

TABLE 1. Basic cost information for Curry County, 2003.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
<b>Purchased Inputs:</b>			
Fertilizer:			
Nitrogen (N (N)		\$/pound	\$0.36
Phosphate (P205)		\$/pound	\$0.33
Seed:			
Alfalfa		\$/pound	\$3.00
Diesel fuel		\$/gallon	\$1.30
Gasoline		\$/gallon	\$1.35
Electricity (SWPS)		cents/KwH	5.50
LP Gas		\$/gallon	\$1.21
Natural Gas (Gas NM)		\$/MCF	\$3.28
Plastic Twine		\$/box	\$18.25
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/w ages	18.00%
Labor Downtime		percent	25.00%
<b>Financial Rates:</b>			
Operating Capital Interest Rate		percent	8.00%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	8.00%
Real Interest Rate		percent	4.00%
Land Taxes	\$109.00	/acre (full value)	\$0.92
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$25.25
- R			\$25.25
<b>Supervision Factors</b>			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 1a. Overhead cost information for Curry County, 2003.

ITEM				
Electricity (Domestic & Shop)			\$215.00 per month	\$2,580
Telephone			\$115.00 per month	\$1,380
Accounting & Legal				\$1,600
Misc. Supplies & Hand Tools				\$2,400
Pickup and Auto				
miles	20,000	@	\$0.365 per mile	\$7,300
<b>Insurance</b>				
- general liability (non-employee)				\$2,155
- fire/theft				\$1,725
<b>Property Taxes</b>				
- non-planted land				\$589
- other than land & machinery				\$620
Building repairs and maintenance				\$1,425
Dues, fees, publications				\$165
Farmstead Equipment				\$160
Total				\$22,099
Total Per Planted Acre				\$44.20

TABLE 2. Pumping costs and data for Curry County, 2003.

INPUT DATA

DELIVERY PSI:			DEPTH CHARACTERISTICS:	
SPRINKLER...	40		STATIC... ..	300
			DRAW DOW .....	35
			TOTAL HEAD....	335
			CASING... ..	350
GALLONS PER MINUTE (GPM)...	800			
WORK HORSEPOWER... ..	86			
EFFICIENCY FACTOR:				
ELECTRICIY..... ..	0.592			
NATURAL GAS..... ..	0.156			
LP GAS..... ..	0.156			
DIESEL..... ..	0.160			
FUEL COST PER HOUR:				
ELECTRICIY..... ..	5.50	CENTS/K	wH	
NATURAL GAS..... ..	\$3.28	\$/MCF		
LP GAS..... ..	\$1.21	\$/GAL		
DIESEL..... ..	\$1.30	\$/GAL		

PUMPING COSTS

ELECTRIC WELL:	
COST PER HOUR.....	\$6.02
COST PER ACRE INCH..	\$3.40
NATURAL GAS:	
COST PER HOUR.....	\$5.10
COST PER ACRE INCH..	\$2.88
LP GAS WELL:	
COST PER HOUR.....	\$18.59
COST PER ACRE INCH..	\$10.52
DIESEL WELL:	
COST PER HOUR.....	\$12.64
COST PER ACRE INCH..	\$7.15

TABLE 3. Equipment summary for a 640 acre sprinkler-irrigated hay farm with above average management, Curry County, 2003.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE		TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR	DEPRECIATION	TOTAL TAXES PER HOUR	
	USE	NUMBER							TOTAL VALUE	TOTAL TAXES PER HOUR
TRACTOR 96 HP	300	1	\$19,240	\$2,771	\$1,236	\$9.24	\$4.12	\$1,430	\$181	\$5.37
TRACTOR 140 HP	282	1	\$19,060	\$2,879	\$1,596	\$10.21	\$5.66	\$3,493	\$221	\$13.17
TRACTOR 185 HP	159	1	\$40,700	\$2,145	\$429	\$13.49	\$2.70	\$5,995	\$378	\$40.08
SWATHER 16 FT	275	1	\$24,740	\$1,338	\$3,783	\$4.87	\$13.76	\$3,621	\$305	\$14.27
DISC 14 FT	14	1	\$3,000		\$36		\$2.58	\$400	\$25	\$30.38
FERT SPREADER DEALER FURNI:	0									
CHISEL 7-PT	20	1	\$1,200		\$19		\$0.94	\$160	\$10	\$8.51
FLOAT 14 FT	32	1	\$600		\$3		\$0.09	\$60	\$4	\$1.99
BALER 1-TON	125	1	\$54,240		\$327		\$2.62	\$5,812	\$367	\$49.43
RAKE	300	3	\$4,650		\$474		\$1.58	\$465	\$39	\$1.68
FRONT END LOADER	250	1	\$2,550		\$0		\$0.00	\$255	\$21	\$1.11
SPRINKLER	7354	4	\$60,000	\$303	\$6,656	\$0.04	\$0.91	\$8,000	\$505	\$1.16
ELECTRIC WELL	7354	4	\$95,500	\$44,248	\$666	\$6.02	\$0.09	\$8,682	\$804	\$1.29
TOTAL			\$325,480	\$53,685	\$15,224			\$38,372	\$2,860	

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County, 2003.  
Planting Dates: August 1 - September 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<u>PURCHASED INPUTS</u>									
SEED	\$3.00	30 LBS		\$90.00					\$90.00
NITROGEN (N)	\$0.36	20 LBS		\$7.20					\$7.20
PHOSPHATE (P2O5)	\$0.33	50 LBS		\$16.50					\$16.50
PUMP WATER*		5 AC. IN.							
SUBTOTAL				\$113.70					\$113.70
<u>PREHARVEST OPERATIONS</u>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL	
CHISEL	185 HP	0.20 HR		\$1.51	\$2.70	\$0.73	\$9.72	\$14.65	
DISC	185 HP	0.14 HR		\$1.06	\$1.89	\$0.74	\$9.86	\$13.55	
FLOAT (2X)	140 HP	0.32 HR		\$2.42	\$3.27	\$1.84	\$4.85	\$12.38	
PRE-IRRIGATE		0.10 HR		\$0.76	\$2.45	\$0.40	\$0.99	\$4.59	
SEED (CUSTOM)			\$9.00					\$9.00	
IRRIGATE (6X)		0.60 HR		\$4.05	\$14.69	\$2.41	\$5.93	\$27.08	
SUBTOTAL		1.36 HR	\$9.00	\$9.79	\$24.99	\$6.12	\$31.35	\$81.25	
<u>OVERHEAD EXPENSES</u>									
DOWNTIME		0.09 HR		\$0.64				\$0.64	
EMPLOYEE BENEFITS				\$1.76				\$1.76	
INSURANCE			\$0.03					\$0.03	
SUPERVISION AND MANAGEMENT				\$14.63				\$14.63	
SUBTOTAL		0.09 HR	\$0.03	\$17.03				\$17.06	
TOTAL OPERATING EXPENSES		1.45 HR	\$122.73	\$26.82	\$24.99	\$6.12	\$31.35	\$212.01	

TABLE 5. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County, 2003.  
Harvesting Dates: May 15 - September 15

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
ALFALFA HAY	\$140.00	8.80 TONS (STACKED)						\$1,232.00
<b>TOTAL</b>							<b>\$1,232.00</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.36	100 LBS	\$36.00					\$36.00
PHOSPHATE (P205)	\$0.33	200 LBS	\$66.00					\$66.00
TRACE ELEMENTS	\$14.25	1 ACRE	\$14.25					\$14.25
HERBICIDE (CUSTOM)	\$20.54	1 ACRE	\$20.54					\$20.54
INSECTICIDE (CUSTOM)	\$14.39	1 ACRE	\$14.39					\$14.39
PLASTIC TWINE	\$18.25	170 FT/TON	\$6.83					\$6.83
ESTABLISHMENT: Principal		6 YEARS					\$35.33	\$35.33
: Interest							\$8.97	\$8.97
PUMP WATER*		25 AC. IN.						
<b>SUBTOTAL</b>			<b>\$158.00</b>				<b>\$44.30</b>	<b>\$202.31</b>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
IRRIGATE		2.00 HR		\$13.50	\$85.68	\$14.08	\$34.60	\$147.85
<b>SUBTOTAL</b>		<b>2.00 HR</b>		<b>\$13.50</b>	<b>\$85.68</b>	<b>\$14.08</b>	<b>\$34.60</b>	<b>\$147.85</b>
<b>HARVEST OPERATIONS</b>								
SWATH ER (5X)	16 FT	0.55 HR		\$4.15	\$2.68	\$7.57	\$7.85	\$22.25
RAKE (5X)	96 HP	0.60 HR		\$4.53	\$5.54	\$3.42	\$4.23	\$17.72
BALER (5X)	185 HP	0.25 HR		\$1.89	\$3.37	\$1.33	\$22.38	\$28.97
FRONT END LOADER (5X)	140 HP	0.50 HR		\$3.78	\$5.11	\$2.83	\$7.14	\$18.85
<b>SUBTOTAL</b>		<b>1.90 HR</b>		<b>\$14.35</b>	<b>\$16.70</b>	<b>\$15.14</b>	<b>\$41.60</b>	<b>\$87.78</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.48 HR		\$3.59				\$3.59
EMPLOYEE BENEFITS				\$5.01				\$5.01
INSURANCE			\$0.56					\$0.56
LAND TAXES						\$0.92		\$0.92
SUPERVISION AND MANAGEMENT				\$89.19				\$89.19
OTHER EXPENSES			\$44.20					\$44.20
<b>SUBTOTAL</b>		<b>0.48 HR</b>	<b>\$44.75</b>	<b>\$97.79</b>			<b>\$0.92</b>	<b>\$143.46</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.38 HR</b>	<b>\$202.76</b>	<b>\$125.63</b>	<b>\$102.37</b>	<b>\$29.22</b>	<b>\$121.41</b>	<b>\$581.40</b>
<b>NET OPERATING PROFIT</b>								<b>\$650.60</b>
INTEREST ON OPERATING CAPITAL	(	\$111.08	@	8.00%	)			\$8.89
INTEREST ON EQUIPMENT INVESTMENT								\$32.21
<b>RETURN TO LAND AND RISK</b>								<b>\$609.50</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,232.00	
VARIABLE OPERATING EXPENSES	\$334.35		
RETURN OVER VARIABLE EXPENSES		\$897.65	(GROSS MARGIN)
FIXED EXPENSES	\$121.41		
NET FARM INCOME		\$776.23	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$125.63		
NET OPERATING PROFIT		\$650.60	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$41.09		
RETURN TO LAND AND RISK		\$609.50	

TABLE 6. Summary of per acre costs and returns for a 640 acre farm with above average management, Curry County, 2002.

	ALFALFA ESTABLISHMENT -----SPRINKLER-----	ALFALFA HAY	
PRIMARY YIELD		8.80	TONS
PRIMARY PRICE		140.00	
GOVERNMENT PAYMENTS		0.00	
SECOND INCOME		0.00	
GROSS RETURN		\$1,232.00	
CASH OPERATING EXPENSES			
SEED	\$90.00		
FERTILIZER	\$23.70	\$116.25	
CHEMICALS		\$34.93	
CROP INSURANCE			
OTHER PURCHASED INPUTS		\$6.83	
CANAL WATER			
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$7.85	\$16.70	
FUEL-IRRIGATION	\$17.14	\$85.68	
REPAIRS	\$6.12	\$29.22	
CUSTOM CHARGES	\$9.00	\$0.00	
LAND TAXES		\$0.92	
OTHER EXPENSES	\$0.03	\$44.75	
TOTAL CASH EXPENSES	\$153.84	\$335.27	
RETURN OVER CASH EXPENSES	(\$153.84)	\$896.73	
FIXED EXPENSES	\$31.35	\$120.50	
TOTAL EXPENSES	\$185.19	\$455.77	
NET FARM INCOME	(\$185.19)	\$776.23	
LABOR AND MANAGEMENT COSTS	\$26.82	\$125.63	
NET OPERATING PROFIT	(\$212.01)	\$650.60	
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL		\$8.89	
INTEREST ON EQUIPMENT INVESTMENT		\$32.21	
TOTAL CAPITAL COSTS	\$0.00	\$41.09	
RETURN TO LAND AND RISK	(\$212.01)	\$609.50	

TABLE 7. Whole farm summary, Curry County, 2002.

GROSS RETURNS		
ALFALFA HAY	500 ACRES	
CROP		\$616,000
GROSS RETURN		\$616,000
CASH OPERATING EXPENSES		
		\$9,000
		\$60,493
CHEMICALS		\$17,466
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$3,413
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$9,134
FUEL-IRRIGATION		\$44,551
REPAIRS		\$15,224
CUSTOM CHARGES		\$900
LAND TAXES		\$459
OTHER EXPENSES		\$22,380
TOTAL CASH EXPENSES		\$183,020
RETURN OVER CASH EXPENSES		\$432,980
FIXED EXPENSES		\$45,717
TOTAL EXPENSES		\$228,737
NET FARM INCOME		\$387,263
LABOR AND MANAGEMENT COSTS		\$65,498
NET OPERATING PROFIT		\$321,765
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$4,443
INTEREST ON EQUIPMENT INVESTMENT		\$16,104
TOTAL CAPITAL COSTS		\$20,547
RETURN TO LAND AND RISK		\$301,218

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$288,418	49.85%
\$1,000 /ACRE	\$275,618	33.33%
\$1,500 /ACRE	\$262,818	25.03%
\$2,000 /ACRE	\$250,018	20.04%
\$2,500 /ACRE	\$237,218	16.71%

\* 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)