

TABLE 1. Acreage Summary, Lincoln County
Projected 2005.

BUDGET AREA..... HONDO VALLEY, LINCOLN COUNTY	
FARM SIZE.....	35 ACRES
IRRIGATION TYPE.....	FLOOD
NUMBER OF CROPS....	4

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	2.00 *	12	24
ALFALFA HAY	10.00	36	360
PASTURE ESTABLISHMENT	2.00 *	12	24
PERMANENT PASTURE	20.00	30	600
ROADS, DITCHES, HOMESTEAD	5.00		
TO	35.00		1,008
ACRE FEET PER ACRE OF WATER RIG			2.40

*DOUBLE-CROPPED

TABLE 2. Basic cost information for Lincoln County
Projected 2005.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$6.65
General & Irrigators	\$/hour	\$6.35
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.40
Phosphorus (P205)	\$/pound	\$0.31
Seed:		
Alfalfa	\$/pound	\$2.88
Pasture	\$/pound	\$2.20
Natural Gas	\$/MCF	\$3.26
Diesel fuel	\$/gallon	\$2.10
Gasoline	\$/gallon	\$2.00
Electricity	cents/kwhr	6.88
Employee Liability Insurance	\$/ \$1,000 wages	\$12.00
Employee Benefits	percent/wages	12.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	7.00%
Land Interest Rate	percent	7.00%
Equipment Interest Rate	percent	7.00%
Expected Inflation Rate	percent	3.00%
Land Taxes	\$175.00 /acre (full value)	\$1.42
Personal Property Tax Rate	- NR \$/ \$1,000 (Assessed Value)	\$24.33
	- R	\$19.83
Supervision Factors		
Field Crop-Irrigation	\$/acre	\$1.00
Field Crop-Equipment & Genera	\$/acre	\$0.50
Management Rate	percent	4.00%

TABLE 3. Overhead cost information for Lincoln County
Projected 2005.

Item			
Electricity (Domestic & Shop)	\$215.00	per month	\$2,580
Telephone	\$115.00	per month	\$1,380
Accounting & Legal			\$1,525
Misc. Supplies & Hand Tools			\$1,430
Pickup and Auto			
miles	20,009	@	\$0.365 per mile
Insurance			
- general liability (non-employee)			\$1,710
- fire/theft			\$1,525
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,290
Dues, fees, publications			\$405
Farmstead Equipment			\$185
Total			\$25,343
Total per planted acre			\$844.78

TABLE 4. Pumping costs and data for irrigation wells, Lincoln County, Projected 2005.

INPUT DATA			
DELIVERY PSI: SPRINKLER	0	DEPTH CHARACTERISTICS:	
		STATIC.....	50
		DRAW DOWN.....	25
		TOTAL HEAD.....	75
		CASING.....	100
GALLONS PER MINUTE (GPM)	400		
WORK HORSEPOWER	8		
EFFICIENCY FACTOR:			
ELECTRICITY	0.447		
NATURAL GAS	0.125		
LP GAS	0.186		
DIESEL	0.199		
FUEL COST PER HOUR:			
ELECTRICITY	6.88	CENTS/KwHr	
NATURAL GAS	\$3.26	\$/MCF	
LP GAS	\$0.67	\$/GAL	
DIESEL	\$2.10	\$/GAL	
PUMPING COSTS			
ELECTRICAL WELL:			
COST PER HOUR		\$0.90	
COST PER ACRE INCH		\$1.02	
NATURAL GAS WELL:			
COST PER HOUR		\$0.58	
COST PER ACRE INCH		\$0.66	
BUTANE WELL:			
COST PER HOUR		\$0.78	
COST PER ACRE INCH		\$0.89	
DIESEL WELL:			
COST PER HOUR		\$1.46	
COST PER ACRE INCH		\$1.65	

TABLE 5. Equipment summary for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.

EQUIPMENT				VARIABLE COSTS				FIXED COSTS			
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL, OIL, LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR	29 HP	100	1	\$7,609	\$745	\$107	\$7.48	\$1.08	\$359	\$73	\$4.34
BALER, PTO	2 WIRE	15	1	\$1,600		\$2		\$0.15	\$385	\$31	\$27.75
HARROW	8 FT	1	1	\$200		\$0		\$0.01	\$27	\$2	\$23.57
FLOAT	8 FT	2	1	\$400		\$0		\$0.01	\$40	\$2	\$17.68
DISC	6 FT	10	1	\$600		\$7		\$0.74	\$80	\$5	\$8.84
FERT. SPREADER		10	1	\$2,300		\$9		\$0.92	\$307	\$19	\$31.89
RAKE	8 FT	15	1	\$1,550		\$7		\$0.43	\$155	\$13	\$11.17
DRILL	8 FT	1	1	\$1,000		\$1		\$0.48	\$80	\$8	\$73.43
MOWER	7 FT	30	1	\$1,300		\$11		\$0.36	\$130	\$11	\$4.68
WELL ELECTRIC		204	1	\$8,000	\$183	\$0	\$0.90	\$0.00	\$640	\$65	\$3.46
				\$24,559	\$928	\$144			\$2,203	\$228	

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.
Planting dates: August 15 - October 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
ALFALFA SEED	\$2.88	20 LBS	\$57.60					\$57.60
PHOSPHORUS (P2O5)	\$0.31	50 LBS	\$15.50					\$15.50
CANAL WATER		12 AC. IN.						
SUBTOTAL			\$73.10					\$73.10
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$15.96	\$17.95	\$4.37	\$31.63	\$69.92
HARROW	30 HP	0.30 HR		\$2.00	\$2.24	\$0.33	\$8.37	\$12.94
FLOAT	30 HP	0.60 HR		\$3.99	\$4.49	\$0.65	\$13.21	\$22.34
FERT. SPREADER	30 HP	0.30 HR		\$2.00	\$2.24	\$0.60	\$10.87	\$15.71
DRILL	30 HP	0.30 HR		\$2.00	\$2.24	\$0.47	\$23.33	\$28.04
IRRIGATE (2X)		1.00 HR		\$6.35				\$6.35
SUBTOTAL		4.90 HR		\$32.29	\$29.17	\$6.42	\$87.42	\$155.30
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.98 HR		\$6.48				\$6.48
EMPLOYEE BENEFITS				\$3.87				\$3.87
FARM INSURANCE			\$0.39					\$0.39
SUPERVISION AND MANAGEMENT				\$12.09				\$12.09
SUBTOTAL		0.98 HR	\$0.39	\$22.44				\$22.83
TOTAL OPERATING EXPENSES		5.88 HR	\$73.49	\$54.73	\$29.17	\$6.42	\$87.42	\$251.23

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.
Harvesting dates: June 15 - September 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$130.00	4.00	TONS STACKED					\$520.00
GRAZING	\$15.00	1.00	ACRE					\$15.00
TOTAL								\$535.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.40	20 LBS	\$8.00					\$8.00
PHOSPHORUS (P2O5)	\$0.31	90 LBS	\$27.90					\$27.90
INSECTICIDE	\$16.00	1 ACRE	\$16.00					\$16.00
WIRE	\$0.50	35 LBS	\$17.50					\$17.50
ESTABLISHMENT: Principal		5 YEARS					\$50.25	\$50.25
: Interest							\$7.19	\$7.19
CANAL WATER		30 AC. IN.						
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$69.40				\$57.44	\$126.84
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$2.00	\$2.24	\$0.60	\$10.87	\$15.71
DITCH MAINTENANCE		0.25 HR		\$1.66				\$1.66
IRRIGATE (6X)		3.00 HR		\$19.05	\$6.11	\$0.00	\$23.49	\$48.66
SUBTOTAL		3.55 HR		\$22.71	\$8.36	\$0.60	\$34.36	\$66.03
HARVEST OPERATIONS								
MOWER (3X)	30 HP	3.00 HR		\$19.95	\$22.44	\$4.33	\$27.08	\$73.79
RAKE (3X)	30 HP	1.50 HR		\$9.98	\$11.22	\$2.27	\$23.27	\$46.73
BALER, PTO (3X)	30 HP	1.50 HR		\$9.98	\$11.22	\$1.85	\$48.13	\$71.18
HAUL (3X)	30 HP	1.50 HR		\$9.98	\$11.22	\$1.62	\$6.51	\$29.32
SUBTOTAL		7.50 HR		\$49.88	\$56.10	\$10.06	\$104.99	\$221.03
OVERHEAD EXPENSES								
DOWNTIME		2.01 HR		\$13.38				\$13.38
EMPLOYEE BENEFITS				\$8.71				\$8.71
FARM INSURANCE			\$0.87					\$0.87
LAND TAXES							\$1.42	\$1.42
SUPERVISION AND MANAGEMENT				\$28.43				\$28.43
OTHER EXPENSES			\$844.78					\$844.78
SUBTOTAL		2.01 HR		\$845.65	\$50.52		\$1.42	\$897.58
TOTAL OPERATING EXPENSES		13.06 HR		\$915.05	\$123.10	\$64.46	\$10.66	\$1,311.48
NET OPERATING PROFIT								(\$776.48)
INTEREST ON OPERATING CAPITAL		(\$371.36 @	7.00%)				\$6.58
INTEREST ON EQUIPMENT INVESTMENT								\$119.56
RETURN TO LAND AND RISK								(\$902.62)

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

BUDGET SUMMARY

GROSS RETURN		\$535.00	
VARIABLE OPERATING EXPENSES	\$996.75		
RETURN OVER VARIABLE EXPENSES		(\$461.75)	(GROSS MARGINS)
FIXED EXPENSES	\$198.21		
NET FARM INCOME		(\$659.95)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$123.10		
NET OPERATING PROFIT		(\$783.06)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$119.56		
RETURN TO LAND AND RISK		(\$902.62)	

TABLE 8. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
PASTURE SEED	\$2.20	20.00 LBS	\$44.00					\$44.00
NITROGEN (N)	\$0.40	50 LBS	\$20.00					\$20.00
PHOSPHORUS (P2O5)	\$0.31	20 LBS	\$6.20					\$6.20
CANAL WATER		12.00 AC. IN.						
SUBTOTAL			\$70.20					\$70.20
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$15.96	\$17.95	\$4.37	\$31.63	\$69.92
HARROW	30 HP	0.30 HR		\$2.00	\$2.24	\$0.33	\$8.37	\$12.94
FERT. SPREADER	30 HP	0.30 HR		\$2.00	\$2.24	\$0.60	\$10.87	\$15.71
FLOAT	30 HP	0.60 HR		\$3.99	\$4.49	\$0.65	\$13.21	\$22.34
DRILL	30 HP	0.30 HR		\$2.00	\$2.24	\$0.47	\$23.33	\$28.04
IRRIGATE (3X)		1.00 HR		\$6.35				\$6.35
SUBTOTAL		4.90 HR		\$32.29	\$29.17	\$6.42	\$87.42	\$155.30
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.98 HR		\$6.48				\$6.48
EMPLOYEE BENEFITS				\$3.87				\$3.87
FARM INSURANCE			\$0.39					\$0.39
SUPERVISION AND MANAGEMENT				\$11.97				\$11.97
OTHER EXPENSES			\$844.78					\$844.78
SUBTOTAL		0.98 HR	\$845.16	\$22.33				\$867.49
<u>TOTAL OPERATING EXPENSES</u>		5.88 HR	\$915.36	\$54.61	\$29.17	\$6.42	\$87.42	\$1,092.99

TABLE 9. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.
Harvesting dates: March 1 - September 30

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
PASTURE	\$12.00	10.00 AUMS	\$120.00
TOTAL			\$120.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	\$0.40	50 LBS	\$20.00		\$20.00
PHOSPHORUS (P2O5)	\$0.31	20 LBS	\$6.20		\$6.20
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10 YEARS		\$12.00	\$12.00
: Interest				\$109.30	\$109.30
CANAL WATER		24 AC. IN.			
PUMP WATER*		6 AC. IN.		\$42.61	\$42.61
SUBTOTAL			\$26.20	\$163.91	\$190.11

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$1.91	\$2.24	\$0.60	\$10.87	\$15.62
DITCH MAINTENANCE		0.25 HR		\$1.59				\$1.59
IRRIGATE (5X)		2.50 HR		\$15.88	\$6.11	\$0.00	\$23.49	\$45.48
SUBTOTAL		3.05 HR		\$19.37	\$8.36	\$0.60	\$34.36	\$62.69

OVERHEAD EXPENSES

DOWNTIME		0.14 HR		\$0.91				\$0.91
EMPLOYEE BENEFITS				\$2.32				\$2.32
FARM INSURANCE			\$0.23					\$0.23
LAND TAXES							\$1.42	\$1.42
SUPERVISION AND MANAGEMENT				\$7.58				\$7.58
OTHER EXPENSES			\$844.78					\$844.78
SUBTOTAL		0.14 HR	\$845.01	\$10.81			\$1.42	\$857.24

TOTAL OPERATING EXPENSES		3.19 HR	\$871.21	\$30.18	\$8.36	\$0.60	\$199.70	\$1,110.04
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NET OPERATING PROFIT								(\$990.04)
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INTEREST ON OPERATING CAPITAL	(\$252.80	@	7.00%)			\$7.75
INTEREST ON EQUIPMENT INVESTMENT								\$25.30

RETURN TO LAND AND RISK								(\$1,023.09)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$120.00	
VARIABLE OPERATING EXPENSES	\$887.92		
RETURN OVER VARIABLE EXPENSES		(\$767.92)	(GROSS MARGINS)
FIXED EXPENSES	\$199.70		
NET FARM INCOME		(\$967.61)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$30.18		
NET OPERATING PROFIT		(\$997.79)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$25.30		
RETURN TO LAND AND RISK		(\$1,023.09)	

TABLE 10. Summary of per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE
		TONS		AUMS
PRIMARY YIELD		4.00		10.00
PRIMARY PRICE		\$130.00		\$12.00
GOVERNMENT PAYMENTS		\$0.00		\$0.00
SECOND INCOME		\$15.00		\$0.00
GROSS RETURN		\$535.00		\$120.00
CASH OPERATING EXPENSES				
SEED	\$57.60		\$44.00	
FERTILIZER	\$15.50	\$35.90	\$26.20	\$26.20
CHEMICALS		\$16.00		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$17.50		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$29.17	\$58.34	\$29.17	\$2.24
FUEL-IRRIGATION		\$6.11		\$6.11
REPAIRS	\$6.42	\$10.66	\$6.42	\$0.60
CUSTOM CHARGES				
LAND TAXES		\$1.42		\$1.42
OTHER EXPENSES	\$0.39	\$845.65	\$845.16	\$845.01
TOTAL CASH EXPENSES	\$109.08	\$991.58	\$950.96	\$881.58
RETURN OVER CASH EXPENSES	(\$109.08)	(\$456.58)	(\$950.96)	(\$761.58)
FIXED EXPENSES	\$87.42	\$196.79	\$87.42	\$198.28
TOTAL EXPENSES	\$196.50	\$1,188.37	\$1,038.38	\$1,079.86
NET FARM INCOME	(\$196.50)	(\$653.37)	(\$1,038.38)	(\$959.86)
LABOR AND MANAGEMENT COSTS	\$54.73	\$123.10	\$54.61	\$30.18
NET OPERATING PROFIT	(\$251.23)	(\$776.48)	(\$1,092.99)	(\$990.04)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$6.58		\$7.75
INTEREST ON EQUIPMENT INVESTMENT		\$119.56		\$25.30
TOTAL CAPITAL COSTS	\$0.00	\$126.14	\$0.00	\$33.05
RETURN TO LAND AND RISK	(\$251.23)	(\$902.62)	(\$1,092.99)	(\$1,023.09)

TABLE 11. Whole farm summary, Hondo Valley, Lincoln County,
Projected 2005.

GROSS RETURNS		
ALFALFA HAY	10.00 ACRES	
CROP		\$5,200
GRAZING		\$150
PASTURE	20.00 ACRES	
GRAZING		\$2,400
GROSS RETURN		\$7,750
CASH OPERATING EXPENSES		
SEED		\$203
FERTILIZER		\$966
CHEMICALS		\$160
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$175
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$745
FUEL-IRRIGATION		\$183
REPAIRS		\$144
CUSTOM CHARGES		\$0
LAND TAXES		\$43
OTHER EXPENSES		\$27,048
TOTAL CASH EXPENSES		\$29,668
RETURN OVER CASH EXPENSES		(\$21,918)
FIXED EXPENSES		\$3,595
TOTAL EXPENSES		\$33,262
NET FARM INCOME		(\$25,512)
LABOR AND MANAGEMENT COSTS		\$2,053
NET OPERATING PROFIT		(\$27,566)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$221
INTEREST ON EQUIPMENT INVESTMENT		\$1,702
TOTAL CAPITAL COSTS		\$1,922
RETURN TO LAND AND RISK		(\$29,488)

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$30,223)	-56.19%
\$900 /ACRE	(\$30,433)	-49.17%
\$1,100 /ACRE	(\$30,643)	-43.71%
\$1,300 /ACRE	(\$30,853)	-39.35%
\$1,500 /ACRE	(\$31,063)	-35.77%
\$1,700 /ACRE	(\$31,273)	-32.79%
\$1,900 /ACRE	(\$31,483)	-30.27%
\$2,100 /ACRE	(\$31,693)	-28.11%

* 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)