

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, Actual 2018
Planting dates: March 15 - April 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$230.00	6.10 TONS (STACKED)						\$1,403.00
TOTAL								\$1,403.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$2.95	20 LBS	\$59.00		\$59.00
FERTILIZER (16-20-0)	\$0.43	200 LBS	\$86.00		\$86.00
HERBICIDE	\$0.00	1 ACRE	\$0.00		\$0.00
PUMP WATER*		42 AC. IN.			
SUBTOTAL			\$145.00		\$145.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	145 HP	0.17 HR		\$1.22	\$4.28	\$1.15	\$2.08	\$8.73
PLOW	145 HP	0.48 HR		\$3.46	\$12.08	\$4.28	\$7.07	\$26.88
FLOAT	70 HP	0.16 HR		\$1.15	\$2.97	\$0.15	\$0.72	\$4.99
PLANE (3X)	145 HP	0.57 HR		\$4.10	\$14.34	\$2.32	\$12.06	\$32.83
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.55	\$2.29	\$4.16	\$17.46
FLOAT (2X)	70 HP	0.32 HR		\$2.30	\$5.94	\$0.29	\$1.45	\$9.99
DRILL (2X)	70 HP	0.42 HR		\$3.02	\$7.80	\$0.82	\$8.35	\$20.00
IRRIGATE (6X)		1.50 HR		\$11.25	\$59.11	\$0.00	\$34.93	\$105.29
SUBTOTAL		3.96 HR		\$28.96	\$115.08	\$11.30	\$70.82	\$226.17

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	16 FT	0.33 HR		\$2.38	\$3.77	\$0.45	\$6.88	\$13.48
RAKE	40 HP	0.05 HR		\$0.36	\$0.53	\$0.07	\$0.38	\$1.34
BALER (3X)	145 HP	0.75 HR		\$5.40	\$18.87	\$3.13	\$8.06	\$35.46
BALEWAGON (3X)	SP	0.60 HR		\$4.32	\$13.12	\$13.39	\$4.26	\$35.08
SUBTOTAL		1.73 HR		\$12.46	\$36.28	\$17.05	\$19.57	\$85.36

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS			\$7.46				\$7.46
INSURANCE		\$0.03					\$0.03
SUPERVISION AND MANAGEMENT			\$98.42				\$98.42
SUBTOTAL	0.00 HR	\$0.03	\$105.88				\$105.91

TOTAL OPERATING EXPENSES	5.69 HR	\$145.03	\$147.30	\$151.36	\$28.35	\$90.40	\$562.44
NET OPERATING PROFIT							\$840.56
INTEREST ON EQUIPMENT INVESTMENT							\$41.28
RETURN TO LAND AND RISK							\$799.28

BUDGET SUMMARY	
GROSS RETURN	\$1,403.00
VARIABLE OPERATING EXPENSES	\$324.74
RETURN OVER VARIABLE EXPENSES	\$1,078.26 (GROSS MARGIN)
FIXED EXPENSES	\$90.40
NET FARM INCOME	\$987.86 (RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$147.30
NET OPERATING PROFIT	\$840.56 (RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$41.28
RETURN TO LAND AND RISK	\$799.28

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, Actual 2018
Harvesting Dates: May 5 - November 1

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$230.00	6.10 TONS (STACKED)	\$1,403.00
GRAZING	\$40.00		\$40.00
TOTAL			\$1,443.00

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)	\$0.42	200 LBS	\$84.00		\$84.00
WIRE	\$2.60	52 LBS	\$135.92		\$135.92
DRYING AGENT (AGRI-DRY)	\$8.26	1 /TON	\$50.36		\$50.36
ESTABLISHMENT: Principal		5 YEARS		\$159.86	\$159.86
: Interest				\$33.43	\$33.43
PUMP WATER*		48 AC. IN.			
SUBTOTAL			\$275.53	\$193.29	\$468.82

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (6X)		1.50 HR		\$11.25	\$67.56	\$0.00	\$39.92	\$118.72
SUBTOTAL		1.50 HR		\$11.25	\$67.56	\$0.00	\$39.92	\$118.72

HARVEST OPERATIONS								
SWATHER (5X)	16 FT SP	0.55 HR		\$3.96	\$6.28	\$0.76	\$11.46	\$22.46
RAKE (5X)	40 HP	0.25 HR		\$1.80	\$2.64	\$0.36	\$1.90	\$6.70
BALER (5X)	96 HP	1.25 HR		\$9.00	\$23.22	\$1.40	\$3.78	\$37.39
BALE WAGON (5X)	SP	1.00 HR		\$7.20	\$21.86	\$22.32	\$7.10	\$58.47
SUBTOTAL		3.05 HR		\$21.96	\$53.99	\$24.83	\$24.24	\$125.02

OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$5.98				\$5.98
INSURANCE			\$0.02					\$0.02
LAND TAXES							\$1.79	\$1.79
SUPERVISION AND MANAGEMENT				\$101.19				\$101.19
OTHER EXPENSES			\$59.77					\$59.77
SUBTOTAL		0.00 HR		\$59.79	\$107.17		\$1.79	\$168.74

TOTAL OPERATING EXPENSES		4.55 HR		\$335.33	\$140.38	\$121.55	\$24.83	\$259.23	\$881.32
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NET OPERATING PROFIT									\$561.68
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INTEREST ON OPERATING CAPITAL			(\$161.22	@	7.50%)		\$12.09
INTEREST ON EQUIPMENT INVESTMENT									\$21.19

RETURN TO LAND AND RISK									\$528.40
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$1,443.00	
VARIABLE OPERATING EXPENSES	\$481.71		
RETURN OVER VARIABLE EXPENSES		\$961.29	(GROSS MARGIN)
FIXED EXPENSES	\$259.23		
NET FARM INCOME		\$702.06	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$140.38		
NET OPERATING PROFIT		\$561.68	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.28		
RETURN TO LAND AND RISK		\$528.40	

TABLE 8. Barley, sprinkler-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2018
 Planting dates: August 20 - September 30
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
BARLEY	\$6.22	35.00	CWT					\$217.70
DIRECT PAYMENT	\$0.00	35.00	CWT	0.85				\$0.00
COUNTER CYCLICAL PAYMENT	\$0.00	35.00	CWT	0.85				\$0.00
GRAZING	\$40.00							\$40.00
TOTAL								\$257.70
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$0.38	110	LBS	\$41.80				\$41.80
NITROGEN (N)	\$0.42	150	LBS	\$63.00				\$63.00
INSECTICIDE (CUSTOM)	\$0.00	1	X/ACRE	\$0.00				\$0.00
PUMP WATER*		28	AC. IN.					
CROP INSURANCE	\$5.88			\$5.88				\$5.88
SUBTOTAL				\$110.68				\$110.68
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48	HR	\$3.46	\$12.08	\$4.28	\$7.07	\$26.88
DISC (2X)	145 HP	0.34	HR	\$2.45	\$8.55	\$2.29	\$4.16	\$17.46
FERTILIZE	DEALER APPLIED							
DRILL	70 HP	0.21	HR	\$1.51	\$3.90	\$0.41	\$4.18	\$10.00
IRRIGATE (4X)		1.00	HR	\$7.50	\$39.41	\$0.00	\$23.28	\$70.19
SUBTOTAL		2.03	HR	\$14.92	\$63.94	\$6.99	\$38.69	\$124.53
HARVEST OPERATIONS								
COMBINE (CUSTOM)				\$17.91				\$17.91
HAUL (CUSTOM)				\$7.00				\$7.00
SUBTOTAL				\$24.91				\$24.91
OVERHEAD EXPENSES								
DOWNTIME		0.00	HR	\$0.00				\$0.00
EMPLOYEE BENEFITS				\$2.68				\$2.68
INSURANCE				\$0.01				\$0.01
LAND TAXES							\$1.79	\$1.79
SUPERVISION AND MANAGEMENT				\$18.13				\$18.13
OTHER EXPENSES				\$59.77				\$59.77
SUBTOTAL		0.00	HR	\$59.78	\$20.81		\$1.79	\$82.38
TOTAL OPERATING EXPENSES		2.03	HR	\$195.37	\$35.73	\$63.94	\$6.99	\$342.50
NET OPERATING PROFIT								(\$84.80)
INTEREST ON OPERATING CAPITAL		(\$75.15	@	7.50%)			\$5.64
INTEREST ON EQUIPMENT INVESTMENT								\$11.85
RETURN TO LAND AND RISK								(\$102.28)

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

BUDGET SUMMARY

GROSS RETURN		\$257.70	
VARIABLE OPERATING EXPENSES	\$266.30		
RETURN OVER VARIABLE EXPENSES		(\$8.60)	(GROSS MARGIN)
FIXED EXPENSES	\$40.47		
NET FARM INCOME		(\$49.07)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$35.73		
NET OPERATING PROFIT		(\$84.80)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$17.48		
RETURN TO LAND AND RISK		(\$102.28)	

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, Actual 2018
 Planting dates: February 1 - February 28
 Harvesting Dates: June 1 - June 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	\$160.00	3.50	TONS (STACKED)					\$560.00
TOTAL								\$560.00
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PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST			TOTAL
SEED	\$0.37	100 LBS		\$37.00				\$37.00
FERTILIZER (16-20-0)	\$0.49	150 LBS		\$73.50				\$73.50
PUMP WATER*		28 AC. IN.						
SUBTOTAL				\$110.50				\$110.50
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PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$3.46	\$12.08	\$4.28	\$7.07	\$26.88
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.55	\$2.29	\$4.16	\$17.46
DRILL	70 HP	0.21 HR		\$1.51	\$3.90	\$0.41	\$4.18	\$10.00
IRRIGATE (4X)		1.00 HR		\$7.50	\$39.41	\$0.00	\$23.28	\$70.19
SUBTOTAL		2.03 HR		\$14.92	\$63.94	\$6.99	\$38.69	\$124.53
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HARVEST OPERATIONS								
SWATHER	14 FT	0.16 HR		\$1.15	\$1.83	\$0.22	\$3.33	\$6.53
BALER	145 HP	0.25 HR		\$1.80	\$6.29	\$1.04	\$2.69	\$11.82
BALE WAGON	S. P.	0.20 HR		\$1.44	\$4.37	\$4.46	\$1.42	\$11.69
SUBTOTAL		0.61 HR		\$4.39	\$12.49	\$5.73	\$7.44	\$30.05
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OVERHEAD EXPENSES								
DOWNTIME		0.00 HR		\$0.00				\$0.00
EMPLOYEE BENEFITS				\$3.48				\$3.48
INSURANCE			\$0.01					\$0.01
LAND TAXES							\$1.79	\$1.79
SUPERVISION AND MANAGEMENT				\$39.31				\$39.31
OTHER EXPENSES			\$59.77					\$59.77
SUBTOTAL		0.00 HR		\$59.78	\$42.78		\$1.79	\$104.35
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TOTAL OPERATING EXPENSES		2.64 HR		\$170.28	\$62.09	\$76.43	\$12.71	\$369.43
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NET OPERATING PROFIT								\$190.57
INTEREST ON OPERATING CAPITAL		(\$74.50	@	7.50%)		\$5.59
INTEREST ON EQUIPMENT INVESTMENT								\$17.43
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RETURN TO LAND AND RISK								\$167.55

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

BUDGET SUMMARY

GROSS RETURN		\$560.00	
VARIABLE OPERATING EXPENSES	\$259.43		
RETURN OVER VARIABLE EXPENSES		\$300.57	(GROSS MARGIN)
FIXED EXPENSES	\$47.91		
NET FARM INCOME		\$252.66	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$62.09		
NET OPERATING PROFIT		\$190.57	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$23.02		
RETURN TO LAND AND RISK		\$167.55	

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, Actual 2018
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
COTTON LINT	\$0.72	1,328 LBS							\$952.18
COTTON SEED	\$0.08	2,124.80 LBS							\$178.48
DIRECT PAYMENT	\$0.0000	1,328 LBS		0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	700 LBS		0.85					\$81.69
TOTAL									\$1,212.35
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$8.45	15 LBS	\$126.75						\$126.75
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.							
SUBTOTAL			\$138.44						\$138.44
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	145 HP	0.17 HR		\$1.22	\$4.28	\$1.15	\$2.08	\$8.73	
PLOW	145 HP	0.48 HR		\$3.46	\$12.08	\$4.28	\$7.07	\$26.88	
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.55	\$2.29	\$4.16	\$17.46	
FLOAT	145 HP	0.16 HR		\$1.15	\$4.03	\$0.64	\$1.69	\$7.50	
PRE-IRRIGATE		0.25 HR		\$1.88	\$9.85	\$0.00	\$5.82	\$17.55	
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$2.88	\$1.56	\$1.75	\$7.71	
PLANTER	70 HP	0.26 HR		\$1.87	\$4.83	\$0.66	\$5.83	\$13.18	
SLED	70 HP	0.15 HR		\$1.08	\$2.79	\$0.20	\$0.86	\$4.93	
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.54	\$8.64	\$4.69	\$5.25	\$23.12	
HAND HOE (CUSTOM)			\$20.00					\$20.00	
IRRIGATE (3X)		0.75 HR		\$5.63	\$29.56	\$0.00	\$17.46	\$52.64	
SUBTOTAL		3.40 HR	\$20.00	\$24.78	\$87.47	\$15.48	\$51.97	\$199.70	
HARVEST OPERATIONS									
COTTON PICKER (2X)	2-ROW	0.74 HR		\$5.33	\$13.65	\$11.56	\$167.20	\$197.73	
HAUL (2X)	65 HP	1.00 HR		\$7.20	\$13.71	\$1.28	\$6.57	\$28.76	
GIN COTTON (CUSTOM)			\$197.87					\$197.87	
SUBTOTAL		1.74 HR	\$197.87	\$12.53	\$27.36	\$12.83	\$173.77	\$424.37	
POSTHARVEST OPERATIONS									
SHREDDER	70 HP	0.14 HR		\$1.01	\$2.60	\$0.18	\$2.94	\$6.73	
SUBTOTAL		0.14 HR		\$1.01	\$2.60	\$0.18	\$2.94	\$6.73	
OVERHEAD EXPENSES									
DOWNTIME		0.00 HR		\$0.00				\$0.00	
EMPLOYEE BENEFITS				\$6.90				\$6.90	
INSURANCE			\$0.03					\$0.03	
LAND TAXES							\$1.79	\$1.79	
SUPERVISION AND MANAGEMENT				\$85.05				\$85.05	
OTHER EXPENSES			\$59.77					\$59.77	
SUBTOTAL		0.00 HR	\$59.80	\$91.94			\$1.79	\$153.53	
TOTAL OPERATING EXPENSES		5.28 HR	\$416.11	\$130.26	\$117.44	\$28.50	\$230.46	\$922.76	
NET OPERATING PROFIT								\$289.59	
INTEREST ON OPERATING CAPITAL		(\$99.00 @	7.50%)				\$7.43	
INTEREST ON EQUIPMENT INVESTMENT								\$116.24	
RETURN TO LAND AND RISK								\$165.92	

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

BUDGET SUMMARY

GROSS RETURN		#####	
VARIABLE OPERATING EXPENSES	\$562.04		
RETURN OVER VARIABLE EXPENSES		\$650.31	(GROSS MARGIN)
FIXED EXPENSES	\$230.46		
NET FARM INCOME		\$419.85	(RETURN TO CAPITAL, LABOR, LAND & RISK)
aes	\$130.26		
NET OPERATING PROFIT		\$289.59	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$123.67		
RETURN TO LAND AND RISK		\$165.92	

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, Actual 2018
 Planting dates: April 15 - May 15
 Harvesting dates: October 15 - January 15

ITEM	PRICE	YIELD	BASE						TOTAL
GROSS RETURNS									
COTTON LINT	\$0.67	1,228 LBS							\$822.76
COTTON SEED	\$0.08	1,965 LBS							\$165.04
DIRECT PAYMENT	\$0.0000	1,228 LBS		0.85					\$0.00
COUNTER CYCLICAL PAYMENT	\$0.1373	700 LBS		0.85					\$81.69
TOTAL									\$1,069.50
PURCHASED INPUTS									
	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
SEED	\$8.45	20 LBS	\$169.00						\$169.00
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.							
SUBTOTAL			\$180.24						\$180.24
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	145 HP	0.17 HR		\$1.22	\$4.28	\$1.15	\$2.08	\$8.73	
PLOW	145 HP	0.48 HR		\$3.46	\$12.08	\$4.28	\$7.07	\$26.88	
DISC (2X)	145 HP	0.34 HR		\$2.45	\$8.55	\$2.29	\$4.16	\$17.46	
FLOAT	145 HP	0.16 HR		\$1.15	\$4.03	\$0.64	\$1.69	\$7.50	
PRE-IRRIGATE		0.25 HR		\$1.88	\$9.85	\$0.00	\$5.82	\$17.55	
CULTIVATOR	65 HP	0.21 HR		\$1.51	\$2.88	\$1.56	\$1.75	\$7.71	
PLANTER	70 HP	0.26 HR		\$1.87	\$4.83	\$0.66	\$5.83	\$13.18	
SLED	70 HP	0.15 HR		\$1.08	\$2.79	\$0.20	\$0.86	\$4.93	
CULTIVATOR (3X)	65 HP	0.63 HR		\$4.54	\$8.64	\$4.69	\$5.25	\$23.12	
HAND HOE (CUSTOM)			\$20.00					\$20.00	
IRRIGATE (3X)		0.75 HR		\$5.63	\$29.56	\$0.00	\$17.46	\$52.64	
SUBTOTAL		3.40 HR	\$20.00	\$24.78	\$87.47	\$15.48	\$51.97	\$199.70	
HARVEST OPERATIONS									
COTTON STRIPPER	70 HP	0.62 HR		\$4.46	\$11.52	\$1.13	\$15.60	\$32.70	
HAUL	65 HP	0.75 HR		\$5.40	\$10.28	\$0.96	\$4.93	\$21.57	
GIN COTTON (CUSTOM)			\$236.64					\$236.64	
SUBTOTAL		1.37 HR	\$236.64	\$9.86	\$21.80	\$2.09	\$20.53	\$290.91	
POSTHARVEST OPERATIONS									
SHREDDER	70 HP	0.14 HR		\$0.56	\$2.60	\$0.18	\$2.94	\$6.28	
SUBTOTAL		0.14 HR		\$0.56	\$2.60	\$0.18	\$2.94	\$6.28	
OVERHEAD EXPENSES									
DOWNTIME		0.00 HR		\$0.00				\$0.00	
EMPLOYEE BENEFITS				\$6.34				\$6.34	
INSURANCE			\$0.03					\$0.03	
LAND TAXES							\$1.79	\$1.79	
SUPERVISION AND MANAGEMENT				\$75.02				\$75.02	
OTHER EXPENSES			\$59.77					\$59.77	
SUBTOTAL		0.00 HR	\$59.80	\$81.36			\$1.79	\$142.94	
TOTAL OPERATING EXPENSES		4.91 HR	\$496.67	\$116.56	\$111.87	\$17.75	\$77.22	\$820.07	
NET OPERATING PROFIT									\$249.43
INTEREST ON OPERATING CAPITAL			(\$118.54 @	7.50%)			\$8.89	
INTEREST ON EQUIPMENT INVESTMENT								\$35.38	
RETURN TO LAND AND RISK									\$205.16

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

GROSS RETURN		#####	
VARIABLE OPERATING EXPENSES	\$626.29		
RETURN OVER VARIABLE EXPENSES		\$443.20	(GROSS MARGIN)
FIXED EXPENSES	\$77.22		
NET FARM INCOME		\$365.99	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$116.56		
NET OPERATING PROFIT		\$249.43	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$44.27		
RETURN TO LAND AND RISK		\$205.16	

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area,
Actual 2018

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON
	TONS	TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD	6.10	6.10	35.00	3.50	1,328.00	1,228.00
PRIMARY PRICE	\$230.00	\$230.00	\$6.22	\$160.00	\$0.72	\$0.67
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$81.69	\$81.69
SECOND INCOME	\$0.00	\$40.00	\$40.00	\$0.00	\$178.48	\$165.04
GROSS RETURN	\$1,403.00	\$1,443.00	\$257.70	\$560.00	\$1,212.35	\$1,069.50
CASH OPERATING EXPENSES						
SEED	\$59.00		\$41.80	\$37.00	\$126.75	\$169.00
FERTILIZER	\$86.00	\$84.00	\$63.00	\$73.50	\$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		\$186.28				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$92.25	\$53.99	\$24.53	\$37.02	\$78.03	\$72.46
FUEL-IRRIGATION	\$59.11	\$67.56	\$39.41	\$39.41	\$39.41	\$39.41
REPAIRS	\$28.35	\$24.83	\$6.99	\$12.71	\$28.50	\$17.75
CUSTOM CHARGES			\$24.91		\$217.87	\$256.64
LAND TAXES		\$1.79	\$1.79	\$1.79	\$1.79	\$1.79
OTHER EXPENSES	\$0.03	\$59.79	\$59.78	\$59.78	\$59.80	\$59.80
TOTAL CASH EXPENSES	\$324.74	\$483.50	\$268.08	\$261.21	\$563.83	\$628.08
RETURN OVER CASH EXPENSES	\$1,078.26	\$959.50	(\$10.38)	\$298.79	\$648.52	\$441.42
FIXED EXPENSES	\$90.40	\$257.44	\$38.69	\$46.13	\$228.67	\$75.43
TOTAL EXPENSES	\$415.14	\$740.94	\$306.77	\$307.34	\$792.50	\$703.51
NET FARM INCOME	\$987.86	\$702.06	(\$49.07)	\$252.66	\$419.85	\$365.99
LABOR AND MANAGEMENT COSTS	\$147.30	\$140.38	\$35.73	\$62.09	\$130.26	\$116.56
NET OPERATING PROFIT	\$840.56	\$561.68	(\$84.80)	\$190.57	\$289.59	\$249.43
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$12.09	\$5.64	\$5.59	\$7.43	\$8.89
INTEREST ON EQUIPMENT INVESTMENT	\$41.28	\$21.19	\$11.85	\$17.43	\$116.24	\$35.38
TOTAL CAPITAL COSTS	\$41.28	\$33.28	\$17.48	\$23.02	\$123.67	\$44.27
RETURN TO LAND AND RISK	\$799.28	\$528.40	(\$102.28)	\$167.55	\$165.92	\$205.16

Flex Computation

-51.748949 231.109771 510.840201 315.965384

TABLE 13. Whole farm summary, Artesia-Lake Arthur area,
Actual 2018

GROSS RETURNS		
ALFALFA HAY	342 ACRES	\$491,226
CROP		\$11,400
GRAZING		
BARLEY	8.5 ACRES	\$1,850
CROP		\$0
DIRECT PAYMENTS		\$0
COUNTER CYCLICAL PAYMENT		\$340
GRAZING		
OAT HAY	8 ACRES	\$4,480
CROP		
PICKER COTTON	82 ACRES	\$78,078
COTTON LINT		\$14,636
COTTON SEED		\$0
DIRECT PAYMENTS		\$6,699
COUNTER CYCLICAL PAYMENT		
STRIPPER COTTON	59.5 ACRES	\$48,954
COTTON LINT		\$9,820
COTTON SEED		\$0
DIRECT PAYMENTS		\$4,861
COUNTER CYCLICAL PAYMENT		
		\$672,344
GROSS RETURN		
CASH OPERATING EXPENSES		
SEED		\$24,463
FERTILIZER		\$30,645
CHEMICALS		\$2,239
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$53,090
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$31,861
FUEL-IRRIGATION		\$28,850
REPAIRS		\$12,248
CUSTOM CHARGES		\$33,347
LAND TAXES		\$791
OTHER EXPENSES		\$26,491
		\$244,174
TOTAL CASH EXPENSES		
		\$428,170
RETURN OVER CASH EXPENSES		
		\$56,903
FIXED EXPENSES		
		\$301,077
TOTAL EXPENSES		
		\$371,267
NET FARM INCOME		
		\$66,820
LABOR AND MANAGEMENT COSTS		
		\$304,447
NET OPERATING PROFIT		
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$4,677
INTEREST ON EQUIPMENT INVESTMENT		\$20,269
		\$24,946
TOTAL CAPITAL COSTS		
RETURN TO LAND AND RISK		
		\$279,502

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$259,502	37.11%
\$2,500 /ACRE	\$229,502	19.39%
\$4,000 /ACRE	\$199,502	13.12%
\$5,500 /ACRE	\$169,502	9.92%

* 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)