

TABLE 1. Acreage Summary, San Juan County, Projected 2006.

BUDGET AREA..... SAN JUAN COUNTY			
FARM SIZE..... 80 ACRES			
IRRIGATION TYPE..... FLOOD			
NUMBER OF CROPS... 3			
WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	6.00	48	288
ALFALFA	34.00	60	2,040
PASTURE ESTABLISHMENT	1.00 *	21	21
PASTURE	20.00	62	1,240
CORN SILAGE	20.00	48	960
TOTAL	80		4,549
ACRE FEET PER ACRE OF WATER RIGHTS			4.74

* DOUBLE-CROPPED

TABLE 2. Basic cost information for San Juan County, Projected 2006.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$6.65
General & Irrigators		\$/hour	\$6.35
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.52
Phosphate (P2O5)		\$/pound	\$0.40
Anhydrous Ammonia (NH3)		\$/ton	\$525.00
Seed:			
Alfalfa		\$/pound	\$3.20
Oats		\$/pound	\$0.32
Pasture		\$/pound	\$1.80
Corn		\$/bag	\$100.00
Wire		\$/pound	\$0.50
Canal Water		\$/acre foot	\$2.75
Energy:			
Diesel fuel		\$/gallon	\$2.10
Gasoline		\$/gallon	\$2.00
Natural Gas		\$/MCF	\$3.28
LP Gas		\$/gallon	\$1.95
Electricity		cents/KwHr	10.69
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	8.00%
Land Interest Rate		percent	8.00%
Equipment Interest Rate		percent	8.00%
Real Interest Rate		percent	3.00%
Land Taxes	\$253.00	/acre (full value)	\$2.10
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$24.96
	- R		\$21.09
Supervision Factors			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for San Juan County, Projected 2006.

Item			
Electricity (Domestic & Shop)		\$111.30 per month	\$1,336
Telephone		\$74.20 per month	\$890
Accounting & Legal			\$472
Misc. Supplies & Hand Tools			\$795
Pickup and Auto			
miles	10,918	@ \$0.415 per mile	\$4,531
Insurance			
- general liability (non-employee)			\$986
- fire/theft			\$594
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$493
Dues, fees, publications			\$244
Farmstead Equipment			\$159
Total			\$16,509
Total per planted acre			\$223.09

TABLE 5. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for an 80 acre farm, San Juan County, Projected 2006.
 Planting dates: April 15 - June 1
 Harvest dates: June 1 - July 31

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
OAT HAY	\$120.00	2.25 TONS (STACKED)						\$270.00	
GRAZING	\$10.00	1.00 AUM						\$10.00	
TOTAL							\$280.00		
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
ALFALFA SEED	\$3.20	20 LBS	\$64.00					\$64.00	
OAT SEED	\$0.32	45 LBS	\$14.40					\$14.40	
PHOSPHATE (P2O5)	\$0.40	45 LBS	\$18.00					\$18.00	
WIRE	\$0.50	19 LBS	\$9.64					\$9.64	
CANAL WATER		48 AC. IN.					\$11.00	\$11.00	
CANAL WATER (MAINTENANCE)		1 ACRE					\$8.00	\$8.00	
SUBTOTAL			\$106.04				\$19.00	\$125.04	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	96 HP	0.67 HR		\$4.46	\$8.16	\$4.17	\$26.12	\$42.91	
DISC (2X)	96 HP	0.34 HR		\$2.26	\$4.14	\$1.65	\$16.14	\$24.19	
HARROW	96 HP	0.19 HR		\$1.26	\$2.31	\$0.40	\$4.00	\$7.97	
FERTILIZE	96 HP	0.05 HR		\$0.33	\$0.61	\$0.10	\$0.64	\$1.68	
CORRUGATE	40 HP	0.21 HR		\$1.40	\$1.57	\$0.75	\$5.62	\$9.34	
DRILL	96 HP	0.21 HR		\$1.40	\$2.56	\$0.66	\$68.15	\$72.76	
DITCHER (2X)	40 HP	0.10 HR		\$0.67	\$0.75	\$0.11	\$4.03	\$5.55	
IRRIGATE (6X)		3.00 HR		\$19.05				\$19.05	
SUBTOTAL	4.77 HR			\$30.82	\$20.10	\$7.84	\$124.69	\$183.45	
HARVEST OPERATIONS									
SWATHER	14 FT	0.16 HR		\$1.06	\$1.20	\$0.09	\$14.54	\$16.90	
BALER	96 HP	0.21 HR		\$1.40	\$2.56	\$0.47	\$6.54	\$10.96	
BALE WAGON	96 HP	0.20 HR		\$1.33	\$2.44	\$0.67	\$10.57	\$15.01	
SUBTOTAL	0.57 HR			\$3.79	\$6.19	\$1.23	\$31.66	\$42.87	
OVERHEAD EXPENSES									
DOWNTIME		2.16 HR		\$14.38				\$14.38	
EMPLOYEE BENEFITS				\$6.23				\$6.23	
INSURANCE			\$0.69					\$0.69	
LAND TAXES							\$2.10	\$2.10	
SUPERVISION AND MANAGEMENT				\$25.76				\$25.76	
SUBTOTAL	2.16 HR		\$0.69	\$46.38				\$2.10	\$49.17
TOTAL OPERATING EXPENSES	7.50 HR		\$106.73	\$80.99	\$26.29	\$9.07	\$177.45	\$400.54	
NET OPERATING PROFIT								(\$120.54)	
INTEREST ON OPERATING CAPITAL		(\$60.62 @	8.00%)				\$4.85	
INTEREST ON EQUIPMENT INVESTMENT								\$96.84	
RETURN TO LAND AND RISK								(\$222.22)	

TABLE 6. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for an 80 acre farm, San Juan County, Projected 2006.
Harvesting dates: June 1 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$130.00	5.00 TONS (STACKED)						\$650.00
GRAZING	\$10.00	2.00 AUM						\$20.00
TOTAL							\$670.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
PHOSPHATE (P2O5)	\$0.40	45 LBS	\$18.00					\$18.00
INSECTICIDE (AERIAL)	\$17.25	1 ACRE	\$17.25					\$17.25
WIRE	\$0.50	43 LBS	\$21.43					\$21.43
ESTABLISHMENT: Principal		6 YEARS					\$37.04	\$37.04
: Interest							\$19.84	\$19.84
LIVESTOCK FAC & EQUIP							\$5.00	\$5.00
CANAL WATER		60 AC. IN.					\$13.75	\$13.75
CANAL WATER (MAINTENANCE)		1 ACRE					\$8.00	\$8.00
SUBTOTAL			\$56.68				\$83.63	\$140.31
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	96 HP	0.05 HR		\$0.33	\$0.61	\$0.10	\$0.64	\$1.68
DITCHER (2X)	40 HP	0.10 HR		\$0.67	\$0.75	\$0.11	\$4.03	\$5.55
IRRIGATE (10X)		5.00 HR		\$31.75				\$31.75
SUBTOTAL				\$32.75	\$1.36	\$0.22	\$4.67	\$38.99
HARVEST OPERATIONS								
SWATHER (3X)	14 FT	0.48 HR		\$3.19	\$3.59	\$0.28	\$43.63	\$50.69
BALER (3X)	96 HP	0.63 HR		\$4.19	\$7.67	\$1.40	\$19.62	\$32.88
BALE WAGON (3X)	96 HP	0.60 HR		\$3.99	\$7.31	\$2.01	\$31.72	\$45.03
SUBTOTAL				\$11.37	\$18.57	\$3.69	\$94.97	\$128.61
OVERHEAD EXPENSES								
DOWNTIME		0.44 HR		\$2.93				\$2.93
EMPLOYEE BENEFITS				\$7.94				\$7.94
INSURANCE			\$0.88					\$0.88
LAND TAXES							\$2.10	\$2.10
SUPERVISION AND MANAGEMENT				\$52.78				\$52.78
OTHER EXPENSES			\$223.09					\$223.09
SUBTOTAL				\$223.97	\$63.65		\$2.10	\$289.73
TOTAL OPERATING EXPENSES			7.30 HR	\$280.65	\$107.77	\$19.93	\$3.91	\$185.37
NET OPERATING PROFIT								\$72.37
INTEREST ON OPERATING CAPITAL		(\$30.59 @	8.00%)				\$2.45
INTEREST ON EQUIPMENT INVESTMENT								\$79.47
RETURN TO LAND AND RISK								(\$9.55)

BUDGET SUMMARY

GROSS RETURN		\$670.00	
VARIABLE OPERATING EXPENSES	\$304.49		
RETURN OVER VARIABLE EXPENSES	\$365.51		(GROSS MARGIN)
FIXED EXPENSES	\$185.37		
NET FARM INCOME	\$180.14		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$107.77		
NET OPERATING PROFIT	\$72.37		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$81.92		
RETURN TO LAND AND RISK			(\$9.55)

TABLE 8. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for an 80 acre farm, San Juan County, Projected 2006.
Harvesting dates: Year Round

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
PASTURE	\$12.00	12.00 AUMS						\$144.00
TOTAL							\$144.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.52	100 LBS	\$52.00					\$52.00
LIVESTOCK FAC & EQUIP							\$5.00	\$5.00
ESTABLISHMENT: Principal		15 YEARS					\$17.36	\$17.36
: Interest							\$6.56	\$6.56
CANAL WATER		62 AC. IN.					\$14.21	\$14.21
CANAL WATER (MAINTENANCE)		1 ACRE					\$8.00	\$8.00
SUBTOTAL			\$52.00				\$51.13	\$103.13
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	96 HP	0.05 HR		\$0.33	\$0.61	\$0.10	\$0.64	\$1.68
CORRUGATE	40 HP	0.21 HR		\$1.40	\$1.57	\$0.75	\$5.62	\$9.34
DITCHER (2X)	40 HP	0.10 HR		\$0.67	\$0.75	\$0.11	\$4.03	\$5.55
IRRIGATE (11X)		5.50 HR		\$34.93				\$34.93
SUBTOTAL		5.86 HR		\$37.32	\$2.93	\$0.96	\$10.29	\$51.50
OVERHEAD EXPENSES								
DOWNTIME		0.09 HR		\$0.60				\$0.60
EMPLOYEE BENEFITS				\$6.72				\$6.72
INSURANCE			\$0.75					\$0.75
LAND TAXES							\$2.10	\$2.10
SUPERVISION AND MANAGEMENT				\$15.76				\$15.76
OTHER EXPENSES			\$223.09					\$223.09
SUBTOTAL		0.09 HR	\$223.84	\$23.08			\$2.10	\$249.02
TOTAL OPERATING EXPENSES		5.95 HR	\$275.84	\$60.39	\$2.93	\$0.96	\$63.52	\$403.64
NET OPERATING PROFIT								(\$259.64)
INTEREST ON OPERATING CAPITAL		(\$26.97	@	8.00%)		\$2.16
INTEREST ON EQUIPMENT INVESTMENT								\$9.94
RETURN TO LAND AND RISK								(\$271.74)

BUDGET SUMMARY			
GROSS RETURN		\$144.00	
VARIABLE OPERATING EXPENSES	\$279.73		
RETURN OVER VARIABLE EXPENSES		(\$135.73)	(GROSS MARGIN)
FIXED EXPENSES	\$63.52		
NET FARM INCOME		(\$199.25)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$60.39		
NET OPERATING PROFIT		(\$259.64)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$12.09		
RETURN TO LAND AND RISK		(\$271.74)	

TABLE 9. Corn for silage, flood-irrigated, budgeted per acre costs and returns for an 80 acre farm, San Juan County, Projected 2006.
 Planting dates: May 1 - May 20
 Harvesting dates: September 1 - September 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
CORN SILAGE	\$38.00	21.00 TONS (HAULED)						\$798.00
TOTAL								\$798.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$1.25	30 000	\$37.50					\$37.50
ANHYDROUS AMMONIA (NH3)	\$0.26	225 LBS	\$59.06					\$59.06
HERBICIDE	\$16.00	1 ACRE	\$16.00					\$16.00
CANAL WATER		48 AC. IN.					\$11.00	\$11.00
CANAL WATER (MAINTENANCE)		1 ACRE					\$8.00	\$8.00
SUBTOTAL			\$112.56				\$19.00	\$131.56
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	96 HP	0.67 HR		\$4.46	\$8.16	\$4.17	\$26.12	\$42.91
DISC (2X)	96 HP	0.34 HR		\$2.26	\$4.14	\$1.65	\$16.14	\$24.19
HARROW	96 HP	0.19 HR		\$1.26	\$2.31	\$0.40	\$4.00	\$7.97
FERTILIZE	96 HP	0.05 HR		\$0.33	\$0.61	\$0.10	\$0.64	\$1.68
CORRUGATE	40 HP	0.21 HR		\$1.40	\$1.57	\$0.75	\$5.62	\$9.34
PRE-IRRIGATE		0.75 HR		\$4.76				\$4.76
PLANTER	96 HP	0.26 HR		\$1.73	\$3.17	\$0.96	\$38.73	\$44.59
CULTIVATOR (2X)	40 HP	0.42 HR		\$2.79	\$3.14	\$1.49	\$11.24	\$18.67
IRRIGATE (9X)		4.50 HR		\$28.58				\$28.58
SUBTOTAL		7.39 HR		\$47.57	\$23.10	\$9.53	\$102.48	\$182.68
HARVEST OPERATIONS								
SILAGE CHOPPER, PTO	96 HP	0.71 HR		\$4.72	\$8.65	\$1.73	\$58.88	\$73.98
LOAD & HAUL	40 HP	0.71 HR		\$4.72	\$5.31	\$1.20	\$28.85	\$40.08
SUBTOTAL		1.42 HR		\$9.44	\$13.96	\$2.94	\$87.72	\$114.06
OVERHEAD EXPENSES								
DOWNTIME		0.89 HR		\$5.92				\$5.92
EMPLOYEE BENEFITS				\$10.26				\$10.26
INSURANCE			\$1.14					\$1.14
LAND TAXES						\$2.10		\$2.10
SUPERVISION AND MANAGEMENT				\$62.14				\$62.14
OTHER EXPENSES			\$223.09					\$223.09
SUBTOTAL		0.89 HR		\$224.23	\$78.32		\$2.10	\$304.66
TOTAL OPERATING EXPENSES		9.70 HR		\$336.79	\$135.33	\$37.06	\$12.47	\$732.97
NET OPERATING PROFIT								\$65.03
INTEREST ON OPERATING CAPITAL		(\$65.85	@	8.00%)		\$5.27
INTEREST ON EQUIPMENT INVESTMENT								\$143.97
RETURN TO LAND AND RISK								(\$84.21)
BUDGET SUMMARY								
GROSS RETURN		\$798.00						
VARIABLE OPERATING EXPENSES	\$386.32							
RETURN OVER VARIABLE EXPENSES	\$411.68	(GROSS MARGIN)						
FIXED EXPENSES	\$211.31							
NET FARM INCOME	\$200.37	(RETURN TO CAPITAL, LABOR, LAND & RISK)						
LABOR AND MANAGEMENT COST	\$135.33							
NET OPERATING PROFIT	\$65.03	(RETURN TO CAPITAL, LAND & RISK)						
CAPITAL COSTS	\$149.24							
RETURN TO LAND AND RISK		(\$84.21)						

TABLE 10. Summary of per acre costs and returns for an 80 acre farm, San Juan County,
Projected 2006.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE	CORN FOR SILAGE
	TONS	TONS		AUMS	TONS
PRIMARY YIELD	2.25	5.00		12.00	21.00
PRIMARY PRICE	\$120.00	\$130.00		\$12.00	\$38.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00		\$0.00	\$0.00
SECOND INCOME	\$10.00	\$20.00		\$0.00	\$0.00
GROSS RETURN	\$280.00	\$670.00		\$144.00	\$798.00
CASH OPERATING EXPENSES					
SEED	\$78.40		\$25.20		\$37.50
FERTILIZER	\$18.00	\$18.00	\$30.40	\$52.00	\$59.06
CHEMICALS		\$17.25			\$16.00
CROP INSURANCE					
OTHER PURCHASED INPUTS	\$9.64	\$21.43	\$0.00	\$0.00	\$0.00
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$26.29	\$19.93	\$20.10	\$2.93	\$37.06
FUEL-IRRIGATION					
REPAIRS	\$9.07	\$3.91	\$7.84	\$0.96	\$12.47
CUSTOM CHARGES					
LAND TAXES	\$2.10	\$2.10		\$2.10	\$2.10
OTHER EXPENSES	\$0.69	\$223.97	\$0.43	\$223.84	\$224.23
TOTAL CASH EXPENSES	\$144.20	\$306.60	\$83.97	\$281.83	\$388.43
RETURN OVER CASH EXPENSES	\$135.80	\$363.40	(\$83.97)	(\$137.83)	\$409.57
FIXED EXPENSES	\$175.35	\$183.26	\$129.50	\$61.41	\$209.21
TOTAL EXPENSES	\$319.55	\$489.86	\$213.47	\$343.25	\$597.63
NET FARM INCOME	(\$39.55)	\$180.14	(\$213.47)	(\$199.25)	\$200.37
LABOR AND MANAGEMENT COSTS	\$80.99	\$107.77	\$46.86	\$60.39	\$135.33
NET OPERATING PROFIT	(\$120.54)	\$72.37	(\$260.33)	(\$259.64)	\$65.03
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$4.85	\$2.45		\$2.16	\$5.27
INTEREST ON EQUIPMENT INVESTMENT	\$96.84	\$79.47		\$9.94	\$143.97
TOTAL CAPITAL COSTS	\$101.69	\$81.92	\$0.00	\$12.09	\$149.24
RETURN TO LAND AND RISK	(\$222.22)	(\$9.55)	(\$260.33)	(\$271.74)	(\$84.21)

TABLE 11. Whole farm summary, San Juan County,
Projected 2006.

GROSS RETURNS		
OAT HAY	6.00 ACRES	
CROP		\$1,620
GRAZING		\$60
ALFALFA HAY	34.00 ACRES	
CROP		\$22,100
GRAZING		\$680
PASTURE	20.00 ACRES	
GRAZING		\$2,880
CORN FOR SILAGE	20.00 ACRES	
CROP		\$15,960
GROSS RETURN		<u>\$43,300</u>
CASH OPERATING EXPENSES		
SEED		\$1,246
FERTILIZER		\$2,972
CHEMICALS		\$907
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$786
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,655
FUEL-IRRIGATION		\$0
REPAIRS		\$464
CUSTOM CHARGES		\$0
LAND TAXES		\$168
OTHER EXPENSES		\$16,581
TOTAL CASH EXPENSES		<u>\$24,779</u>
RETURN OVER CASH EXPENSES		\$18,521
FIXED EXPENSES		\$11,219
TOTAL EXPENSES		\$35,997
NET FARM INCOME		\$7,303
LABOR AND MANAGEMENT COSTS		\$8,111
NET OPERATING PROFIT		(\$809)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$261
INTEREST ON EQUIPMENT INVESTMENT		\$6,361
TOTAL CAPITAL COSTS		<u>\$6,622</u>
RETURN TO LAND AND RISK		<u>(\$7,431)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	(\$9,831)	-0.64%
\$2,500 /ACRE	(\$13,431)	-0.33%
\$4,000 /ACRE	(\$17,031)	-0.22%
\$5,500 /ACRE	(\$20,631)	-0.17%
\$7,000 /ACRE	(\$24,231)	-0.13%
\$8,500 /ACRE	(\$27,831)	-0.11%

* 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)