

TABLE 6. 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
 Projected 2015
 HARVEST DATES: JUNE 15 - JULY 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT	\$7.00	50 CWT						\$350.00
TOTAL							\$350.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PRICED INPUTS					TOTAL
SEED	\$0.45	100 LBS	\$45.00					\$45.00
ANHYDROUS AMMONIA (NH3)	\$0.33	250 LBS	\$81.25					\$81.25
NITROGEN (N)	\$0.45	30 LBS	\$13.50					\$13.50
PHOSPHATE (P2O5)	\$0.40	80 LBS	\$32.00					\$32.00
PUMP WATER*		24 ACRE IN.						
CROP INSURANCE								
SUBTOTAL			\$171.75					\$171.75
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COSTS	TOTAL
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.13	\$3.85	\$11.34
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$3.68	\$0.81	\$0.00	\$5.35
DRILL	96 HP	0.18 HR		\$1.54	\$2.42	\$2.13	\$0.00	\$6.09
IRRIGATE (4X)		0.6 HR		\$4.50	\$4.50	\$0.00	\$33.75	\$42.75
DISC	96 HP	0.25 HR		\$2.14	\$3.37	\$2.95	\$0.00	\$8.46
SUBTOTAL	1.52 HR			\$12.37	\$23.67	\$9.80	\$40.05	\$85.89
HARVEST OPERATIONS								
COMBINE (CUSTOM)			\$32.22					\$32.22
HAUL TO STORAGE (CUSTOM)			\$9.50					\$9.50
HAUL TO MARKET (CUSTOM)			\$22.50					\$22.50
SUBTOTAL			\$64.22					\$64.22
OVERHEAD EXPENSES								
DOWNTIME	0.155 HR			\$1.33				\$1.33
EMPLOYEE BENEFITS				\$2.23				\$2.23
INSURANCE			\$0.25					\$0.25
LAND TAXES						\$2.57	\$2.57	
SUPERVISION AND MANAGEMENT				\$25.51				\$25.51
OTHER EXPENSES			\$75.69					\$75.69
SUBTOTAL	0.155 HR		\$75.93	\$29.06		\$2.57	\$107.57	
TOTAL OPERATING EXPENSES	1.675 HR		\$311.90	\$41.43	\$23.67	\$9.80	\$42.63	\$429.43
NET OPERATING PROFIT								-\$79.43
INTEREST ON OPERATING CAPITAL	(\$99.59	@	5.50%				\$5.48
INTEREST ON EQUIPMENT INVESTMENT								\$6.48
RETURN TO LAND AND RISK								-\$91.39

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

BUDGET SUMMARY

GROSS RETURN		\$350.00	
VARIABLE OPERATING EXPENSES	\$345.38		
RETURN OVER VARIABLE EXPENSES		\$4.62	(GROSS MARGIN)
FIXED EXPENSES	\$42.63		
NET FARM INCOME		-\$38.00	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$41.43		
NET OPERATING PROFIT		-\$79.43	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$11.96		
RETURN TO LAND AND RISK		-\$91.39	

TABLE 7. 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
 Projected 2015
 PLANTING DATES: APRIL 1 - MAY 15
 HARVEST DATES: SEPTEMBER 15 - NOVEMBER 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN FOR GRAIN	\$4.30	85 CWT						<u>\$365.50</u>
TOTAL								<u>\$365.50</u>
<hr/>								
PURCHASED INPUT:	PRICE	QUANTITY	PURCHASE					TOTAL
			D INPUTS					
SEED	\$0.91	32 000	\$29.00					\$29.00
ANHYDROUS AMMONIA (NH	\$0.33	250 LBS	\$81.25					\$81.25
NITROGEN (N)	\$0.45	80 LBS	\$36.00					\$36.00
PHOSPHATE (P2O5)	\$0.40	100 LBS	\$40.00					\$40.00
HERBICIDE	\$7.83	1 ACRE	\$7.83					\$7.83
PUMP WATER*		40 AC. IN.						
CROP INSURANCE								
SUBTOTAL			<u>\$194.08</u>					<u>\$194.08</u>
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PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASE D INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COSTS	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$7.37	\$1.78	\$6.29	\$17.15
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	\$1.84	\$0.40	\$1.37	\$4.05
ANHYDROUS KNIVES	185 HP	0.1 HR		\$0.86	\$3.68	\$0.81	\$2.75	\$8.10
PLANTER	185 HP	0.26 HR		\$2.22	\$9.58	\$2.10	\$3.45	\$17.36
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84
IRRIGATE (12X)		1.8 HR		\$13.50	\$24.24	\$24.34	\$16.70	\$78.78
SUBTOTAL		2.98 HR		<u>\$23.59</u>	<u>\$53.65</u>	<u>\$34.40</u>	<u>\$44.17</u>	<u>\$155.80</u>
<hr/>								
<u>HARVEST OPERATIONS</u>								
COMBINE (CUSTOM)				\$30.60				\$30.60
HAUL TO STORAGE (CUSTOM)				\$17.00				\$17.00
HAUL TO MARKET (CUSTOM)				\$38.25				\$38.25
SUBTOTAL				<u>\$85.85</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$85.85</u>
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<u>POSTHARVEST OPERATIONS</u>								
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.88	\$1.91	\$1.62	\$6.62
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<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.33 HR		\$2.82				\$2.82
EMPLOYEE BENEFITS				\$4.46				\$4.46
INSURANCE			\$0.50					\$0.50
LAND TAXES						\$2.57		\$2.57
SUPERVISION AND MANAGEMENT				\$28.05				\$28.05
OTHER EXPENSES			\$75.69					\$75.69
SUBTOTAL		0.33 HR		<u>\$76.18</u>	<u>\$35.33</u>		<u>\$2.57</u>	<u>\$114.08</u>
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TOTAL OPERATING EXPENSES		3.45 HR		<u>\$356.12</u>	<u>\$60.11</u>	<u>\$55.53</u>	<u>\$36.31</u>	<u>\$48.37</u>
<hr/>								
NET OPERATING PROFIT								-\$190.93
INTEREST ON OPERATING CAPITAL	(\$127.16	@	5.50%)			\$6.99
INTEREST ON EQUIPMENT INVESTMENT								\$11.71
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RETURN TO LAND AND RISK								-\$209.64

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

BUDGET SUMMARY

GROSS RETURN		\$365.50	
VARIABLE OPERATING EXPENSES	\$447.95		
RETURN OVER VARIABLE EXPENSES		-\$82.45	(GROSS MARGIN)
FIXED EXPENSES	\$48.37		
NET FARM INCOME		-\$130.82	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$60.11		
NET OPERATING PROFIT		-\$190.93	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.71		
RETURN TO LAND AND RISK		-\$209.64	

TABLE 8. 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
 Projected 2015
 Planting dates: May 1 - May 20
 Harvesting dates: November 1 - November 25

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAIN SORGHUM	\$7.06	62 CWT					\$437.99	
ASCS DIVERSION	\$0.00	0 CWT					\$0.00	
ASCS DEFICIENCY	\$0.00	0 CWT					\$0.00	
TOTAL							\$437.99	
PURCHASED INPUTS								
SEED	\$1.31	8 LBS	\$10.48				\$10.48	
ANHYDROUS AMMONIA (NH)	\$0.33	180 LBS	\$58.50				\$58.50	
HERBICIDE	\$9.46	1 ACRE	\$9.46				\$9.46	
INSECTICIDE (CUSTOM)	\$10.07	1 ACRE	\$10.07				\$10.07	
PUMP WATER*		30 AC. IN.						
CROP INSURANCE	\$0.37		\$0.37				\$0.37	
SUBTOTAL			\$88.87				\$88.87	
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASE D INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COSTS	TOTAL
RIPPER	185 HP	0.2 HR		\$1.71	\$7.37	\$1.78	\$6.29	\$17.15
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$5.53	\$1.87	\$5.42	\$14.11
LISTER	185 HP	0.18 HR		\$1.54	\$6.63	\$1.64	\$5.66	\$15.46
PRE-IRRIGATE		0.75 HR		\$5.63	\$6.27	\$0.29	\$2.87	\$15.05
ROLLING CULT	96 HP	0.21 HR		\$1.80	\$2.83	\$2.74	\$1.91	\$9.28
PLANTER	96 HP	0.26 HR		\$2.22	\$3.50	\$5.08	\$3.70	\$14.50
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84
ROTO BUCK (7X)	96 HP	0.105 HR		\$0.90	\$1.41	\$1.27	\$0.94	\$4.52
IRRIGATE (5X)		2.5 HR		\$18.75	\$31.34	\$1.46	\$14.35	\$65.90
SUBTOTAL		5.165 HR		\$40.75	\$80.22	\$25.25	\$50.70	\$196.91
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	\$1.88	\$1.91	\$1.62	\$6.62
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				\$34.94				\$34.94
OTHER EXPENSES			\$75.69					\$75.69
SUBTOTAL		0.51375 HR		\$76.53	\$46.88		\$2.57	\$125.98
TOTAL OPERATING EXPENSES		5.81875 HR		\$200.11	\$88.82	\$82.10	\$27.16	\$54.90
NET OPERATING PROFIT							-\$15.11	
INTEREST ON OPERATING CAPITAL	(\$74.64	@	5.50%)			\$4.11
INTEREST ON EQUIPMENT INVESTMENT								\$18.59
RETURN TO LAND AND RISK							-\$37.81	

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

BUDGET SUMMARY

GROSS RETURN		\$437.99	
VARIABLE OPERATING EXPENSES	\$309.38		
RETURN OVER VARIABLE EXPENSES		\$128.61	(GROSS MARGIN)
FIXED EXPENSES	\$54.90		
NET FARM INCOME		\$73.71	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$88.82		
NET OPERATING PROFIT		-\$15.11	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$22.69		
RETURN TO LAND AND RISK		-\$37.81	

TABLE 9. 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
 Projected 2015
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 1

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
COTTON LINT	\$0.90	1060 LBS							\$954.00
COTTON SEED	\$0.05	1696 LBS							\$82.68
TOTAL								\$1,036.68	
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASE D INPUTS					TOTAL	
SEED	\$7.55	25 LBS	\$188.75					\$188.75	
NITROGEN (N)	\$0.45	32 LBS	\$14.40					\$14.40	
PHOSPHATE (P2O5)	\$0.40	40 LBS	\$16.00					\$16.00	
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			\$228.61					\$228.61	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASE D INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
RIPPER	185 HP	0.1 HR		\$0.86	\$3.68	\$0.89	\$3.15	\$8.58	
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86	
DISC & SPRAY	185 HP	0.15 HR		\$1.28	\$5.53	\$1.87	\$5.42	\$14.11	
LISTER	185 HP	0.18 HR		\$1.54	\$6.63	\$1.64	\$5.66	\$15.46	
PRE-IRRIGATE		1 HR		\$7.50	\$7.02	\$0.33	\$3.21	\$18.06	
ROLLING CULT.	96 HP	0.21 HR		\$1.80	\$2.83	\$2.74	\$1.91	\$9.28	
PLANTER	96 HP	0.26 HR		\$2.22	\$3.50	\$5.08	\$3.70	\$14.50	
CULTIVATOR (2X)	96 HP	0.42 HR		\$3.59	\$5.65	\$4.96	\$2.63	\$16.84	
HAND HOE (CUSTOM)			\$15.00					\$15.00	
ROTO BUCK (5X)	96 HP	0.075 HR		\$0.64	\$1.01	\$0.90	\$0.67	\$3.23	
IRRIGATE (4X)		4 HR		\$30.00	\$28.08	\$1.31	\$12.86	\$72.24	
SUBTOTAL		6.785 HR	\$15.00	\$52.76	\$73.62	\$23.88	\$46.14	\$211.40	
HARVEST OPERATIONS									
COTTON PICKER (2X)	2 ROW	1.24 HR		\$10.60	\$26.62	\$57.35	\$41.12	\$135.69	
COTTON TRAILER (2X)	HALF TON	1 HR		\$8.55	\$15.75	\$2.79	\$8.41	\$35.50	
GIN COTTON (CUSTOM)			\$115.75					\$115.75	
SUBTOTAL		2.24 HR	\$115.75	\$19.15	\$42.37	\$60.14	\$49.52	\$286.94	
POSTHARVEST OPERATIONS									
SHREDDER	80 HP	0.14 HR		\$1.20	\$1.88	\$1.91	\$1.62	\$6.62	
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		
SUPERVISION AND MANAGEMENT				\$79.65				\$79.65	
OTHER EXPENSES			\$75.69				\$75.69		
SUBTOTAL		1.04125 HR	\$77.15	\$101.71			\$2.57	\$181.44	
TOTAL OPERATING EXPENSES		10.20625 HR	\$436.51	\$174.82	\$117.88	\$85.93	\$99.86	\$915.00	
NET OPERATING PROFIT								\$121.68	
INTEREST ON OPERATING CAPITAL (\$157.82 @ 5.50%)								\$8.68	
INTEREST ON EQUIPMENT INVESTMENT								\$35.66	
RETURN TO LAND AND RISK								\$77.34	

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

BUDGET SUMMARY

GROSS RETURN	\$1,036.68	
VARIABLE OPERATING EXPENSES	\$640.32	
RETURN OVER VARIABLE EXPENSES	\$396.36	(GROSS MARGIN)
FIXED EXPENSES	\$99.86	
NET FARM INCOME	\$296.50	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$174.82	
NET OPERATING PROFIT	\$121.68	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$44.34	
RETURN TO LAND AND RISK	\$77.34	

TABLE 10. 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
 Projected 2015
 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	\$0.00	0 LBS						\$0.00
TOTAL							\$4,750.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$22.00	4 LBS	\$88.00					\$88.00
ANHYDROUS AMMONIA (NH ₃)	\$0.33	300 LBS	\$97.50					\$97.50
NITROGEN (N)	\$0.45	60 LBS	\$27.00					\$27.00
PHOSPHATE (P2O5)	\$0.40	150 LBS	\$60.00					\$60.00
HERBICIDE	\$12.57	1 ACRE	\$12.57					\$12.57
INSECTICIDE	\$12.57	1 ACRE	\$12.57					\$12.57
CROP INSURANCE	\$0.00	1 DOLLAR	\$0.00					\$0.00
PUMP WATER*		54 AC. IN.						
SUBTOTAL							\$297.63	
PREHARVEST OPERATIONS								
POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR	\$1.20	\$5.16	\$1.37	\$4.47	\$12.20	
PLOW	185 HP	0.48 HR	\$4.10	\$17.68	\$5.38	\$27.27	\$54.44	
DISC	185 HP	0.14 HR	\$1.20	\$5.16	\$1.37	\$4.47	\$12.20	
LASER (CUSTOM)			\$73.33			\$73.33		
LISTER & SPRAY	185 HP	0.13 HR	\$1.11	\$4.79	\$1.53	\$4.63	\$12.07	
FERTILIZE	185 HP	0.05 HR	\$0.43	\$1.84	\$0.40	\$1.37	\$4.05	
PRE-IRRIGATE		0.75 HR	\$6.41	\$33.84	\$0.07	\$0.67	\$40.99	
ROLLING CULT	96 HP	0.13 HR	\$1.11	\$1.75	\$1.70	\$4.13	\$8.69	
VEGETABLE PLANTER	96 HP	0.17 HR	\$1.45	\$2.29	\$2.20	\$8.60	\$14.54	
CULTIVATOR (5X)	96 HP	0.65 HR	\$5.56	\$8.75	\$7.68	\$5.92	\$27.91	
THIN & HOE (CUSTOM)			\$90.00			\$90.00		
ROTO BUCK (7X)	96 HP	0.21 HR	\$1.80	\$2.83	\$2.53	\$1.88	\$9.03	
IRRIGATE (8X)		4 HR	\$34.20	\$60.16	\$3.28	\$3.55	\$101.19	
SUBTOTAL		6.85 HR	\$163.33	\$58.57	\$144.26	\$27.51	\$66.96	\$460.63
HARVEST OPERATIONS								
HARVEST GREEN (CUSTOM)			\$900.00			\$900.00		
HARVEST RED (CUSTOM)			\$0.00			\$0.00		
HAUL	3/4 TON	6 HR	\$51.30	\$94.50	\$13.26	\$17.34	\$176.40	
SUBTOTAL		6 HR	\$900.00	\$51.30	\$94.50	\$13.26	\$17.34	\$1,076.40
POST HARVEST OPERATIONS								
SHREDDER	80 HP	0.29 HR	\$2.48	\$3.90	\$3.96	\$3.36	\$13.71	
SUBTOTAL		0.29 HR	\$0.00	\$2.48	\$3.90	\$3.96	\$3.36	\$13.71
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		
SUPERVISION AND MANAGEMENT			\$200.00			\$200.00		
OTHER EXPENSES			\$75.69			\$75.69		
SUBTOTAL		0.5975 HR	\$77.93	\$223.67			\$2.57	\$304.18
TOTAL OPERATING EXPENSES		13.7375 HR	\$1,438.90	\$336.02	\$242.66	\$44.73	\$90.24	\$2,152.55
NET OPERATING PROFIT							\$2,597.45	
INTEREST ON OPERATING CAPITAL		(\$275.74 @ 5.50%)					\$15.17	
INTEREST ON EQUIPMENT INVESTMENT							\$46.75	
RETURN TO LAND AND RISK							\$2,535.54	

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

GROSS RETURN		\$4,750.00	
VARIABLE OPERATING EXPENSES	\$1,726.29		
RETURN OVER VARIABLE EXPENSES	\$3,023.71	(GROSS MARGIN)	
FIXED EXPENSES	\$90.24		
NET FARM INCOME	\$2,933.47	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$336.02		
NET OPERATING PROFIT	\$2,597.45	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$61.92		
RETURN TO LAND AND RISK	\$2,535.54		

TABLE 11. 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
 Projected 2015
 Planting dates: March 15 - May 1
 Harvesting dates: September 15 - January 31

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
RED CHILE	\$1.00	3500 LBS							\$3,500.00
TOTAL								\$3,500.00	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$18.00		4 LBS	\$72.00					\$72.00
ANHYDROUS AMMONIA (NH ₃)	\$0.33		230 LBS	\$74.75					\$74.75
NITROGEN (N)	\$0.36		60 LBS	\$21.60					\$21.60
PHOSPHATE (P ₂ O ₅)	\$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 DOLLAR	\$0.00					\$0.00
PUMP WATER*			48 AC. IN.						
SUBTOTAL				\$246.17					\$246.17
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20	
PLOW	185 HP	0.48 HR		\$4.10	\$17.68	\$5.38	\$27.27	\$54.44	
DISC	185 HP	0.14 HR		\$1.20	\$5.16	\$1.37	\$4.47	\$12.20	
DRAG (2X)	96 HP	0.2 HR		\$1.71	\$2.69	\$2.38	\$1.08	\$7.86	
LISTER	185 HP	0.12 HR		\$1.03	\$4.42	\$1.09	\$3.77	\$10.31	
FERTILIZE	185 HP	0.05 HR		\$0.43	\$1.84	\$0.40	\$1.37	\$4.05	
PRE-IRRIGATE		0.75 HR		\$6.41	\$30.08	\$0.07	\$0.67	\$37.23	
ROLLING CULT	96 HP	0.13 HR		\$1.11	\$1.75	\$1.70	\$1.18	\$5.74	
VEGETABLE PLANTER	96 HP	0.17 HR		\$1.45	\$2.29	\$2.20	\$8.60	\$14.54	
CULTIVATOR (5X)	96 HP	0.65 HR		\$5.56	\$8.75	\$7.68	\$4.07	\$26.06	
THIN & HOE (CUSTOM)			\$90.00					\$90.00	
ROTO BUCK (7X)	96 HP	0.21 HR		\$1.80	\$3.31	\$2.53	\$1.88	\$9.51	
IRRIGATE (11X)		5.5 HR		\$47.03	\$55.15	\$0.50	\$4.88	\$107.56	
SUBTOTAL			8.54 HR	\$90.00	\$73.02	\$138.29	\$26.67	\$63.72	\$391.70
HARVEST OPERATIONS									
HARVEST (CUSTOM)			\$700.00					\$700.00	
HAUL	3/4 TON	3 HR		\$25.65	\$47.25	\$6.63	\$8.67	\$88.20	
SUBTOTAL			3 HR	\$700.00	\$25.65	\$47.25	\$6.63	\$8.67	\$788.20
POST HARVEST OPERATIONS									
SHREDDER	80 HP	0.29 HR		\$2.48	\$3.90	\$3.96	\$3.36	\$13.71	
SUBTOTAL			0.29 HR	\$0.00	\$2.48	\$3.90	\$3.96	\$3.36	\$13.71
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				\$94.06					\$94.06
OTHER EXPENSES			\$75.69					\$75.69	
SUBTOTAL			1.395 HR	\$77.71	\$124.19	\$0.00	\$0.00	\$2.57	\$204.48
TOTAL OPERATING EXPENSES			13.225 HR	\$1,113.88	\$225.34	\$189.44	\$37.26	\$78.33	\$1,644.26
NET OPERATING PROFIT								\$1,855.74	
INTEREST ON OPERATING CAPITAL	(\$227.80	@	5.50%)	\$12.53
INTEREST ON EQUIPMENT INVESTMENT								\$37.74	
RETURN TO LAND AND RISK								\$1,805.47	

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

BUDGET SUMMARY

GROSS RETURN		#####	
VARIABLE OPERATING EXPENSES	\$1,340.59		
RETURN OVER VARIABLE EXPENSES		#####	(GROSS MARGIN)
FIXED EXPENSES	\$78.33		
NET FARM INCOME		#####	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$225.34		
NET OPERATING PROFIT		#####	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$50.27		
RETURN TO LAND AND RISK		#####	

TABLE 12. Summary of per acre costs and returns for a 400 acre farm with above average management, Cotton City-Animas area, Hidalgo County
Projected 2015

	GRAIN SORGHUM	PICKER COTTON	GREEN CHILE	RED CHILE
	-----FLOOD-----			
	CWT	LBS	TONS	LBS
PRIMARY YIELD	62	1060	10	3500
PRIMARY PRICE	\$7.06	\$0.90	\$475.00	\$1.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$82.68	\$0.00	\$0.00
GROSS RETURN	\$437.99	\$1,036.68	\$4,750.00	\$3,500.00
CASH OPERATING EXPENSES				
SEED	\$10.48	\$188.75	\$88.00	\$72.00
FERTILIZER	\$58.50	\$30.40	\$184.50	\$145.85
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	\$44.50	\$82.79	\$148.66	\$104.21
FUEL-IRRIGATION	\$37.60	\$35.10	\$94.01	\$85.23
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	\$76.53	\$77.15	\$77.93	\$77.71
TOTAL CASH EXPENSES	\$311.95	\$642.89	\$1,728.86	\$1,343.16
RETURN OVER CASH EXPENSES	\$126.03	\$393.79	\$3,021.14	\$2,156.84
FIXED EXPENSES	\$52.32	\$97.28	\$87.66	\$75.76
TOTAL EXPENSES	\$364.27	\$740.18	\$1,816.53	\$1,418.92
NET FARM INCOME	\$73.71	\$296.50	\$2,933.47	\$2,081.08
LABOR AND MANAGEMENT COSTS	\$88.82	\$174.82	\$332.50	\$225.34
NET OPERATING PROFIT	-\$15.11	\$121.68	\$2,600.97	\$1,855.74
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$4.11	\$8.68	\$15.17	\$12.53
INTEREST ON EQUIPMENT INVESTMENT	\$18.59	\$35.66	\$46.75	\$37.74
TOTAL CAPITAL COSTS	\$22.69	\$44.34	\$61.92	\$50.27
RETURN TO LAND AND RISK	-\$37.81	\$77.34	\$2,539.05	\$1,805.47

TABLE 13. Whole farm summary, Cotton City-Animas Area, Hidalgo County,
Projected 2015

GROSS RETURNS		
GRAIN SORGHUM	136 ACRES	
CROP		\$59,566
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
UPLAND COTTON	153 ACRES	
LINT		\$145,962
SEED		\$12,650
ASCS DEFICIENCY		\$0
ASCS DIVERSION		\$0
GREEN CHILE	20 ACRES	
GREEN		\$95,000
RED		\$0
RED CHILE	20 ACRES	
CROP		\$70,000
GROSS RETURN		<u>\$383,178</u>
CASH OPERATING EXPENSES		
SEED		\$33,504
FERTILIZER		\$19,214
CHEMICALS		\$5,170
CROP INSURANCE		\$2,210
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$23,776
FUEL-IRRIGATION		\$14,068
REPAIRS		\$18,481
CUSTOM CHARGES		\$61,794
LAND TAXES		\$847
OTHER EXPENSES		\$25,324
TOTAL CASH EXPENSES		<u>\$204,388</u>
RETURN OVER CASH EXPENSES		\$178,790
FIXED EXPENSES		\$25,269
TOTAL EXPENSES		\$229,657
NET FARM INCOME		\$153,521
LABOR AND MANAGEMENT COSTS		\$49,985
NET OPERATING PROFIT		\$103,536
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,440
INTEREST ON EQUIPMENT INVESTMENT		\$9,673
TOTAL CAPITAL COSTS		<u>\$12,114</u>
RETURN TO LAND AND RISK		<u>\$91,422</u>

LAND VALUE	RETURN TO RISK	RETURN ON INVESTMENT**
\$500.00 /ACRE	\$85,422.16	27.54%
\$700.00 /ACRE	\$83,022.16	22.71%
\$900.00 /ACRE	\$80,622.16	19.32%
\$1,100.00 /ACRE	\$78,222.16	16.81%
\$1,300.00 /ACRE	\$75,822.16	14.88%
\$1,500.00 /ACRE	\$73,422.16	13.34%

* 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 \$33.10 \$210.28