

TABLE 1. Acreage Summary, Curry County,  
Projected 2004.

BUDGET AREA.....	CURRY COUNTY		
FARM SIZE.....	640 ACRES		
IRRIGATION TYPE.....	SPRINKLER		
NUMBER OF CROPS.....	1		
	WATER USE		
ACREAGE SUMMARY:	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMEN	100	5	500
ALFALFA HAY	500	25	12,500
CORNERS, ROADS, HOMESTEAD	140		
TOTAL	640		13,000
ACRE FEET PER ACRE OF WATER RIGHTS			1.69

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for Curry County,  
Projected 2004.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Nitrogen (N)		\$/pound	\$0.29
Phosphate (P205)		\$/pound	\$0.20
<b>Seed:</b>			
Alfalfa		\$/pound	\$2.80
<b>Diesel fuel</b>			
Diesel fuel		\$/gallon	\$1.50
Gasoline		\$/gallon	\$1.45
Electricity (SWPS)		cents/KwHr	5.50
LP Gas		\$/gallon	\$1.21
Natural Gas (Gas NM)		\$/MCF	\$7.22
<b>Plastic Twine</b>			
Plastic Twine		\$/box	\$18.25
<b>Employee Liability Insurance</b>			
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
<b>Employee Benefits</b>			
Employee Benefits		percent/wages	18.00%
<b>Labor Downtime</b>			
Labor Downtime		percent	25.00%
<b>Financial Rates:</b>			
Operating Capital Interest Rate		percent	6.50%
Land Interest Rate		percent	6.00%
Equipment Interest Rate		percent	6.50%
Real Interest Rate		percent	4.00%
<b>Land Taxes</b>			
Land Taxes		\$109.00 /acre (full value)	\$0.91
<b>Personal Property Tax Rate</b>			
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$25.05
	- R		\$25.05
<b>Supervision Factors</b>			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
<b>Management Rate</b>			
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for Curry County,  
Projected 2004.

Item			
Electricity (Domestic & Shop)		\$220.00 per month	\$2,640
Telephone		\$120.00 per month	\$1,440
Accounting & Legal			\$1,650
Misc. Supplies & Hand Tools			\$2,470
Pickup and Auto			
miles	20,000	@ \$0.365 per mile	\$7,300
<b>Insurance</b>			
- general liability (non-employee)			\$2,220
- fire/theft			\$1,775
<b>Property Taxes</b>			
- non-planted land			\$605
- other than land & machinery			\$640
Building repairs and maintenance			\$145
Dues, fees, publications			\$170
Farmstead Equipment			\$165
		Total	\$21,220
		Total Per Planted Acre	\$42.44

TABLE 4. Pumping costs and data for Curry County,  
Projected 2004.

INPUT DATA	
DELIVERY PSI: SPRINKLER	40
DEPTH CHARACTERISTICS:	
STATIC.....	300
DRAW DOWN.....	35
TOTAL HEAD.....	335
CASING.....	350
GALLONS PER MINUTE (GPM)	800
WORK HORSEPOWER	86
EFFICIENCY FACTOR:	
ELECTRICITY	0.592
NATURAL GAS	0.156
LP GAS	0.156
DIESEL	0.160
FUEL COST PER HOUR:	
ELECTRICITY	5.50 CENTS/KwHr
NATURAL GAS	\$7.22 /MCF
LP GAS	\$1.21 /GAL
DIESEL	\$1.50 /GAL
PUMPING COSTS	
ELECTRIC WELL:	
COST PER HOUR	\$6.02
COST PER ACRE INCH	\$3.40
NATURAL GAS:	
COST PER HOUR	\$11.18
COST PER ACRE INCH	\$6.32
LP GAS WELL:	
COST PER HOUR	\$18.59
COST PER ACRE INCH	\$10.52
DIESEL WELL:	
COST PER HOUR	\$14.58
COST PER ACRE INCH	\$8.25

TABLE 5. Equipment summary for a 640 acre sprinkler-irrigated hay farm with above average management, Curry County,  
Projected 2004.

EQUIPMENT		ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS			FIXED COSTS			
ITEM & SIZE	FUEL, OIL, LUBRICANT				REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR	96 HP	300	1	\$26,855	\$3,198	\$1,667	\$10.66	\$5.56	\$1,930	\$242	\$7.24
TRACTOR	140 HP	282	1	\$13,188	\$3,322	\$1,596	\$11.78	\$5.66	\$3,493	\$219	\$13.16
TRACTOR	185 HP	159	1	\$38,035	\$2,475	\$429	\$15.57	\$2.70	\$5,995	\$375	\$40.06
SWATHER	16 FT	275	1	\$21,350	\$1,544	\$3,783	\$5.62	\$13.76	\$3,621	\$302	\$14.26
DISC	14 FT	14	1	\$3,000		\$36		\$2.58	\$400	\$25	\$30.36
FERT SPREADER DEALER FURNISHEI		0									
CHISEL	7 PT	20	1	\$1,200		\$19		\$0.94	\$160	\$10	\$8.50
FLOAT	14 FT	32	1	\$600		\$3		\$0.09	\$60	\$4	\$1.99
BALER	1 TON	125	1	\$41,720		\$327		\$2.62	\$5,812	\$364	\$49.40
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		7,354	4	\$60,000	\$303	\$6,656	\$0.04	\$0.91	\$8,000	\$501	\$1.16
ELECTRIC WELL		7,354	4	\$95,500	\$44,248	\$666	\$6.02	\$0.09	\$8,682	\$797	\$1.29
TOTAL				\$308,648	\$55,091	\$15,656			\$38,872	\$2,900	

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2004.

Planting Dates: August 1 - September 1									
ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<b>PURCHASED INPUTS</b>									
SEED	\$2.80	30.00 LBS	\$84.00						\$84.00
NITROGEN (N)	\$0.29	20.00 LBS	\$5.80						\$5.80
PHOSPHATE (P2O5)	\$0.20	50.00 LBS	\$10.00						\$10.00
PUMP WATER*		5.00 AC. IN.							
SUBTOTAL			\$99.80						\$99.80
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
CHISEL	185 HP	0.20 HR		\$1.51	\$3.11	\$0.73	\$9.71	\$15.06	
DISC	185 HP	0.14 HR		\$1.06	\$2.18	\$0.74	\$9.86	\$13.83	
FLOAT (2X)	140 HP	0.32 HR		\$2.42	\$3.77	\$1.84	\$4.85	\$12.88	
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	\$26.20	\$6.12	\$31.34	\$82.44	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.09 HR		\$0.64				\$0.64	
EMPLOYEE BENEFITS				\$1.76				\$1.76	
INSURANCE			\$0.03					\$0.03	
SUPERVISION AND MANAGEMENT				\$13.74				\$13.74	
SUBTOTAL		0.09 HR	\$0.03	\$16.14				\$16.17	
<b>TOTAL OPERATING EXPENSES</b>		1.45 HR	\$108.83	\$25.93	\$26.20	\$6.12	\$31.34	\$198.41	

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County  
 Projected 2004.  
 Harvesting Dates: May 15 - September 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$130.00	9.00 TONS (STACKED)	\$1,170.00
<b>TOTAL</b>			<b>\$1,170.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	\$0.29	100 LBS	\$29.00		\$29.00
PHOSPHATE (P205)	\$0.20	200 LBS	\$40.00		\$40.00
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	\$6.98		\$6.98
ESTABLISHMENT: Principal		6 YEARS		\$33.07	\$33.07
: Interest				\$6.67	\$6.67
PUMP WATER*		25 AC. IN.			
<b>SUBTOTAL</b>			<b>\$125.16</b>	<b>\$39.74</b>	<b>\$164.89</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE		2.00 HR		\$13.50	\$85.68	\$14.08	\$34.58	\$147.83
<b>SUBTOTAL</b>		<b>2.00 HR</b>		<b>\$13.50</b>	<b>\$85.68</b>	<b>\$14.08</b>	<b>\$34.58</b>	<b>\$147.83</b>

HARVEST OPERATIONS								
SWATHER (5X)	16 FT	0.55 HR		\$4.15	\$3.09	\$7.57	\$7.85	\$22.65
RAKE (5X)	96 HP	0.60 HR		\$4.53	\$6.40	\$4.28	\$5.35	\$20.56
BALER (5X)	185 HP	0.25 HR		\$1.89	\$3.89	\$1.33	\$22.37	\$29.47
FRONT END LOADER (5X)	140 HP	0.50 HR		\$3.78	\$5.89	\$2.83	\$7.13	\$19.63
<b>SUBTOTAL</b>		<b>1.90 HR</b>		<b>\$14.35</b>	<b>\$19.27</b>	<b>\$16.01</b>	<b>\$42.70</b>	<b>\$92.32</b>

OVERHEAD EXPENSES								
DOWNTIME		0.48 HR		\$3.59				\$3.59
EMPLOYEE BENEFITS				\$5.01				\$5.01
INSURANCE				\$0.56				\$0.56
LAND TAXES							\$0.91	\$0.91
SUPERVISION AND MANAGEMENT				\$84.85				\$84.85
OTHER EXPENSES				\$42.44				\$42.44
<b>SUBTOTAL</b>		<b>0.48 HR</b>		<b>\$43.00</b>	<b>\$93.45</b>		<b>\$0.91</b>	<b>\$137.36</b>

TOTAL OPERATING EXPENSES		4.38 HR		\$168.16	\$121.29	\$104.94	\$30.09	\$117.92	\$542.40
NET OPERATING PROFIT									\$627.60
INTEREST ON OPERATING CAPITAL		( \$93.79 @	6.50%	)					\$6.10
INTEREST ON EQUIPMENT INVESTMENT									\$27.14
<b>RETURN TO LAND AND RISK</b>									<b>\$594.36</b>

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

BUDGET SUMMARY

GROSS RETURN		\$1,170.00	
VARIABLE OPERATING EXPENSES	\$303.18		
RETURN OVER VARIABLE EXPENSES	\$866.82	(GROSS MARGIN)	
FIXED EXPENSES	\$117.92		
NET FARM INCOME	\$748.90	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$121.29		
NET OPERATING PROFIT	\$627.60	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$33.24		
RETURN TO LAND AND RISK	\$594.36		

TABLE 8. Summary of per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2004.

	ALFALFA ESTABLISHMENT	ALFALFA HAY
		TONS
PRIMARY YIELD		9.00
PRIMARY PRICE		\$130.00
GOVERNMENT PAYMENTS		\$0.00
SECOND INCOME		\$0.00
GROSS RETURN		\$1,170.00
CASH OPERATING EXPENSES		
SEED	\$84.00	
FERTILIZER	\$15.80	\$83.25
CHEMICALS		\$34.93
CROP INSURANCE		
OTHER PURCHASED INPUTS		\$6.98
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$9.06	\$19.27
FUEL-IRRIGATION	\$17.14	\$85.68
REPAIRS	\$6.12	\$30.09
CUSTOM CHARGES	\$9.00	\$0.00
LAND TAXES		\$0.91
OTHER EXPENSES	\$0.03	\$43.00
TOTAL CASH EXPENSES	\$141.15	\$304.09
RETURN OVER CASH EXPENSES	(\$141.15)	\$865.91
FIXED EXPENSES	\$31.34	\$117.01
TOTAL EXPENSES	\$172.48	\$421.10
NET FARM INCOME	(\$172.48)	\$748.90
LABOR AND MANAGEMENT COSTS	\$25.93	\$121.29
NET OPERATING PROFIT	(\$198.41)	\$627.60
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$6.10
INTEREST ON EQUIPMENT INVESTMENT		\$27.14
TOTAL CAPITAL COSTS	\$0.00	\$33.24
RETURN TO LAND AND RISK	(\$198.41)	\$594.36

TABLE 9. Whole farm summary, Curry County,  
Projected 2004.

GROSS RETURNS		
ALFALFA HAY	500 ACRES	
CROP		\$585,000
GROSS RETURN		<u>\$585,000</u>
CASH OPERATING EXPENSES		
		\$8,400
		\$43,203
CHEMICALS		\$17,466
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$3,490
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$10,540
FUEL-IRRIGATION		\$44,551
REPAIRS		\$15,656
CUSTOM CHARGES		\$900
LAND TAXES		\$455
OTHER EXPENSES		\$21,501
TOTAL CASH EXPENSES		<u>\$166,162</u>
RETURN OVER CASH EXPENSES		\$418,838
FIXED EXPENSES		\$45,104
TOTAL EXPENSES		\$211,266
NET FARM INCOME		\$373,734
LABOR AND MANAGEMENT COSTS		\$63,240
NET OPERATING PROFIT		\$310,494
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,048
INTEREST ON EQUIPMENT INVESTMENT		\$13,571
TOTAL CAPITAL COSTS		<u>\$16,620</u>
RETURN TO LAND AND RISK		<u>\$293,875</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$281,075	49.39%
\$1,000 /ACRE	\$268,275	32.73%
\$1,500 /ACRE	\$255,475	24.47%
\$2,000 /ACRE	\$242,675	19.54%
\$2,500 /ACRE	\$229,875	16.27%

\* 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)