

TABLE 1. Basic cost information for Tularosa Basin, Otero County, 2003.

| Item | | | |
|--|-----------------|--------------------|----------------|
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | \$6.75 |
| General & Irrigators | \$/hour | | \$6.45 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | \$0.36 |
| Seed: | | | |
| Alfalfa | \$/pound | | \$3.00 |
| Oats for Hay | \$/pound | | \$0.40 |
| Natural Gas (Gas NM) (service charge) | \$/MCF | | \$3.28 |
| | \$/month | | \$10.00 |
| Diesel fuel | \$/gallon | | \$1.30 |
| Gasoline | \$/gallon | | \$1.35 |
| Electricity (Otero Coop) | cents/KwHr | | 7.15 |
| Employee Liability Insurance | \$/1,000 | wages | \$12.00 |
| Employee Benefits | percent/w | ages | 12.00% |
| Labor Downtime | percent | | 25.00% |
| Financial Rates: | | | |
| Operating Capital Interest Rate | percent | | 8.00% |
| Land Interest Rate | percent | | 7.00% |
| Equipment Interest Rate | percent | | 8.00% |
| Expected Inflation Rate | percent | | 4.00% |
| Land Taxes | \$300.00 | /acre (full value) | \$2.90 |
| Personal Property Tax Rate - NR | \$/1,000 | (Assessed Value) | \$28.99 |
| - R | | | \$23.18 |
| Supervision Factors | | | |
| Field Crop-Irrigation | \$/acre | | \$1.00 |
| Field Crop-Equipment & General | \$/acre | | \$0.50 |
| Management Rate | percent | | 4.00% |

BUDGET AREA..... TULAROSA BASIN, OTERO COUNTY, 2003.
 FARM SIZE..... 50 ACRES
 IRRIGATION TYPE... SPRINKLER
 NUMBER OF CROPS... 3

| ACREAGE SUMMARY: | WATER USE | | |
|------------------------------------|------------------|----------------|--------------|
| | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN. |
| ALFALFA ESTABLISHMENT | 4 * | 8 | 32 |
| ALFALFA HAY | 40 | 45 | 1,800 |
| OAT HAY | 5 | 18 | 90 |
| SORGHUM/SUDAN | 5 * | 16 | 80 |
| ROADS, DITCHES, HOMESTEAD | 5 | | |
| TOTAL | 50 | | 2,002 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 3.34 |

* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for Tularosa Basin, Otero County, 2003.

| ITEM | | | |
|------------------------------------|-------|--------------------|----------|
| Electricity (Domestic & Shop) | | \$70.00 per month | \$840 |
| Telephone | | \$75.00 per month | \$900 |
| Accounting & Legal | | | \$165 |
| Misc. Supplies & Hand Tools | | | \$550 |
| Pickup and Auto | | | |
| miles | 5,150 | @ \$0.365 per mile | \$1,880 |
| Insurance | | | |
| - general liability (non-employee) | | | \$260 |
| - fire/theft | | | \$175 |
| Property Taxes | | | |
| - non-planted land | | | \$180 |
| - other than land & machinery | | | \$135 |
| Building repairs and maintenance | | | \$260 |
| Dues, fees, publications | | | \$145 |
| Farmstead Equipment | | | \$175 |
| | | Total | \$5,665 |
| Total per planted acre | | | \$125.89 |

TABLE 2. Pumping costs and data for irrigation wells, Tularosa Basin, Otero County, 2003.

INPUT DATA

| | | | |
|-----------------------------|--------|------------------------|-----|
| DELIVERY PSI: | | DEPTH CHARACTERISTICS: | |
| SPRINKLER... | 40 | STATIC..... | 145 |
| | | DRAW DOV..... | 35 |
| | | TOTAL HEAD..... | 180 |
| | | CASING..... | 275 |
| GALLONS PER MINUTE (GPM)... | 300 | | |
| WORK HORSEPOWER | 21 | | |
| EFFICIENCY FACTOR: | | | |
| ELECTRICITY..... | 0.290 | | |
| NATURAL GAS..... | 0.151 | | |
| LP GAS..... | 0.151 | | |
| DIESEL..... | 0.180 | | |
| FUEL COST PER HOUR: | | | |
| ELECTRICITY..... | \$7.15 | CENTS/KwHr | |
| NATURAL GAS..... | \$3.28 | \$/MCF | |
| LP GAS..... | \$0.62 | \$/GAL | |
| DIESEL..... | \$1.30 | \$/GAL | |

PUMPING COSTS

| | |
|---------------------------|--------|
| ELECTRICAL WELL: | |
| COST PER HOUR.....\$ | \$3.83 |
| COST PER ACRE INCH.....\$ | \$5.77 |
| NATURAL GAS WELL: | |
| COST PER HOUR.....\$ | \$1.28 |
| COST PER ACRE INCH.....\$ | \$1.93 |
| BUTANE WELL: | |
| COST PER HOUR.....\$ | \$2.38 |
| COST PER ACRE INCH.....\$ | \$3.59 |
| DIESEL WELL: | |
| COST PER HOUR.....\$ | \$2.70 |
| COST PER ACRE INCH.....\$ | \$4.08 |

TABLE 3. Equipment summary for a 50 acre part-time farm, Tularosa Basin, Otero County, 2003.

| EQUIPMENT ITEM & SIZE | ANNUAL HOURS OF USE | | VARIABLE COSTS | | | | | FIXED COSTS | | |
|--------------------------|---------------------|--------|----------------|---------------------|----------|------------------|---------------|--------------|-------|----------------|
| | HOURS | NUMBER | TOTAL VALUE | FUEL, OIL LUBRICANT | REPAIR | FUEL, OIL PER HR | REPAIR PER HR | DEPRECIATION | TAXES | TOTAL PER HOUR |
| (DOLLARS) | | | | | | | | | | |
| TRACTOR 50 HP | 122 | 1 | \$8,320 | \$615.88 | \$402.53 | \$5.05 | \$3.30 | \$1,100 | \$106 | \$9.89 |
| BALEWAGON, PTO | 43 | 1 | \$1,650 | | \$123.84 | | \$2.88 | \$800 | \$77 | \$20.40 |
| BALER, PTO 2-WIRE | 45 | 1 | \$1,500 | | \$38.24 | | \$0.85 | \$385 | \$37 | \$9.35 |
| PLOW 2 BTM | 4 | 1 | \$250 | | \$1.30 | | \$0.31 | \$33 | \$2 | \$8.51 |
| FLOAT 8 FT | 9 | 1 | \$400 | | \$0.11 | | \$0.01 | \$40 | \$3 | \$4.79 |
| DISC 8 FT | 12 | 1 | \$700 | | \$7.51 | | \$0.60 | \$93 | \$7 | \$8.02 |
| SPRINKLER | 3020 | 2 | \$5,000 | | \$141.96 | | \$0.05 | \$667 | \$48 | \$0.24 |
| DRILL 12 FT. | 3 | 1 | \$2,200 | | \$3.10 | | \$1.06 | \$440 | \$21 | \$156.89 |
| SWATHER 14 FT. | 34 | 1 | \$4,300 | \$173.87 | \$59.86 | \$5.05 | \$1.74 | \$1,450 | \$140 | \$46.22 |
| NATURAL GAS WELL | 3020 | 2 | \$31,000 | \$3,868.05 | \$604.07 | \$1.28 | \$0.20 | \$4,133 | \$300 | \$1.55 |
| | | | \$55,320 | \$4,658 | \$1,383 | | | \$9,142 | \$742 | |

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, 2003.
Planting dates: September 1 - November 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
|----------------------------|------------|---------------------|------------------|---------|------------|---------|------------|----------|
| <u>PURCHASED INPUTS</u> | | | | | | | | |
| ALFALFA SEED | \$3.00 | 30 LBS | | | | | | \$90.00 |
| PUMP WATER* | | 8 AC. IN. | | | | | | \$90.00 |
| SUBTOTAL | | | | | | | | \$90.00 |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & OIL | REPAIRS | FIXED COST | TOTAL |
| DISC | 50 HP | 0.39 HR | | \$2.63 | \$1.97 | \$1.31 | \$3.95 | \$9.86 |
| PLOW | 50 HP | 1.05 HR | | \$7.09 | \$5.30 | \$3.79 | \$19.32 | \$35.50 |
| DISC (2X) | 50 HP | 0.78 HR | | \$5.27 | \$3.94 | \$3.04 | \$13.97 | \$26.22 |
| FLOAT (2X) | 50 HP | 0.64 HR | | \$4.32 | \$3.23 | \$2.12 | \$9.39 | \$19.06 |
| DRILL | 50 HP | 0.21 HR | | \$1.42 | \$1.06 | \$0.91 | \$35.02 | \$38.42 |
| IRRIGATE (4X) | | 2.00 HR | | \$12.90 | \$15.46 | \$2.98 | \$21.53 | \$52.86 |
| SUBTOTAL | | 5.07 HR | | \$33.62 | \$30.96 | \$14.15 | \$103.19 | \$181.92 |
| <u>OVERHEAD EXPENSES</u> | | | | | | | | |
| DOWNTIME | | 0.77 HR | | \$5.18 | | | | \$5.18 |
| EMPLOYEE BENEFITS | | | | \$4.03 | | | | \$4.03 |
| FARM INSURANCE | | | \$0.40 | | | | | \$0.40 |
| SUPERVISION AND MANAGEMENT | | | | \$14.41 | | | | \$14.41 |
| SUBTOTAL | | 0.77 HR | \$0.40 | \$23.63 | | | | \$24.03 |
| TOTAL OPERATING EXPENSES | | 5.84 HR | \$90.40 | \$57.25 | \$30.96 | \$14.15 | \$103.19 | \$295.95 |

TABLE 5. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, 2003.
Harvesting dates: May 10 - October 15

| ITEM | PRICE | YIELD | | | | | | TOTAL | |
|----------------------------------|------------|---------------------|------------------|------------------|----------|------------|----------|------------|----------|
| GROSS RETURNS | | | | | | | | | |
| ALFALFA HAY | \$140.00 | 6.00 | TONS (STACKED) | | | | | \$840.00 | |
| TOTAL | | | | | | | | \$840.00 | |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | | FIXED COST | TOTAL |
| FERT. (ALFALFA MIX) | \$0.16 | 250 | LBS | | | | | \$40.00 | \$40.00 |
| INSECTICIDE | \$23.97 | 1 | ACRE | | | | | \$23.97 | \$23.97 |
| WIRE | \$0.36 | 56 | LBS | | | | | \$20.16 | \$20.16 |
| ESTABLISHMENT: Principal | | 10 | YEARS | | | | | \$29.59 | \$29.59 |
| : Interest | | | | | | | | \$9.45 | \$9.45 |
| PUMP WATER* | | 45 | AC. IN. | | | | | | |
| SUBTOTAL | | | | \$84.13 | | | | \$39.05 | \$123.18 |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | | PURCHASED INPUTS | LABOR | FUEL & OIL | REPAIRS | FIXED COST | TOTAL |
| IRRIGATE (11X) | | 5.50 | HR | | \$35.48 | \$86.94 | \$16.77 | \$121.10 | \$260.28 |
| SUBTOTAL | | 5.50 | HR | | \$35.48 | \$86.94 | \$16.77 | \$121.10 | \$260.28 |
| HARVEST OPERATIONS | | | | | | | | | |
| SWATHER (5X) | 14 FT | 0.80 | HR | | \$5.40 | \$4.04 | \$1.39 | \$36.98 | \$47.82 |
| BALER, PTO (5X) | 50 HP | 1.05 | HR | | \$7.09 | \$5.30 | \$4.35 | \$20.20 | \$36.95 |
| BALEWAGON, PTO (5X) | 50 HP | 1.00 | HR | | \$6.75 | \$5.05 | \$6.18 | \$30.29 | \$48.27 |
| SUBTOTAL | | 2.85 | HR | | \$19.24 | \$14.39 | \$11.93 | \$87.47 | \$133.03 |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.71 | HR | | \$4.81 | | | | \$4.81 |
| EMPLOYEE BENEFITS | | | | | \$6.57 | | | | \$6.57 |
| FARM INSURANCE | | | | \$0.66 | | | | | \$0.66 |
| LAND TAXES | | | | | | | \$2.90 | | \$2.90 |
| SUPERVISION AND MANAGEMENT | | | | | \$40.53 | | | | \$40.53 |
| OTHER EXPENSES | | | | \$125.89 | | | | | \$125.89 |
| SUBTOTAL | | 0.71 | HR | | \$126.54 | \$51.90 | | \$2.90 | \$181.34 |
| TOTAL OPERATING EXPENSES | | 9.06 | HR | | \$210.68 | \$106.61 | \$101.33 | \$28.69 | \$250.52 |
| NET OPERATING PROFIT | | | | | | | | \$142.17 | |
| INTEREST ON OPERATING CAPITAL | (| \$70.19 | @ | 8.00% |) | | | \$5.61 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$96.18 | |
| RETURN TO LAND AND RISK | | | | | | | | \$40.37 | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|--|--|
| GROSS RETURN | | \$840.00 | |
| VARIABLE OPERATING EXPENSES | \$346.32 | | |
| RETURN OVER VARIABLE EXPENSES | \$493.68 | (GROSS MARGINS) | |
| FIXED EXPENSES | \$250.52 | | |
| NET FARM INCOME | \$243.16 | (RETURNS TO CAPITAL, LABOR, LAND & RISK) | |
| LABOR AND MANAGEMENT COST | \$106.61 | | |
| NET OPERATING PROFIT | \$136.55 | (RETURNS TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | \$96.18 | | |
| RETURN TO LAND AND RISK | \$40.37 | | |

TABLE 6. Oats for hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, 2003.
 Planting dates: September 1 - November 1
 Harvesting dates: April 15 - May 15

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|----------|------------|---------|------------|------------|
| GROSS RETURNS | | | | | | | | |
| OATS FOR HAY | \$130.00 | 3.00 | TONS (STACKED) | | | | | \$390.00 |
| TOTAL | | | | | | | | \$390.00 |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| OAT SEED | \$0.40 | 100 | LBS | | \$40.00 | | | \$40.00 |
| NITROGEN (N) | \$0.36 | 100 | LBS | | \$36.00 | | | \$36.00 |
| PUMP WATER* | | 18 | AC. IN. | | | | | |
| SUBTOTAL | | | | | \$76.00 | | | \$76.00 |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & OIL | REPAIRS | FIXED COST | TOTAL |
| DISC | 50 HP | 0.39 HR | | \$2.63 | \$1.97 | \$1.52 | \$6.98 | \$13.11 |
| PLOW | 50 HP | 1.05 HR | | \$7.09 | \$5.30 | \$3.79 | \$19.32 | \$35.50 |
| DISC (2X) | 50 HP | 0.78 HR | | \$5.27 | \$3.94 | \$3.04 | \$13.97 | \$26.22 |
| FLOAT (2X) | 50 HP | 0.64 HR | | \$4.32 | \$3.23 | \$2.12 | \$9.39 | \$19.06 |
| DRILL | 50 HP | 0.21 HR | | \$1.42 | \$1.06 | \$0.91 | \$35.02 | \$38.42 |
| IRRIGATE (4X) | | 2.00 HR | | \$12.90 | \$34.78 | \$6.71 | \$48.44 | \$102.82 |
| SUBTOTAL | | 5.07 HR | | \$33.62 | \$50.28 | \$18.10 | \$133.13 | \$235.13 |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER | 14 FT | 0.16 HR | | \$1.08 | \$0.81 | \$0.28 | \$7.40 | \$9.56 |
| BALER, PTO | 50 HP | 0.21 HR | | \$1.42 | \$1.06 | \$0.87 | \$4.04 | \$7.39 |
| BALE WAGON | 50 HP | 0.20 HR | | \$1.35 | \$1.01 | \$1.24 | \$6.06 | \$9.65 |
| SUBTOTAL | | 0.57 HR | | \$3.85 | \$2.88 | \$2.39 | \$17.49 | \$26.61 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.91 HR | | \$6.14 | | | | \$6.14 |
| EMPLOYEE BENEFITS | | | | \$4.50 | | | | \$4.50 |
| FARM INSURANCE | | | \$0.45 | | | | | \$0.45 |
| LAND TAXES | | | | | | \$1.45 | | \$1.45 |
| SUPERVISION AND MANAGEMENT | | | | \$19.42 | | | | \$19.42 |
| OTHER EXPENSES | | | \$62.94 | | | | | \$62.94 |
| SUBTOTAL | | 0.91 HR | | \$63.39 | \$30.06 | | \$1.45 | \$94.90 |
| TOTAL OPERATING EXPENSES | | 6.55 HR | | \$139.39 | \$67.53 | \$53.15 | \$20.48 | \$432.64 |
| NET OPERATING PROFIT | | | | | | | | (\$42.64) |
| INTEREST ON OPERATING CAPITAL | (| \$55.53 | @ | 8.00% |) | | | \$4.44 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$67.39 |
| RETURN TO LAND AND RISK | | | | | | | | (\$114.47) |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|------------|--|
| GROSS RETURN | | \$390.00 | |
| VARIABLE OPERATING EXPENSES | \$217.47 | | |
| RETURN OVER VARIABLE EXPENSES | | \$172.53 | (GROSS MARGINS) |
| FIXED EXPENSES | \$152.08 | | |
| NET FARM INCOME | | \$20.45 | (RETURNS TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$67.53 | | |
| NET OPERATING PROFIT | | (\$47.08) | (RETURNS TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$67.39 | | |
| RETURN TO LAND AND RISK | | (\$114.47) | |

TABLE 7. Sorghum-sudan hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, 2003.
 Planting dates: May 1 - June 1
 Harvesting dates: June 1 - August 1

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|----------------|----------------|----------------|-----------------|-----------------|
| GROSS RETURNS | | | | | | | | |
| SORGHUM/SUDAN HAY | \$110.00 | 5.00 TONS (STACKED) | | | | | | \$550.00 |
| TOTAL | | | | | | | \$550.00 | |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | FIXED COST | TOTAL | |
| SEED | \$1.04 | 50 LBS | \$52.00 | | | | \$52.00 | |
| NITROGEN (N) | \$0.36 | 100 LBS | \$36.00 | | | | \$36.00 | |
| PUMP WATER* | | 16 AC. IN. | | | | | | |
| SUBTOTAL | | | \$88.00 | | | | \$88.00 | |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & OIL | REPAIRS | FIXED COST | TOTAL |
| DISC | 50 HP | 0.39 HR | | \$2.63 | \$1.97 | \$1.52 | \$6.98 | \$13.11 |
| FLOAT (2X) | 50 HP | 0.64 HR | | \$4.32 | \$3.23 | \$2.12 | \$9.39 | \$19.06 |
| DRILL | 50 HP | 0.21 HR | | \$1.42 | \$1.06 | \$0.91 | \$35.02 | \$38.42 |
| IRRIGATE (4X) | | 2.00 HR | | \$12.90 | \$30.91 | \$5.96 | \$43.06 | \$92.83 |
| SUBTOTAL | | 3.24 HR | | \$21.27 | \$37.17 | \$10.52 | \$94.46 | \$163.42 |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER (2X) | 14 FT | 0.32 HR | | \$2.16 | \$1.62 | \$0.56 | \$14.79 | \$19.13 |
| BALER, PTO (2X) | 50 HP | 0.42 HR | | \$2.84 | \$2.12 | \$1.74 | \$8.08 | \$14.78 |
| BALE WAGON (2X) | 50 HP | 0.40 HR | | \$2.70 | \$2.02 | \$2.47 | \$12.12 | \$19.31 |
| SUBTOTAL | | 1.14 HR | | \$7.70 | \$5.76 | \$4.77 | \$34.99 | \$53.21 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.60 HR | | \$4.02 | | | | \$4.02 |
| EMPLOYEE BENEFITS | | | | \$3.48 | | | | \$3.48 |
| FARM INSURANCE | | | \$0.35 | | | | | \$0.35 |
| LAND TAXES | | | | | | | \$1.45 | \$1.45 |
| SUPERVISION AND MANAGEMENT | | | | \$25.19 | | | | \$25.19 |
| OTHER EXPENSES | | | \$62.94 | | | | | \$62.94 |
| SUBTOTAL | | 0.60 HR | \$63.29 | \$32.68 | | | \$1.45 | \$97.42 |
| TOTAL OPERATING EXPENSES | | 4.98 HR | \$151.29 | \$61.65 | \$42.93 | \$15.29 | \$130.90 | \$402.05 |
| NET OPERATING PROFIT | | | | | | | \$147.95 | |
| INTEREST ON OPERATING CAPITAL | (| \$56.80 | @ | 8.00% |) | | \$4.54 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$62.01 | |
| RETURN TO LAND AND RISK | | | | | | | \$81.39 | |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|--|
| GROSS RETURN | | \$550.00 | |
| VARIABLE OPERATING EXPENSES | \$214.05 | | |
| RETURN OVER VARIABLE EXPENSES | | \$335.95 | (GROSS MARGINS) |
| FIXED EXPENSES | \$130.90 | | |
| NET FARM INCOME | | \$205.05 | (RETURNS TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$61.65 | | |
| NET OPERATING PROFIT | | \$143.40 | (RETURNS TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$62.01 | | |
| RETURN TO LAND AND RISK | | \$81.39 | |

TABLE 8. Summary of per acre costs and returns, 50-acre part-time farm, Tularosa Basin, Otero County, 2003.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY -----FLOOD----- | OATS FOR HAY | SORGHUM SUDAN HAY |
|----------------------------------|--------------------------|-----------------------------------|--------------------|-------------------------|
| | | TONS | TONS | TONS |
| PRIMARY YIELD | | 6.00 | 3.00 | 5.00 |
| PRIMARY PRICE | | 140.00 | 130.00 | 110.00 |
| GOVERNMENT PAYMENTS | | 0.00 | 0.00 | 0.00 |
| SECOND INCOME | | 0.00 | 0.00 | 0.00 |
| GROSS RETURN | | \$840.00 | \$390.00 | \$550.00 |
| CASH OPERATING EXPENSES | | | | |
| SEED | \$90.00 | | \$40.00 | \$52.00 |
| FERTILIZER | | \$40.00 | \$36.00 | \$36.00 |
| CHEMICALS | | \$23.97 | | |
| CROP INSURANCE | | | | |
| OTHER PURCHASED INPUTS | | \$20.16 | | |
| CANAL WATER | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$15.50 | \$14.39 | \$18.38 | \$12.02 |
| FUEL-IRRIGATION | \$15.46 | \$86.94 | \$34.78 | \$30.91 |
| REPAIRS | \$14.15 | \$28.69 | \$20.48 | \$15.29 |
| CUSTOM CHARGES | | | | |
| LAND TAXES | | \$2.90 | \$1.45 | \$1.45 |
| OTHER EXPENSES | \$0.40 | \$126.54 | \$63.39 | \$63.29 |
| TOTAL CASH EXPENSES | \$135.51 | \$343.60 | \$214.48 | \$210.96 |
| RETURN OVER CASH EXPENSES | (\$135.51) | \$496.40 | \$175.52 | \$339.04 |
| FIXED EXPENSES | \$103.19 | \$247.62 | \$150.63 | \$129.45 |
| TOTAL EXPENSES | \$238.70 | \$591.22 | \$365.11 | \$340.41 |
| NET FARM INCOME | (\$238.70) | \$248.78 | \$24.89 | \$209.59 |
| LABOR AND MANAGEMENT COSTS | \$57.25 | \$106.61 | \$67.53 | \$61.65 |
| NET OPERATING PROFIT | (\$295.95) | \$142.17 | (\$42.64) | \$147.95 |
| CAPITAL COSTS | | | | |
| INTEREST ON OPERATING CAPITAL | | \$5.61 | \$4.44 | \$4.54 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$96.18 | \$67.39 | \$62.01 |
| TOTAL CAPITAL COSTS | \$0.00 | \$101.79 | \$71.83 | \$66.56 |
| RETURN TO LAND AND RISK | (\$295.95) | \$40.37 | (\$114.47) | \$81.39 |

TABLE 9. Whole farm summary, Tularosa Basin, Otero County, 2003.

| | | |
|----------------------------------|----------|-----------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 40 ACRES | |
| CROP | | \$33,600 |
| OATS FOR HAY | 5 ACRES | |
| CROP | | \$1,950 |
| SORGHUM/SUDAN | 5 ACRES | |
| CROP | | \$2,750 |
| GROSS RETURN | | <u>\$38,300</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$820 |
| FERTILIZER | | \$1,960 |
| CHEMICALS | | \$959 |
| CROP INSURANCE | | \$0 |
| OTHER PURCHASED INPUTS | | \$806 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$790 |
| FUEL-IRRIGATION | | \$3,868 |
| REPAIRS | | \$1,383 |
| CUSTOM CHARGES | | \$0 |
| LAND TAXES | | \$130 |
| OTHER EXPENSES | | \$5,697 |
| TOTAL CASH EXPENSES | | <u>\$16,413</u> |
| RETURN OVER CASH EXPENSES | | \$21,887 |
| FIXED EXPENSES | | \$9,887 |
| TOTAL EXPENSES | | \$26,300 |
| NET FARM INCOME | | \$12,000 |
| LABOR AND MANAGEMENT COSTS | \$5,139 | |
| NET OPERATING PROFIT | | \$6,860 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$270 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$4,494 |
| TOTAL CAPITAL COSTS | | <u>\$4,764</u> |
| RETURN TO LAND AND RISK | | <u>\$2,097</u> |

| LAND VALUE | RETURNS TO RISK* | RETURN ON INVESTMENT** |
|---------------|---------------------|---------------------------|
| \$700 /ACRE | \$697 | 7.60% |
| \$900 /ACRE | \$297 | 6.84% |
| \$1,100 /ACRE | (\$103) | 6.22% |
| \$1,300 /ACRE | (\$503) | 5.70% |
| \$1,500 /ACRE | (\$903) | 5.26% |
| \$1,700 /ACRE | (\$1,303) | 4.89% |
| \$1,900 /ACRE | (\$1,703) | 4.56% |
| \$2,100 /ACRE | (\$2,103) | 4.28% |

* 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)