, and various usage metrics.

ALFAFA ESTABLISHMENT

Table with 6 columns: ALFAFA, WHEAT, CORN FOR GRAIN, COTTON, MILK, and various establishment metrics.

WHEAT

Table with 6 columns: WHEAT, WHEAT, CORN FOR GRAIN, COTTON, MILK, and various wheat metrics.

CORN FOR GRAIN

Table with 6 columns: CORN FOR GRAIN, CORN FOR GRAIN, CORN FOR GRAIN, COTTON, MILK, and various corn metrics.

COTTON

Table with 6 columns: COTTON, COTTON, CORN FOR GRAIN, COTTON, MILK, and various cotton metrics.

GRAN SORGHUM

Table with 6 columns: GRAN SORGHUM, GRAN SORGHUM, CORN FOR GRAIN, COTTON, MILK, and various sorghum metrics.

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Table with 10 columns: Hours of Use, 1, 2, 3, 4, 5, 6, 7, 8, 9, and various repair cost percentages.

* Based on publications cited in B. J. Hunt, Department of Agricultural Engineering, University of Illinois.

** Based on "Agriculture Machinery Data" in Agricultural Engineers' Yearbook, 1963.

- 1 Tractor
2 Disk, combine, hay baler, mowers, sprayers
3 Heavy row, disk, moldboard plow, chisel, bed cultivator
4 Haybine, wagon, float, row back, drag, roller, water harrow, belt draper
5 Harrows, other disks, cotton strippers, corn pickers, row heads, roller implements, seed spreaders, wheel choppers, tree shears, tree trimmers
6 Baler, combine mower
7 Field or engine, rotary sprayer
8 Planter, tillage, seedling equipment, insecticide applicator
9 Baler, hayrack, windrower

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2013.
Planting dates: August 1 - September 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | | TOTAL |
|---------------------------------|---------------|------------------------|---------------------|---------|----------------|---------|---------------|----------|----------|
| PURCHASED INPUTS | | | | | | | | | |
| SEED | \$6.50 | 30 LBS | \$195.00 | | | | | | \$195.00 |
| PUMP WATER* | | 6 AC. IN. | | | | | | | |
| SUBTOTAL | | | \$195.00 | | | | | | \$195.00 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| DISC | 155 HP | 0.14 HR | | \$1.20 | \$3.77 | \$1.27 | \$3.17 | \$9.41 | |
| CHISEL | 155 HP | 0.20 HR | | \$1.71 | \$5.38 | \$1.37 | \$5.18 | \$13.64 | |
| PLOW | 155 HP | 0.48 HR | | \$4.10 | \$12.91 | \$4.97 | \$13.36 | \$35.35 | |
| DISC (2X) | 155 HP | 0.28 HR | | \$2.39 | \$7.53 | \$2.55 | \$6.34 | \$18.81 | |
| DRAG (2X) | 155 HP | 0.30 HR | | \$2.57 | \$8.07 | \$1.62 | \$6.00 | \$18.25 | |
| DRILL | 93 HP | 0.12 HR | | \$1.03 | \$2.78 | \$0.32 | \$3.47 | \$7.60 | |
| IRRIGATE (3X) | | 0.30 HR | | \$2.25 | \$15.20 | \$0.00 | \$2.06 | \$19.51 | |
| SUBTOTAL | | 1.82 HR | | \$15.25 | \$55.63 | \$12.11 | \$39.58 | \$122.56 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.12 HR | | \$0.98 | | | | | \$0.98 |
| EMPLOYEE BENEFITS | | | | \$2.74 | | | | | \$2.74 |
| INSURANCE | | | \$0.30 | | | | | \$0.30 | |
| SUPERVISION AND MANAGEMENT | | | | \$22.76 | | | | | \$22.76 |
| SUBTOTAL | | 0.12 | \$0.30 | \$26.49 | | | | | \$26.79 |
| TOTAL OPERATING EXPENSES | | 1.94 HR | \$195.30 | \$41.73 | \$55.63 | \$12.11 | \$39.58 | \$344.35 | |

TABLE 7. Alfalfa hay, pivot sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2013.
Harvesting dates: June 1 - October 10

| ITEM | PRICE | YIELD | | | | | | | TOTAL |
|----------------------------------|------------|----------------------|------------------|-----------------|-----------------|----------------|-----------------|-------------------|------------|
| GROSS RETURNS | | | | | | | | | |
| ALFALFA HAY | \$245.00 | 6.50 TONS (STACKED) | | | | | | | \$1,592.50 |
| GRAZING | \$15.00 | 1.00 ACRE | | | | | | | \$15.00 |
| TOTAL | | | | | | | | \$1,607.50 | |
| PURCHASED INPUTS | | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL | |
| NITROGEN (N) | \$0.61 | 75 LBS | \$45.75 | | | | | \$45.75 | |
| PHOSPHATE (P2O5) | \$0.60 | 200 LBS | \$120.00 | | | | | \$120.00 | |
| INSECTICIDE | \$16.03 | 2 X/ACRE | \$32.05 | | | | | \$32.05 | |
| ESTABLISHMENT: Principal | | 5 YEARS | | | | | \$68.87 | \$68.87 | |
| : Interest | | | | | | | \$9.44 | \$9.44 | |
| BALING TWINE | \$0.91 | 56 LBS | \$0.51 | | | | | \$0.51 | |
| PUMP WATER* | | 40 AC. IN. | | | | | | | |
| SUBTOTAL | | | \$198.31 | | | | \$78.31 | \$276.62 | |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| DRAG | 93 HP | 0.15 HR | | \$1.28 | \$3.47 | \$0.14 | \$0.27 | \$5.17 | |
| IRRIGATE (11X) | | 1.10 HR | | \$8.25 | \$101.31 | \$0.00 | \$13.72 | \$123.28 | |
| SUBTOTAL | | 1.25 HR | | \$9.53 | \$104.78 | \$0.14 | \$13.99 | \$128.45 | |
| HARVEST OPERATIONS | | | | | | | | | |
| SWATHER (5X) | 16 FT | 0.55 HR | | \$4.70 | \$6.18 | \$0.80 | \$13.99 | \$25.67 | |
| BALER (5X) | 93 HP | 0.85 HR | | \$7.27 | \$19.67 | \$0.99 | \$3.14 | \$31.07 | |
| LOAD (5X) | 93 HP | 1.00 HR | | \$8.55 | \$23.14 | \$24.76 | \$9.89 | \$66.34 | |
| SUBTOTAL | | 2.40 HR | | \$20.52 | \$48.99 | \$26.55 | \$27.03 | \$123.08 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.60 HR | | \$5.13 | | | | \$5.13 | |
| EMPLOYEE BENEFITS | | | | \$5.41 | | | | \$5.41 | |
| INSURANCE | | | \$0.60 | | | | | \$0.60 | |
| LAND TAXES | | | | | | | \$2.46 | \$2.46 | |
| SUPERVISION AND MANAGEMENT | | | | \$114.83 | | | | \$114.83 | |
| OTHER EXPENSES | | | \$91.27 | | | | | \$91.27 | |
| SUBTOTAL | | 0.60 HR | \$91.87 | \$125.36 | | | \$2.46 | \$219.69 | |
| TOTAL OPERATING EXPENSES | | 4.25 HR | \$290.18 | \$155.42 | \$153.77 | \$26.69 | \$121.79 | \$747.84 | |
| NET OPERATING PROFIT | | | | | | | | \$859.66 | |
| INTEREST ON OPERATING CAPITAL | | (\$131.68 @ 5.00%) | | | | | | \$6.58 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$16.82 | |
| RETURN TO LAND AND RISK | | | | | | | | \$836.25 | |

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

BUDGET SUMMARY

| | | |
|-------------------------------|------------|---|
| GROSS RETURN | \$1,607.50 | |
| VARIABLE OPERATING EXPENSES | \$470.64 | |
| RETURN OVER VARIABLE EXPENSES | \$1,136.86 | (GROSS MARGIN) |
| FIXED EXPENSES | \$121.79 | |
| NET FARM INCOME | \$1,015.07 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$155.42 | |
| NET OPERATING PROFIT | \$859.66 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$23.40 | |
| RETURN TO LAND AND RISK | \$836.25 | |

TABLE 8. Wheat, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Projected 2013.
 Planting dates: August 15 - September 15
 Harvesting dates: July 15 - July 15

| ITEM | PRICE | YIELD | BASE | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|-----------------|
| GROSS RETURNS | | | | | | | | | |
| WHEAT | \$12.92 | 35.00 CWT | | | | | | | \$452.08 |
| DIRECT PAYMENT | \$0.00 | 35.00 CWT | 0.85 | | | | | | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | | | | | | \$0.00 |
| GRAZING | \$25.00 | 1.00 ACRE | | | | | | | \$25.00 |
| TOTAL | | | | | | | | | \$477.08 |
| PURCHASED INPUTS | | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL | |
| SEED | \$0.65 | 150 LBS | \$97.50 | | | | | \$97.50 | |
| ANHYDROUS (NH3) | \$0.42 | 125 LBS | \$51.88 | | | | | \$51.88 | |
| LIVESTOCK FAC & EQUIP | | | | | | | \$5.00 | \$5.00 | |
| PUMP WATER* | | 25 AC. IN. | | | | | | \$0.00 | |
| CROP INSURANCE | \$0.29 | | \$0.29 | | | | | \$0.29 | |
| SUBTOTAL | | | \$149.67 | | | | \$5.00 | \$154.67 | |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| DISC | 155 HP | 0.14 HR | | \$1.20 | \$3.77 | \$1.27 | \$3.17 | \$9.41 | |
| ANHYDROUS APPL | 155 HP | 0.20 HR | \$7.00 | \$1.71 | \$5.38 | \$1.08 | \$3.88 | \$19.04 | |
| DISC | 155 HP | 0.14 HR | | \$1.20 | \$3.77 | \$1.27 | \$3.17 | \$9.41 | |
| DRILL | 93 HP | 0.12 HR | | \$1.03 | \$2.78 | \$0.32 | \$3.47 | \$7.60 | |
| IRRIGATE (5X) | | 2.50 HR | | \$18.75 | \$63.32 | \$0.00 | \$3.97 | \$86.04 | |
| SUBTOTAL | | 3.10 HR | \$7.00 | \$23.88 | \$79.01 | \$3.95 | \$17.66 | \$131.50 | |
| HARVEST OPERATIONS | | | | | | | | | |
| COMBINE (CUSTOM) | | | \$26.00 | | | | | \$26.00 | |
| SUBTOTAL | | | \$26.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$26.00 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.15 HR | | \$1.28 | | | | \$1.28 | |
| EMPLOYEE BENEFITS | | | | \$4.30 | | | | \$4.30 | |
| INSURANCE | | | \$0.48 | | | | | \$0.48 | |
| LAND TAXES | | | | | | | \$2.46 | \$2.46 | |
| SUPERVISION AND MANAGEMENT | | | | \$36.20 | | | | \$36.20 | |
| OTHER EXPENSES | | | \$91.27 | | | | | \$91.27 | |
| SUBTOTAL | | 0.15 HR | \$91.75 | \$41.78 | | | \$2.46 | \$135.98 | |
| TOTAL OPERATING EXPENSES | | 3.25 HR | \$274.42 | \$65.66 | \$79.01 | \$3.95 | \$25.12 | \$448.15 | |
| NET OPERATING PROFIT | | | | | | | | \$28.94 | |
| INTEREST ON OPERATING CAPITAL | | (\$95.57 @ 5.00%) | | | | | | \$4.78 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$5.59 | |
| RETURN TO LAND AND RISK | | | | | | | | \$18.57 | |

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

BUDGET SUMMARY

| | | | |
|--------------------------------|----------|----------------|---|
| GROSS RETURN | | \$477.08 | |
| VARIABLE OPERATING EXPENSES | \$357.37 | | |
| RETURN OVER VARIABLE EXPENSES | | \$119.71 | (GROSS MARGIN) |
| FIXED EXPENSES | \$25.12 | | |
| NET FARM INCOME | | \$94.59 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$65.66 | | |
| NET OPERATING PROFIT | | \$28.94 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$10.37 | | |
| RETURN TO LAND AND RISK | | \$18.57 | |

TABLE 9. White corn, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2013.
 Planting dates: April 15 - May 15
 Harvesting dates: October 1 - November 15

| ITEM | PRICE | YIELD | TOTAL |
|---------------|---------|-----------|----------|
| GROSS RETURNS | | | |
| CORN | \$7.50 | 70.00 CWT | \$525.00 |
| GRAZING | \$20.00 | 1.00 ACRE | \$20.00 |
| TOTAL | | | \$545.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-----------------------|---------|------------|------------------|------------|----------|
| SEED | \$1.85 | 25 000 | \$46.25 | | \$46.25 |
| NITROGEN (N) | \$0.61 | 30 LBS | \$18.30 | | \$18.30 |
| PHOSPHATE (P2O5) | \$0.60 | 70 LBS | \$42.00 | | \$42.00 |
| TRACE ELEMENTS | \$0.15 | 65 LBS | \$9.75 | | \$9.75 |
| ANHYDROUS (NH3) | \$0.42 | 175 LBS | \$72.63 | | \$72.63 |
| INSECTICIDE (CUSTOM) | \$16.03 | 3 ACRE | \$48.08 | | \$48.08 |
| HERBICIDE | \$9.45 | 1 ACRE | \$9.45 | | \$9.45 |
| LIVESTOCK FAC & EQUIP | | | | \$5.00 | \$5.00 |
| PUMP WATER* | | 48 AC. IN. | | | \$0.00 |
| SUBTOTAL | | | \$246.45 | \$5.00 | \$251.45 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DISC | 155 HP | 0.14 HR | | \$1.20 | \$3.77 | \$1.27 | \$3.17 | \$9.41 |
| CHISEL | 155 HP | 0.20 HR | | \$1.71 | \$5.38 | \$1.37 | \$5.18 | \$13.64 |
| ANHYDROUS APPL | 155 HP | 0.20 HR | \$7.00 | \$1.71 | \$5.38 | \$1.08 | \$3.88 | \$19.04 |
| DISC & SPRAY | 155 HP | 0.19 HR | | \$1.62 | \$5.11 | \$1.87 | \$7.11 | \$15.71 |
| LISTER | 155 HP | 0.12 HR | | \$1.03 | \$3.23 | \$0.88 | \$3.74 | \$8.88 |
| PLANTER | 93 HP | 0.17 HR | | \$1.45 | \$3.93 | \$0.51 | \$5.73 | \$11.63 |
| ROLLING CULT (3X) | 93 HP | 0.39 HR | | \$3.33 | \$9.02 | \$1.82 | \$2.72 | \$16.90 |
| IRRIGATE (8X) | | 4.00 HR | | \$30.00 | \$121.57 | \$0.00 | \$7.63 | \$159.20 |
| SUBTOTAL | | 5.41 HR | \$7.00 | \$42.06 | \$157.39 | \$8.80 | \$39.17 | \$254.42 |

| HARVEST OPERATIONS | | | | | | | | |
|--------------------|--|--|---------|--------|--------|--------|--------|---------|
| COMBINE (CUSTOM) | | | \$23.25 | | | | | \$23.25 |
| HAUL (CUSTOM) | | | \$14.00 | | | | | \$14.00 |
| SUBTOTAL | | | \$37.25 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$37.25 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|---------|---------|---------|--|--------|--|----------|
| DOWNTIME | | 0.27 HR | | \$2.33 | | | | \$2.33 |
| EMPLOYEE BENEFITS | | | | \$7.57 | | | | \$7.57 |
| INSURANCE | | | \$0.84 | | | | | \$0.84 |
| LAND TAXES | | | | | | \$2.46 | | \$2.46 |
| SUPERVISION AND MANAGEMENT | | | | \$44.27 | | | | \$44.27 |
| OTHER EXPENSES | | | \$91.27 | | | | | \$91.27 |
| SUBTOTAL | | 0.27 HR | \$92.11 | \$54.16 | | \$2.46 | | \$148.73 |

TOTAL OPERATING EXPENSES 5.68 HR \$382.81 \$96.22 \$157.39 \$8.80 \$46.62 \$691.85

NET OPERATING PROFIT (\$146.85)

INTEREST ON OPERATING CAPITAL (\$164.77 @ 5.00%) \$8.24
 INTEREST ON EQUIPMENT INVESTMENT \$12.26

RETURN TO LAND AND RISK (\$167.35)

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$545.00 | |
| VARIABLE OPERATING EXPENSES | \$549.01 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$4.01) | (GROSS MARGIN) |
| FIXED EXPENSES | \$46.62 | | |
| NET FARM INCOME | | (\$50.63) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$96.22 | | |
| NET OPERATING PROFIT | | (\$146.85) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$20.50 | | |
| RETURN TO LAND AND RISK | | (\$167.35) | |

TABLE 10. Upland cotton (stripper), flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2013.
 Planting dates: April 15 - May 15
 Harvesting dates: November 1 - January 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|----------|--------------|------|-----------------|
| GROSS RETURNS | | | | |
| COTTON LINT | \$0.68 | 1,000.00 LBS | | \$680.00 |
| COTTON SEED | \$0.07 | 1,600.00 LBS | | \$112.00 |
| DIRECT PAYMENT | \$0.0000 | 1,000.00 LBS | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.1373 | 720.00 LBS | 0.85 | \$84.03 |
| TOTAL | | | | \$876.03 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|----------------------|---------|------------|------------------|------------|-----------------|
| SEED | \$8.00 | 25 LBS | \$200.00 | | \$200.00 |
| NITROGEN (N) | \$0.61 | 72 LBS | \$43.92 | | \$43.92 |
| PHOSPHATE (P2O5) | \$0.60 | 184 LBS | \$110.40 | | \$110.40 |
| HERBICIDE (CUSTOM) | \$19.93 | 1 X/ACRE | \$19.93 | | \$19.93 |
| INSECTICIDE (CUSTOM) | \$18.91 | 1 X/ACRE | \$18.91 | | \$18.91 |
| CROP INSURANCE | \$0.59 | FCIC | \$0.59 | | \$0.59 |
| PUMP WATER* | | 30 AC. IN. | | | |
| SUBTOTAL | | | \$393.75 | | \$393.75 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|----------------|----------------|-----------------|
| DISC | 155 HP | 0.14 HR | | \$1.20 | \$3.77 | \$1.27 | \$3.17 | \$9.41 |
| PLOW | 155 HP | 0.48 HR | | \$4.10 | \$12.91 | \$4.97 | \$13.36 | \$35.35 |
| DISC (2X) | 155 HP | 0.28 HR | | \$2.39 | \$7.53 | \$2.55 | \$6.34 | \$18.81 |
| FLOAT (2X) | 93 HP | 0.32 HR | | \$2.74 | \$7.40 | \$0.31 | \$1.14 | \$11.59 |
| LISTER | 155 HP | 0.12 HR | | \$1.03 | \$3.23 | \$0.88 | \$3.74 | \$8.88 |
| PLANTER | 155 HP | 0.17 HR | | \$1.45 | \$4.57 | \$1.26 | \$8.83 | \$16.11 |
| ROLLING CULT. (4X) | 93 HP | 0.52 HR | | \$4.45 | \$12.03 | \$2.43 | \$3.63 | \$22.54 |
| HAND HOE (CUSTOM) | | | \$25.00 | | | | | \$25.00 |
| IRRIGATE (6X) | | 3.00 HR | | \$22.50 | \$75.98 | \$0.00 | \$4.77 | \$103.25 |
| SUBTOTAL | | 5.03 HR | \$25.00 | \$39.86 | \$127.43 | \$13.67 | \$44.97 | \$250.93 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|---------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| COTTON STRIPPER | 93 HP | 0.62 HR | | \$5.30 | \$14.35 | \$3.49 | \$49.73 | \$72.87 |
| HAUL | 93 HP | 1.00 HR | | \$8.55 | \$23.14 | \$0.99 | \$7.34 | \$40.03 |
| GIN COTTON (CUSTOM) | | | \$204.40 | | | | | \$204.40 |
| SUBTOTAL | | 1.62 HR | \$204.40 | \$13.85 | \$37.49 | \$4.48 | \$57.08 | \$317.29 |

| POST HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-------------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| SHREDDER | 93 HP | 0.29 HR | | \$2.48 | \$6.71 | \$0.33 | \$2.44 | \$11.96 |

| OVERHEAD EXPENSES | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|------------|---------------------|------------------|----------------|-------------|---------|---------------|-----------------|
| DOWNTIME | | 0.91 HR | | \$7.74 | | | | \$7.74 |
| EMPLOYEE BENEFITS | | | | \$9.67 | | | | \$9.67 |
| INSURANCE | | | \$1.07 | | | | | \$1.07 |
| LAND TAXES | | | | | | | \$2.46 | \$2.46 |
| SUPERVISION AND MANAGEMENT | | | | \$67.41 | | | | \$67.41 |
| OTHER EXPENSES | | | \$91.27 | | | | | \$91.27 |
| SUBTOTAL | | 0.91 HR | \$92.34 | \$84.81 | | | \$2.46 | \$179.61 |

| | | | | | | | | |
|---------------------------------|--|----------------|-----------------|-----------------|-----------------|----------------|-----------------|-------------------|
| TOTAL OPERATING EXPENSES | | 7.85 HR | \$715.49 | \$141.00 | \$171.63 | \$18.48 | \$106.95 | \$1,153.55 |
|---------------------------------|--|----------------|-----------------|-----------------|-----------------|----------------|-----------------|-------------------|

| | | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|-------------------|
| NET OPERATING PROFIT | | | | | | | | (\$277.52) |
|-----------------------------|--|--|--|--|--|--|--|-------------------|

| | | | | | | | | |
|----------------------------------|---|----------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$235.65 | @ | 5.00% |) | | | \$11.78 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$34.16 |

| | | | | | | | | |
|--------------------------------|--|--|--|--|--|--|--|-------------------|
| RETURN TO LAND AND RISK | | | | | | | | (\$323.46) |
|--------------------------------|--|--|--|--|--|--|--|-------------------|

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|---|
| GROSS RETURN | | \$876.03 | |
| VARIABLE OPERATING EXPENSES | \$905.60 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$29.57) | (GROSS MARGIN) |
| FIXED EXPENSES | \$106.95 | | |
| NET FARM INCOME | | (\$136.52) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$141.00 | | |
| NET OPERATING PROFIT | | (\$277.52) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$45.94 | | |
| RETURN TO LAND AND RISK | | (\$323.46) | |

TABLE 11. Grain sorghum, flood-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2013.
 Planting dates: May 1 - June 15
 Harvesting dates: October 15 - November 15

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|-----------|------|-----------------|
| GROSS RETURNS | | | | |
| GRAIN SORGHUM | \$10.43 | 50.00 CWT | | \$521.61 |
| DIRECT PAYMENT | \$0.00 | 50.00 CWT | 0.85 | \$0.00 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | 0.00 CWT | | \$0.00 |
| GRAZING | \$10.00 | 1 ACRE | | \$10.00 |
| TOTAL | | | | \$531.61 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|-----------------------|---------|------------|------------------|---------------|-----------------|
| SEED | \$1.04 | 12 LBS | \$12.48 | | \$12.48 |
| ANHYDROUS (NH3) | \$0.42 | 150 LBS | \$62.25 | | \$62.25 |
| NITROGEN (N) | \$0.61 | 18 LBS | \$10.98 | | \$10.98 |
| PHOSPHATE (P2O5) | \$0.60 | 46 LBS | \$27.60 | | \$27.60 |
| INSECTICIDE | \$14.17 | 1 ACRE | \$14.17 | | \$14.17 |
| HERBICIDE | \$12.26 | 1 ACRE | \$12.26 | | \$12.26 |
| LIVESTOCK FAC & EQUIP | | | | \$5.00 | \$5.00 |
| PUMP WATER | | 36 AC. IN. | \$0.00 | | \$0.00 |
| CROP INSURANCE | \$1.96 | | | | \$1.96 |
| SUBTOTAL | | | \$139.74 | \$5.00 | \$146.70 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|-----------------|---------------|----------------|-----------------|
| DISC | 155 HP | 0.14 HR | | \$1.20 | \$3.77 | \$1.27 | \$3.17 | \$9.41 |
| CHISEL | 155 HP | 0.20 HR | | \$1.71 | \$5.38 | \$1.37 | \$5.18 | \$13.64 |
| ANHYDROUS APPL | 155 HP | 0.20 HR | \$7.00 | \$1.71 | \$5.38 | \$1.08 | \$3.88 | \$19.04 |
| DISC & SPRAY | 155 HP | 0.19 HR | | \$1.62 | \$5.11 | \$1.87 | \$7.11 | \$15.71 |
| LISTER | 155 HP | 0.12 HR | | \$1.03 | \$3.23 | \$0.88 | \$3.74 | \$8.88 |
| PLANTER | 155 HP | 0.17 HR | | \$1.45 | \$4.57 | \$1.26 | \$8.83 | \$16.11 |
| ROLLING CULT (3X) | 93 HP | 0.39 HR | | \$3.33 | \$9.02 | \$1.82 | \$2.72 | \$16.90 |
| IRRIGATE (6X) | | 3.00 HR | | \$25.65 | \$91.18 | \$0.00 | \$5.72 | \$122.55 |
| SUBTOTAL | | 4.41 HR | \$7.00 | \$37.71 | \$127.64 | \$9.56 | \$40.35 | \$222.26 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|------------|---------------------|------------------|---------------|---------------|---------------|---------------|----------------|
| COMBINE (CUSTOM) | 14 FT SP | | \$15.00 | | | | | \$15.00 |
| SUBTOTAL | | 0.00 HR | \$15.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$15.00 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|----------------|-------------|---------|---------------|-----------------|
| DOWNTIME | 1.10 HR | | \$9.43 | | | | \$9.43 |
| EMPLOYEE BENEFITS | | | \$6.79 | | | | \$6.79 |
| INSURANCE | | \$0.75 | | | | | \$0.75 |
| LAND TAXES | | | | | | \$2.46 | \$2.46 |
| SUPERVISION AND MANAGEMENT | | | \$39.42 | | | | \$39.42 |
| OTHER EXPENSES | | \$91.27 | | | | | \$91.27 |
| SUBTOTAL | 1.10 HR | \$92.02 | \$55.63 | | | \$2.46 | \$150.11 |

| | | | | | | | |
|---------------------------------|----------------|-----------------|----------------|-----------------|---------------|----------------|-----------------|
| TOTAL OPERATING EXPENSES | 5.51 HR | \$253.77 | \$93.34 | \$127.64 | \$9.56 | \$47.81 | \$534.07 |
|---------------------------------|----------------|-----------------|----------------|-----------------|---------------|----------------|-----------------|

| | | | | | | | |
|-----------------------------|--|--|--|--|--|--|-----------------|
| NET OPERATING PROFIT | | | | | | | (\$2.46) |
|-----------------------------|--|--|--|--|--|--|-----------------|

| | | | | | | | |
|----------------------------------|----------------------|--|--|--|--|--|---------|
| INTEREST ON OPERATING CAPITAL | (\$107.65 @ 5.00%) | | | | | | \$5.38 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$12.81 |

| | | | | | | | |
|--------------------------------|--|--|--|--|--|--|------------------|
| RETURN TO LAND AND RISK | | | | | | | (\$20.65) |
|--------------------------------|--|--|--|--|--|--|------------------|

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|-----------|---|
| GROSS RETURN | | \$531.61 | |
| VARIABLE OPERATING EXPENSES | \$390.97 | | |
| RETURN OVER VARIABLE EXPENSES | | \$140.64 | (GROSS MARGIN) |
| FIXED EXPENSES | \$47.81 | | |
| NET FARM INCOME | | \$92.83 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$93.34 | | |
| NET OPERATING PROFIT | | (\$0.50) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$18.19 | | |
| RETURN TO LAND AND RISK | | (\$18.69) | |

TABLE 12. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County, Projected 2013.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | WHEAT | WHITE CORN | STRIPPER COTTON | GRAIN SORGHUM |
|----------------------------------|--------------------------|----------------|----------|---------------|--------------------|------------------|
| | | TONS | CWT | CWT | LBS | CWT |
| PRIMARY YIELD | | 6.50 | 35.00 | 70.00 | 1,000.00 | 50.00 |
| PRIMARY PRICE | | \$245.00 | \$12.92 | \$27.50 | \$0.68 | \$10.43 |
| GOVERNMENT PAYMENTS | | \$0.00 | \$0.00 | \$0.00 | \$84.03 | \$0.00 |
| SECOND INCOME | | \$15.00 | \$25.00 | \$20.00 | \$112.00 | \$10.00 |
| GROSS RETURN | | \$1,607.50 | \$477.08 | \$545.00 | \$876.03 | \$531.61 |
| CASH OPERATING EXPENSES | | | | | | |
| SEED | \$195.00 | | \$97.50 | \$46.25 | \$200.00 | \$12.48 |
| FERTILIZER | | \$197.80 | \$51.88 | \$142.68 | \$43.92 | \$100.83 |
| CHEMICALS | | | | \$57.52 | \$38.84 | \$26.43 |
| CROP INSURANCE | | | \$0.29 | | \$0.59 | \$1.96 |
| OTHER PURCHASED INPUTS | | \$0.51 | | | \$110.40 | |
| CANAL WATER | | | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$40.44 | \$52.46 | \$15.69 | \$35.82 | \$95.65 | \$36.46 |
| FUEL-IRRIGATION | \$15.20 | \$101.31 | \$63.32 | \$121.57 | \$75.98 | \$91.18 |
| REPAIRS | \$12.11 | \$26.69 | \$3.95 | \$8.80 | \$18.48 | \$9.56 |
| CUSTOM CHARGES | | | \$33.00 | \$44.25 | \$229.40 | \$22.00 |
| LAND TAXES | | \$2.46 | \$2.46 | \$2.46 | \$2.46 | \$2.46 |
| OTHER EXPENSES | \$0.30 | \$91.87 | \$91.75 | \$92.11 | \$92.34 | \$92.02 |
| TOTAL CASH EXPENSES | \$263.04 | \$473.09 | \$359.83 | \$551.47 | \$908.06 | \$395.38 |
| RETURN OVER CASH EXPENSES | (\$263.04) | \$1,134.41 | \$117.26 | (\$6.47) | (\$32.03) | \$136.22 |
| FIXED EXPENSES | \$39.58 | \$119.33 | \$22.66 | \$44.17 | \$104.49 | \$45.35 |
| TOTAL EXPENSES | \$302.62 | \$592.43 | \$382.49 | \$595.63 | \$1,012.55 | \$440.73 |
| NET FARM INCOME | (\$302.62) | \$1,015.07 | \$94.59 | (\$50.63) | (\$136.52) | \$90.87 |
| LABOR AND MANAGEMENT COSTS | \$41.73 | \$155.42 | \$65.66 | \$96.22 | \$141.00 | \$93.34 |
| NET OPERATING PROFIT | (\$344.35) | \$859.66 | \$28.94 | (\$146.85) | (\$277.52) | (\$2.46) |
| CAPITAL COSTS | | | | | | |
| INTEREST ON OPERATING CAPITAL | | \$6.58 | \$4.78 | \$8.24 | \$11.78 | \$5.38 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$16.82 | \$5.59 | \$12.26 | \$34.16 | \$12.81 |
| TOTAL CAPITAL COSTS | \$0.00 | \$23.40 | \$10.37 | \$20.50 | \$45.94 | \$18.19 |
| RETURN TO LAND AND RISK | (\$344.35) | \$836.25 | \$18.57 | (\$167.35) | (\$323.46) | (\$20.65) |

TABLE 13. Whole farm summary, Dell City area, Otero County,
Projected 2013.

| | | |
|----------------------------------|--------------|------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 280.00 ACRES | |
| CROP | | \$450,100 |
| WHEAT | 170.00 ACRES | |
| CROP | | \$76,854 |
| GRAZING | | \$4,250 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| WHITE CORN | 50.00 ACRES | |
| CROP | | \$26,250 |
| GRAZING | | \$1,000 |
| COTTON | 84.50 ACRES | |
| LINT | | \$57,460 |
| SEED | | \$9,464 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$7,100 |
| GRAIN SORGHUM | 25.50 ACRES | |
| CROP | | \$13,301 |
| DIRECT PAYMENT | | \$0 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| GRAZING | | \$255 |
| GROSS RETURN | | <u>\$646,034</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$46,831 |
| FERTILIZER | | \$77,619 |
| CHEMICALS | | \$6,832 |
| CROP INSURANCE | | \$266 |
| OTHER PURCHASED INPUTS | | \$9,471 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$30,383 |
| FUEL-IRRIGATION | | \$54,791 |
| REPAIRS | | \$11,056 |
| CUSTOM CHARGES | | \$27,768 |
| LAND TAXES | | \$1,499 |
| OTHER EXPENSES | | \$56,093 |
| TOTAL CASH EXPENSES | | <u>\$322,606</u> |
| RETURN OVER CASH EXPENSES | | \$323,428 |
| FIXED EXPENSES | | \$32,353 |
| TOTAL EXPENSES | | \$354,959 |
| NET FARM INCOME | | \$291,075 |
| LABOR AND MANAGEMENT COSTS | | \$76,079 |
| NET OPERATING PROFIT | | \$214,996 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$4,201 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$9,486 |
| TOTAL CAPITAL COSTS | | <u>\$13,686</u> |
| RETURN TO LAND AND RISK | | <u>\$201,310</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | \$191,710 | 41.34% |
| \$750 /ACRE | \$186,910 | 31.61% |
| \$1,000 /ACRE | \$182,110 | 25.59% |
| \$1,250 /ACRE | \$177,310 | 21.50% |
| \$1,500 /ACRE | \$172,510 | 18.53% |

* 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)