

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 2015  
Planting dates: March 15 - April 30

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$245.00	6.50 TONS (STACKED)	\$1,592.50
TOTAL			\$1,592.50

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$6.00	20 LBS	\$120.00		\$120.00
FERTILIZER (16-20-0)	\$0.32	200 LBS	\$64.00		\$64.00
HERBICIDE	\$0.00	1 ACRE	\$0.00		\$0.00
PUMP WATER*		42 AC. IN.			
SUBTOTAL			\$184.00		\$184.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$4.91	\$1.15	\$2.11	\$9.45
PLOW	145 HP	0.48 HR		\$3.60	\$13.86	\$4.29	\$7.17	\$28.92
FLOAT	70 HP	0.16 HR		\$1.20	\$3.41	\$0.15	\$0.76	\$5.53
PLANE (3X)	145 HP	0.57 HR		\$4.28	\$16.46	\$2.33	\$12.23	\$35.28
DISC (2X)	145 HP	0.34 HR		\$2.55	\$9.82	\$2.30	\$4.23	\$18.89
FLOAT (2X)	70 HP	0.32 HR		\$2.40	\$6.82	\$0.31	\$1.52	\$11.05
DRILL (2X)	70 HP	0.42 HR		\$3.15	\$8.95	\$0.84	\$8.49	\$21.44
IRRIGATE (6X)		1.50 HR		\$11.25	\$44.90	\$0.00	\$35.28	\$91.43
SUBTOTAL		3.96 HR		\$29.70	\$109.13	\$11.36	\$71.80	\$221.99

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	16 FT	0.33 HR		\$2.48	\$4.32	\$0.48	\$7.33	\$14.61
RAKE	40 HP	0.05 HR		\$0.38	\$0.47	\$0.08	\$0.41	\$1.33
BALER (3X)	145 HP	0.75 HR		\$5.63	\$21.65	\$3.14	\$8.20	\$38.62
BALEWAGON (3X)	SP	0.60 HR		\$4.50	\$11.63	\$13.39	\$4.56	\$34.08
SUBTOTAL		1.73 HR		\$12.98	\$38.07	\$17.09	\$20.50	\$88.64

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			\$111.68				\$111.68
SUBTOTAL	0.00 HR	\$0.03	\$119.36				\$119.40

TOTAL OPERATING EXPENSES	5.69 HR	\$184.03	\$162.04	\$147.20	\$28.45	\$92.30	\$614.02
NET OPERATING PROFIT							\$978.48
INTEREST ON EQUIPMENT INVESTMENT							\$41.95
RETURN TO LAND AND RISK							\$936.54

BUDGET SUMMARY			
GROSS RETURN	\$1,592.50		
VARIABLE OPERATING EXPENSES	\$359.68		
RETURN OVER VARIABLE EXPENSES	\$1,232.82	(GROSS MARGIN)	
FIXED EXPENSES	\$92.30		
NET FARM INCOME	\$1,140.52	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$162.04		
NET OPERATING PROFIT	\$978.48	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$41.95		
RETURN TO LAND AND RISK	\$936.54		

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 2015  
Harvesting Dates: May 5 - November 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$245.00	6.50 TONS (STACKED)						\$1,592.50
GRAZING	\$40.00							\$40.00
<b>TOTAL</b>								<b>\$1,632.50</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
INSECTICIDE (CUSTOM)	\$0.00	2 X/ACRE	\$0.00					\$0.00
HERBICIDE (CUSTOM)	\$0.00	1 X/ACRE	\$0.00					\$0.00
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25					\$5.25
FERTILIZER (5-26-30)	\$0.45	200 LBS	\$90.00					\$90.00
WIRE	\$3.12	56 LBS	\$173.80					\$173.80
DRYING AGENT (AGRI-DRY)	\$8.26	1 /TON	\$53.66					\$53.66
ESTABLISHMENT: Principal		5 YEARS					\$187.31	\$187.31
: Interest							\$39.82	\$39.82
PUMP WATER*		48 AC. IN.						
<b>SUBTOTAL</b>			<b>\$322.71</b>				<b>\$227.13</b>	<b>\$549.84</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	\$40.32	\$102.89
<b>SUBTOTAL</b>		<b>1.50 HR</b>		<b>\$11.25</b>	<b>\$51.32</b>	<b>\$0.00</b>	<b>\$40.32</b>	<b>\$102.89</b>
<b>HARVEST OPERATIONS</b>								
SWATHER (5X)	16 FT SP	0.55 HR		\$4.13	\$7.21	\$0.80	\$12.21	\$24.34
RAKE (5X)	40 HP	0.25 HR		\$1.88	\$2.34	\$0.38	\$2.04	\$6.63
BALER (5X)	96 HP	1.25 HR		\$9.38	\$26.64	\$1.46	\$3.93	\$41.41
BALE WAGON (5X)	SP	1.00 HR		\$7.50	\$19.38	\$22.32	\$7.61	\$56.80
<b>SUBTOTAL</b>		<b>3.05 HR</b>		<b>\$22.88</b>	<b>\$55.57</b>	<b>\$24.95</b>	<b>\$25.79</b>	<b>\$129.18</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							\$2.12	\$2.12
SUPERVISION AND MANAGEMENT				\$114.45				\$114.45
OTHER EXPENSES			\$58.37					\$58.37
<b>SUBTOTAL</b>		<b>0.00 HR</b>		<b>\$58.39</b>	<b>\$120.59</b>		<b>\$2.12</b>	<b>\$181.10</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.55 HR</b>		<b>\$381.11</b>	<b>\$154.72</b>	<b>\$106.89</b>	<b>\$24.95</b>	<b>\$963.01</b>
<b>NET OPERATING PROFIT</b>								<b>\$669.49</b>
INTEREST ON OPERATING CAPITAL		( \$180.90 @ 7.50% )						\$13.57
INTEREST ON EQUIPMENT INVESTMENT								\$22.14
<b>RETURN TO LAND AND RISK</b>								<b>\$633.78</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,632.50	
VARIABLE OPERATING EXPENSES	\$512.94		
RETURN OVER VARIABLE EXPENSES		\$1,119.56	(GROSS MARGIN)
FIXED EXPENSES	\$295.35		
NET FARM INCOME		\$824.21	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$154.72		
NET OPERATING PROFIT		\$669.49	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$35.71		
RETURN TO LAND AND RISK		\$633.78	

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 2015  
 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	\$0.47	110 LBS	\$51.70		\$51.70
NITROGEN (N)	\$0.45	150 LBS	\$67.50		\$67.50
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>\$125.08</b>		<b>\$125.08</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.60	\$13.86	\$4.29	\$7.17	\$28.92
DISC (2X)	145 HP	0.34 HR		\$2.55	\$9.82	\$2.30	\$4.23	\$18.89
FERTILIZE	DEALER APPLIED							
DRILL	70 HP	0.21 HR		\$1.58	\$4.48	\$0.42	\$4.25	\$10.72
IRRIGATE (4X)		1.00 HR		\$7.50	\$29.94	\$0.00	\$23.52	\$60.95
<b>SUBTOTAL</b>		<b>2.03 HR</b>		<b>\$15.23</b>	<b>\$58.09</b>	<b>\$7.01</b>	<b>\$39.16</b>	<b>\$119.48</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							\$2.12	\$2.12
SUPERVISION AND MANAGEMENT				\$17.88				\$17.88
OTHER EXPENSES			\$58.37					\$58.37
<b>SUBTOTAL</b>		<b>0.00 HR</b>		<b>\$58.38</b>	<b>\$20.62</b>		<b>\$2.12</b>	<b>\$81.12</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>2.03 HR</b>		<b>\$208.37</b>	<b>\$35.85</b>	<b>\$58.09</b>	<b>\$7.01</b>	<b>\$41.28</b>	<b>\$350.59</b>
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<b>NET OPERATING PROFIT</b>									<b>(\$96.39)</b>
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INTEREST ON OPERATING CAPITAL	(	\$80.89	@	7.50%	)				\$6.07
INTEREST ON EQUIPMENT INVESTMENT									\$11.90

<b>RETURN TO LAND AND RISK</b>									<b>(\$114.36)</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	\$273.47		
RETURN OVER VARIABLE EXPENSES		(\$19.27)	(GROSS MARGIN)
FIXED EXPENSES	\$41.28		
NET FARM INCOME		(\$60.55)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$35.85		
NET OPERATING PROFIT		(\$96.39)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$17.97		
RETURN TO LAND AND RISK		(\$114.36)	

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 2015  
 Planting dates: February 1 - February 28  
 Harvesting Dates: June 1 - June 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	\$195.00	3.50 TONS (STACKED)						\$682.50
TOTAL								\$682.50

  

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.38	100 LBS	\$38.00					\$38.00
FERTILIZER (16-20-0)	\$0.40	150 LBS	\$60.00					\$60.00
PUMP WATER*		28 AC. IN.						
SUBTOTAL			\$98.00					\$98.00

  

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.60	\$13.86	\$4.29	\$7.17	\$28.92
DISC (2X)	145 HP	0.34 HR		\$2.55	\$9.82	\$2.30	\$4.23	\$18.89
DRILL	70 HP	0.21 HR		\$1.58	\$4.48	\$0.42	\$4.25	\$10.72
IRRIGATE (4X)		1.00 HR		\$7.50	\$29.94	\$0.00	\$23.52	\$60.95
SUBTOTAL		2.03 HR		\$15.23	\$58.09	\$7.01	\$39.16	\$119.48

  

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER	14 FT	0.16 HR		\$1.20	\$2.10	\$0.23	\$3.55	\$7.08
BALER	145 HP	0.25 HR		\$1.88	\$7.22	\$1.05	\$2.73	\$12.87
BALE WAGON	S. P.	0.20 HR		\$1.50	\$3.88	\$4.46	\$1.52	\$11.36
SUBTOTAL		0.61 HR		\$4.58	\$13.19	\$5.74	\$7.81	\$31.32

  

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DOWNTIME	0.00 HR		\$0.00				\$0.00	
EMPLOYEE BENEFITS			\$3.56				\$3.56	
INSURANCE			\$0.01				\$0.01	
LAND TAXES							\$2.12	
SUPERVISION AND MANAGEMENT			\$47.88				\$47.88	
OTHER EXPENSES			\$58.37				\$58.37	
SUBTOTAL	0.00 HR		\$58.38	\$51.44			\$2.12	\$111.94

  

TOTAL OPERATING EXPENSES	2.64 HR		\$156.38	\$71.24	\$71.28	\$12.75	\$49.09	\$360.74
NET OPERATING PROFIT								\$321.76
INTEREST ON OPERATING CAPITAL	( \$66.85 @ 7.50% )							\$5.01
INTEREST ON EQUIPMENT INVESTMENT								\$17.67
RETURN TO LAND AND RISK								\$299.07

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

BUDGET SUMMARY

GROSS RETURN		\$682.50	
VARIABLE OPERATING EXPENSES	\$240.41		
RETURN OVER VARIABLE EXPENSES		\$442.09	(GROSS MARGIN)
FIXED EXPENSES	\$49.09		
NET FARM INCOME		\$393.00	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$71.24		
NET OPERATING PROFIT		\$321.76	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$22.69		
RETURN TO LAND AND RISK		\$299.07	

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 2015  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.90	700 LBS		\$630.00
COTTON SEED	\$0.09	1,120.00 LBS		\$100.80
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>\$812.49</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	15 LBS	\$113.25		\$113.25
FOLIAR FERTILIZER	\$4.80	1 X/ACRE	\$4.80		\$4.80
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25		\$5.25
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>\$124.94</b>		<b>\$124.94</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$4.91	\$1.15	\$2.11	\$9.45
PLOW	145 HP	0.48 HR		\$3.60	\$13.86	\$4.29	\$7.17	\$28.92
DISC (2X)	145 HP	0.34 HR		\$2.55	\$9.82	\$2.30	\$4.23	\$18.89
FLOAT	145 HP	0.16 HR		\$1.20	\$4.62	\$0.64	\$1.72	\$8.17
PRE-IRRIGATE		0.25 HR		\$1.88	\$7.48	\$0.00	\$5.88	\$15.24
CULTIVATOR	65 HP	0.21 HR		\$1.58	\$2.55	\$1.57	\$1.79	\$7.49
PLANTER	70 HP	0.26 HR		\$1.95	\$5.54	\$0.67	\$5.92	\$14.08
SLED	70 HP	0.15 HR		\$1.13	\$3.20	\$0.18	\$0.90	\$5.40
CULTIVATIR (3X)	65 HP	0.63 HR		\$4.73	\$7.66	\$4.72	\$5.38	\$22.48
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$5.63	\$22.45	\$0.00	\$17.64	\$45.72
<b>SUBTOTAL</b>		<b>3.40 HR</b>	<b>\$20.00</b>	<b>\$25.50</b>	<b>\$82.09</b>	<b>\$15.52</b>	<b>\$52.73</b>	<b>\$195.83</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	\$15.66	\$12.68	\$185.24	\$219.13
HAUL (2X)	65 HP	1.00 HR		\$7.50	\$12.16	\$1.32	\$6.77	\$27.74
GIN COTTON (CUSTOM)			\$104.30					\$104.30
<b>SUBTOTAL</b>		<b>1.74 HR</b>	<b>\$104.30</b>	<b>\$13.05</b>	<b>\$27.82</b>	<b>\$14.00</b>	<b>\$192.00</b>	<b>\$351.18</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	70 HP	0.14 HR		\$1.05	\$2.98	\$0.19	\$2.99	\$7.22
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$1.05</b>	<b>\$2.98</b>	<b>\$0.19</b>	<b>\$2.99</b>	<b>\$7.22</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							\$2.12	\$2.12
SUPERVISION AND MANAGEMENT				\$57.05				\$57.05
OTHER EXPENSES			\$58.37					\$58.37
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$58.40</b>	<b>\$64.18</b>			<b>\$2.12</b>	<b>\$124.70</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>5.28 HR</b>	<b>\$307.64</b>	<b>\$103.78</b>	<b>\$112.89</b>	<b>\$29.71</b>	<b>\$249.84</b>	<b>\$803.86</b>
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<b>NET OPERATING PROFIT</b>								<b>\$8.63</b>
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INTEREST ON OPERATING CAPITAL	( \$91.15 @ 7.50% )							\$6.84
INTEREST ON EQUIPMENT INVESTMENT								\$125.27

<b>RETURN TO LAND AND RISK</b>								<b>(\$123.47)</b>
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\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN	\$812.49	
VARIABLE OPERATING EXPENSES	\$450.24	
RETURN OVER VARIABLE EXPENSES	\$362.25	(GROSS MARGIN)
FIXED EXPENSES	\$249.84	
NET FARM INCOME	\$112.41	(RETURN TO CAPITAL, LABOR, LAND & RISK)
aes	\$103.78	
NET OPERATING PROFIT	\$8.63	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$132.10	
RETURN TO LAND AND RISK	(\$123.47)	

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 2015  
 Planting dates: April 15 - May 15  
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE	TOTAL
<b>GROSS RETURNS</b>				
COTTON LINT	\$0.85	700 LBS		\$595.00
COTTON SEED	\$0.09	1,120 LBS		\$100.80
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>\$777.49</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$7.55	20 LBS	\$151.00		\$151.00
FOLIAR FERTILIZER	\$4.80	1 X/ACRE	\$4.80		\$4.80
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25		\$5.25
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>\$162.24</b>		<b>\$162.24</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.28	\$4.91	\$1.15	\$2.11	\$9.45
PLOW	145 HP	0.48 HR		\$3.60	\$13.86	\$4.29	\$7.17	\$28.92
DISC (2X)	145 HP	0.34 HR		\$2.55	\$9.82	\$2.30	\$4.23	\$18.89
FLOAT	145 HP	0.16 HR		\$1.20	\$4.62	\$0.64	\$1.72	\$8.17
PRE-IRRIGATE		0.25 HR		\$1.88	\$7.48	\$0.00	\$5.88	\$15.24
CULTIVATOR	65 HP	0.21 HR		\$1.58	\$2.55	\$1.57	\$1.79	\$7.49
PLANTER	70 HP	0.26 HR		\$1.95	\$5.54	\$0.67	\$5.92	\$14.08
SLED	70 HP	0.15 HR		\$1.13	\$3.20	\$0.18	\$0.90	\$5.40
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.73	\$7.66	\$4.72	\$5.38	\$22.48
HAND HOE (CUSTOM)			\$20.00					\$20.00
IRRIGATE (3X)		0.75 HR		\$5.63	\$22.45	\$0.00	\$17.64	\$45.72
<b>SUBTOTAL</b>		<b>3.40 HR</b>	<b>\$20.00</b>	<b>\$25.50</b>	<b>\$82.09</b>	<b>\$15.52</b>	<b>\$52.73</b>	<b>\$195.83</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	\$13.21	\$1.16	\$15.87	\$34.89
HAUL	65 HP	0.75 HR		\$5.63	\$9.12	\$0.99	\$5.07	\$20.81
GIN COTTON (CUSTOM)			\$134.89					\$134.89
<b>SUBTOTAL</b>		<b>1.37 HR</b>	<b>\$134.89</b>	<b>\$10.28</b>	<b>\$22.33</b>	<b>\$2.15</b>	<b>\$20.94</b>	<b>\$190.58</b>

POSTHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SHREDDER	70 HP	0.14 HR		\$0.56	\$2.98	\$0.19	\$2.99	\$6.73
<b>SUBTOTAL</b>		<b>0.14 HR</b>		<b>\$0.56</b>	<b>\$2.98</b>	<b>\$0.19</b>	<b>\$2.99</b>	<b>\$6.73</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			\$0.03					\$0.03
LAND TAXES							\$2.12	\$2.12
SUPERVISION AND MANAGEMENT				\$54.58				\$54.58
OTHER EXPENSES			\$58.37					\$58.37
<b>SUBTOTAL</b>		<b>0.00 HR</b>	<b>\$58.40</b>	<b>\$61.12</b>			<b>\$2.12</b>	<b>\$121.63</b>

<b>TOTAL OPERATING EXPENSES</b>		<b>4.91 HR</b>	<b>\$375.53</b>	<b>\$97.45</b>	<b>\$107.40</b>	<b>\$17.85</b>	<b>\$78.78</b>	<b>\$677.01</b>
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<b>NET OPERATING PROFIT</b>								<b>\$100.48</b>
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INTEREST ON OPERATING CAPITAL	( \$108.35 @ 7.50% )							\$8.13
INTEREST ON EQUIPMENT INVESTMENT								\$35.77

<b>RETURN TO LAND AND RISK</b>								<b>\$56.58</b>
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\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN	\$777.49		
VARIABLE OPERATING EXPENSES	\$500.78		
RETURN OVER VARIABLE EXPENSES	\$276.71	(GROSS MARGIN)	
FIXED EXPENSES	\$78.78		
NET FARM INCOME	\$197.93	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$97.45		
NET OPERATING PROFIT	\$100.48	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$43.90		
RETURN TO LAND AND RISK	\$56.58		

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area,  
Projected 2015

	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	\$245.00	\$245.00	\$6.12	\$195.00	\$0.90	\$0.85
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$81.69	\$81.69
SECOND INCOME	\$0.00	\$40.00	\$40.00	\$0.00	\$100.80	\$100.80
GROSS RETURN	\$1,592.50	\$1,632.50	\$254.20	\$682.50	\$812.49	\$777.49
CASH OPERATING EXPENSES						
SEED	\$120.00		\$51.70	\$38.00	\$113.25	\$151.00
FERTILIZER	\$64.00	\$90.00	\$67.50	\$60.00	\$4.80	\$4.80
CHEMICALS	\$0.00	\$5.25	\$0.00		\$5.25	\$5.25
CROP INSURANCE			\$5.88		\$1.64	\$1.19
OTHER PURCHASED INPUTS		\$227.46				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$102.30	\$55.57	\$28.15	\$41.34	\$82.95	\$77.47
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		\$2.12	\$2.12	\$2.12	\$2.12	\$2.12
OTHER EXPENSES	\$0.03	\$58.39	\$58.38	\$58.38	\$58.40	\$58.40
TOTAL CASH EXPENSES	\$359.68	\$515.06	\$275.58	\$242.53	\$452.36	\$502.90
RETURN OVER CASH EXPENSES	\$1,232.82	\$1,117.44	(\$21.38)	\$439.97	\$360.14	\$274.60
FIXED EXPENSES	\$92.30	\$293.23	\$39.16	\$46.97	\$247.72	\$76.66
TOTAL EXPENSES	\$451.98	\$808.29	\$314.75	\$289.50	\$700.08	\$579.56
NET FARM INCOME	\$1,140.52	\$824.21	(\$60.55)	\$393.00	\$112.41	\$197.93
LABOR AND MANAGEMENT COSTS	\$162.04	\$154.72	\$35.85	\$71.24	\$103.78	\$97.45
NET OPERATING PROFIT	\$978.48	\$669.49	(\$96.39)	\$321.76	\$8.63	\$100.48
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$13.57	\$6.07	\$5.01	\$6.84	\$8.13
INTEREST ON EQUIPMENT INVESTMENT	\$41.95	\$22.14	\$11.90	\$17.67	\$125.27	\$35.77
TOTAL CAPITAL COSTS	\$41.95	\$35.71	\$17.97	\$22.69	\$132.10	\$43.90
RETURN TO LAND AND RISK	\$936.54	\$633.78	(\$114.36)	\$299.07	(\$123.47)	\$56.58

Flex Computation

-63.294462 363.71641 249.51939 169.01516

TABLE 13. Whole farm summary, Artesia-Lake Arthur area,  
Projected 2015

GROSS RETURNS		
ALFALFA HAY	342 ACRES	\$556,035
CROP		\$11,400
GRAZING		
BARLEY	8.5 ACRES	\$1,821
CROP		\$0
DIRECT PAYMENTS		\$0
COUNTER CYCLICAL PAYMENT		\$340
GRAZING		
OAT HAY	8 ACRES	\$5,460
CROP		
PICKER COTTON	82 ACRES	\$51,660
COTTON LINT		\$8,266
COTTON SEED		\$0
DIRECT PAYMENTS		\$6,699
COUNTER CYCLICAL PAYMENT		
STRIPPER COTTON	59.5 ACRES	\$35,403
COTTON LINT		\$5,998
COTTON SEED		\$0
DIRECT PAYMENTS		\$4,861
COUNTER CYCLICAL PAYMENT		
		\$687,941
GROSS RETURN		
CASH OPERATING EXPENSES		
SEED		\$25,854
FERTILIZER		\$31,031
CHEMICALS		\$2,239
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$64,827
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$33,649
FUEL-IRRIGATION		\$21,916
REPAIRS		\$12,391
CUSTOM CHARGES		\$19,620
LAND TAXES		\$938
OTHER EXPENSES		\$25,870
		\$238,486
TOTAL CASH EXPENSES		
		\$449,455
RETURN OVER CASH EXPENSES		
		\$61,033
FIXED EXPENSES		
		\$299,519
TOTAL EXPENSES		
		\$388,422
NET FARM INCOME		
		\$68,514
LABOR AND MANAGEMENT COSTS		
		\$319,908
NET OPERATING PROFIT		
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$5,002
INTEREST ON EQUIPMENT INVESTMENT		\$21,345
		\$26,347
TOTAL CAPITAL COSTS		
RETURN TO LAND AND RISK		
		\$293,561

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$273,561	39.48%
\$2,500 /ACRE	\$243,561	20.50%
\$4,000 /ACRE	\$213,561	13.85%
\$5,500 /ACRE	\$183,561	10.45%

\* 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)