

TABLE 1. Acreage Summary, De Baca County, Projected 2004.

| BUDGET AREA..... DE BACA COUNTY | | | |
|------------------------------------|------------------|------------------|---------------|
| FARM SIZE..... 100 ACRES | | | |
| IRRIGATION TYPE..... FLOOD | | | |
| NUMBER OF CROPS... 4 | | | |
| WATER USE | | | |
| ACREAGE SUMMARY: | LAND USE (ACRES) | AC. IN. PER ACRE | TOTAL AC. IN. |
| ALFALFA ESTABLISHMENT * | 13.00 | 12 | 156 |
| ALFALFA | 65.00 | 36 | 2,340 |
| WHEAT | 17.00 | 20 | 340 |
| APR | 0.00 | | |
| FLEX IN HYGEAR | 3.00 | 12 | 36 |
| OAT HAY | 10.00 | 20 | 200 |
| HYGEAR * | 14.00 | 12 | 168 |
| ROADS, HOMESTEAD | 5.00 | | |
| TOTAL | 100.00 | | 3,240 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 2.70 |

* DOUBLE-CROPPED

TABLE 2. Basic cost information for De Baca County, Projected 2004.

| Item | | | |
|---------------------------------|----------------------------|---------------------------|--------------------|
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | \$6.75 |
| General & Irrigators | \$/hour | | \$6.45 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | \$0.29 |
| Phosphate (P205) | \$/pound | | \$0.20 |
| Seed: | | | |
| Alfalfa | \$/pound | | \$2.80 |
| Wheat | \$/pound | | \$0.18 |
| Oat Hay | \$/pound | | \$0.30 |
| Hygear | \$/pound | | \$0.43 |
| LP | | | \$1.21 |
| Baling wire | \$/pound | | \$0.38 |
| Canal water | \$/acre | | \$42.50 |
| Energy: | | | |
| Natural gas | \$/MCF | | \$7.22 |
| Diesel fuel | \$/gallon | | \$1.50 |
| Gasoline | \$/gallon | | \$1.45 |
| Electricity (Farmers Elec Coop) | cents/KwHr | | 9.55 |
| Employee Liability Insurance | \$/1,000 wages | | \$0.25 |
| Employee Benefits | percent/wages | | 25.00% |
| Labor Downtime | percent | | 25.00% |
| Financial Rates: | | | |
| 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% |
| Land Taxes | \$75.00 /acre (full value) | | |
| Personal Property Tax Rate | - NR - R | \$/1,000 (Assessed Value) | \$26.85 \$27.85 |
| Supervision Factors | | | |
| Field Crop-Irrigation | \$/labor hour | | \$0.07 |
| Field Crop-Equipment & General | \$/labor hour | | \$0.10 |
| Management Rate | percent | | 7.00% |

TABLE 3. Overhead cost information for De Baca County, Projected 2004.

| Item | | | |
|------------------------------------|---------|------------------------|---------|
| Electricity (Domestic & Shop) | | \$110.00 per month | \$1,320 |
| Telephone | | \$87.00 per month | \$1,044 |
| Accounting & Legal | | | \$465 |
| Misc. Supplies & Hand Tools | | | \$750 |
| Pickup and Auto | | | |
| miles | 2,100 @ | \$0.365 per mile | \$767 |
| Insurance | | | |
| - general liability (non-employee) | | | \$980 |
| - fire/theft | | | \$645 |
| Property Taxes | | | |
| - non-planted land | | | \$40 |
| - other than land & machinery | | | \$305 |
| Building repairs and maintenance | | | \$490 |
| Dues, fees, publications | | | \$260 |
| Farmstead Equipment | | | \$170 |
| | | Total | \$7,236 |
| | | Total Per Planted Acre | \$76.16 |

TABLE 4. Equipment summary for a 100 acre flood-irrigated farm with above average management, De Baca 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 | 65 HP | 269 | 1 | \$2,400 | \$1,897 | \$302 | \$7.05 | \$1.12 | \$138 | \$25 | \$0.60 |
| FLOAT | 10 FT | 3 | 1 | \$450 | | \$0 | | \$0.01 | \$47 | \$3 | \$15.96 |
| SWATHER | 14 FT (OLD) | 56 | 1 | \$2,100 | \$316 | \$71 | \$5.62 | \$1.26 | \$700 | \$63 | \$13.54 |
| BALER PTO | 2 WIRE | 74 | 1 | \$1,600 | | \$83 | | \$1.12 | \$385 | \$34 | \$5.67 |
| PLOW | 2-16 IN | 60 | 1 | \$250 | | \$10 | | \$0.16 | \$33 | \$2 | \$0.59 |
| DISC | 12 FT | 17 | 1 | \$2,250 | | \$33 | | \$1.94 | \$300 | \$20 | \$18.83 |
| DRILL | 10 FT | 14 | 1 | \$1,800 | | \$19 | | \$1.37 | \$360 | \$16 | \$26.39 |
| LAND PLANE | 12 FT | 23 | 1 | \$2,500 | | \$7 | | \$0.30 | \$333 | \$22 | \$15.44 |
| BALEWAGON | PTO | 70 | 1 | \$1,500 | | \$417 | | \$5.92 | \$800 | \$72 | \$12.38 |
| BORDER DISC | 6 DISC | 2 | 1 | \$750 | | \$2 | | \$0.93 | \$100 | \$7 | \$53.36 |
| FERT SPREADER | | 5 | 1 | \$1,200 | | \$3 | | \$0.46 | \$153 | \$10 | \$30.02 |
| | | | | \$16,800 | \$2,213 | \$945 | | | \$3,349 | \$274 | |

TABLE 5. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County, Projected 2004.
Planting Dates: August 25 - September 30

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | TOTAL | |
|---------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| PURCHASED INPUTS | | | | | | | | |
| SEED | \$2.80 | 25 LBS | | | | | \$70.00 | |
| CANAL WATER | | 12 AC. IN. | | | | | \$70.00 | |
| SUBTOTAL | | | | | | | \$70.00 | |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 65 HP | 0.17 HR | | \$1.15 | \$1.20 | \$0.52 | \$3.30 | \$6.17 |
| PLOW | 65 HP | 1.05 HR | | \$7.09 | \$7.40 | \$1.35 | \$1.26 | \$17.09 |
| DISC | 65 HP | 0.17 HR | | \$1.15 | \$1.20 | \$0.52 | \$3.30 | \$6.17 |
| LAND PLANE (4X) | 65 HP | 0.96 HR | | \$6.48 | \$6.77 | \$1.37 | \$15.40 | \$30.01 |
| DISC | 65 HP | 0.17 HR | | \$1.15 | \$1.20 | \$0.52 | \$3.30 | \$6.17 |
| BORDER DISC | 65 HP | 0.05 HR | | \$0.34 | \$0.35 | \$0.10 | \$2.70 | \$3.49 |
| FLOAT | 65 HP | 0.24 HR | | \$1.62 | \$1.69 | \$0.27 | \$3.98 | \$7.56 |
| DRILL | 65 HP | 0.25 HR | | \$1.69 | \$1.76 | \$0.62 | \$6.75 | \$10.82 |
| IRRIGATE (4X) | | 2.00 HR | | \$12.90 | | | | \$12.90 |
| SUBTOTAL | | 5.06 HR | | \$33.56 | \$21.57 | \$5.27 | \$39.99 | \$100.39 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.77 HR | | \$5.16 | | | | \$5.16 |
| EMPLOYEE BENEFITS | | | | \$8.39 | | | | \$8.39 |
| INSURANCE | | | \$0.01 | | | | | \$0.01 |
| SUPERVISION AND MANAGEMENT | | | | \$12.37 | | | | \$12.37 |
| SUBTOTAL | | 0.77 HR | \$0.01 | \$25.93 | | | | \$25.93 |
| TOTAL OPERATING EXPENSES | | 5.83 HR | \$70.01 | \$59.48 | \$21.57 | \$5.27 | \$39.99 | \$196.32 |

TABLE 6. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County
 Projected 2004.
 Harvesting Dates: May 20 - October 30

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|-----------------|----------------|----------------|-----------------|-----------------|
| GROSS RETURNS | | | | | | | | |
| HAY | \$130.00 | 5.10 TONS (STACKED) | | | | | | \$663.00 |
| GRAZING | \$12.50 | 1.00 ACRE | | | | | | \$12.50 |
| TOTAL | | | | | | | \$675.50 | |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| PHOSPHATE (P205) | \$0.20 | 130 LBS | \$26.00 | | | | | \$26.00 |
| WIRE | \$0.38 | 43 LBS | \$16.45 | | | | | \$16.45 |
| ESTABLISHMENT: Principal | | 5 YEARS | | | | | \$39.26 | \$39.26 |
| : Interest | | | | | | | \$6.35 | \$6.35 |
| INSECTICIDE (CUSTOM) | \$16.09 | 2 X/ACRE | \$32.18 | | | | | \$32.18 |
| CANAL WATER | | 36 AC. IN. | \$42.50 | | | | | \$42.50 |
| SUBTOTAL | | | \$117.13 | | | | \$45.62 | \$162.74 |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| FERT SPREADER | 65 HP | 0.05 HR | | \$0.34 | \$0.35 | \$0.08 | \$1.53 | \$2.30 |
| IRRIGATE (8X) | | 4.00 HR | | \$25.80 | | | | \$25.80 |
| SUBTOTAL | | | | \$26.14 | \$0.35 | \$0.08 | \$1.53 | \$28.10 |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER (5X) | 14 FT | 0.80 HR | | \$5.40 | \$4.49 | \$1.01 | \$10.83 | \$21.73 |
| BALER (5X) | 65 HP | 1.05 HR | | \$7.09 | \$7.40 | \$2.35 | \$6.59 | \$23.43 |
| BALEWAGON PTO (5X) | 65 HP | 1.00 HR | | \$6.75 | \$7.05 | \$7.04 | \$12.98 | \$33.83 |
| SUBTOTAL | | | | \$19.24 | \$18.95 | \$10.40 | \$30.41 | \$78.99 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.73 HR | | \$4.89 | | | | \$4.89 |
| EMPLOYEE BENEFITS | | | | \$11.34 | | | | \$11.34 |
| INSURANCE | | | \$0.01 | | | | | \$0.01 |
| LAND TAXES | | | | | | | \$0.00 | \$0.00 |
| SUPERVISION AND MANAGEMENT | | | | \$47.86 | | | | \$47.86 |
| OTHER EXPENSES | | | \$76.16 | | | | | \$76.16 |
| SUBTOTAL | | | | \$76.17 | \$64.09 | | \$0.00 | \$140.27 |
| TOTAL OPERATING EXPENSES | | 7.63 HR | \$193.30 | \$109.47 | \$19.30 | \$10.48 | \$77.55 | \$410.10 |
| NET OPERATING PROFIT | | | | | | | \$265.40 | |
| INTEREST ON OPERATING CAPITAL | | (| \$61.12 | @ | 6.50% |) | \$3.97 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$19.49 | |
| RETURN TO LAND AND RISK | | | | | | | \$241.94 | |

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$675.50 | |
| VARIABLE OPERATING EXPENSES | \$223.08 | | |
| RETURN OVER VARIABLE EXPENSES | | \$452.42 | (GROSS MARGIN) |
| FIXED EXPENSES | \$77.55 | | |
| NET FARM INCOME | | \$374.87 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$109.47 | | |
| NET OPERATING PROFIT | | \$265.40 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$23.46 | | |
| RETURN TO LAND AND RISK | | \$241.94 | |

TABLE 7. Wheat for grain, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County, Projected 2004.
Planting Dates: September 1 - October 15
Harvesting Dates: June 20 - July 1

| ITEM | PRICE | YIELD | BASE | TOTAL |
|--------------------------|---------|---------------|------|-----------------|
| GROSS RETURNS | | | | |
| WHEAT FOR GRAIN | \$3.75 | 40.00 BUSHELS | | \$150.00 |
| ASCS DEFICIENCY | \$0.52 | 40.00 BUSHELS | 0.85 | \$17.68 |
| COUNTER CYCLICAL PAYMENT | \$0.00 | | | \$0.00 |
| GRAZING | \$25.00 | 1.00 ACRE | | \$25.00 |
| TOTAL | | | | \$192.68 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|------------------|--------|------------|------------------|------------|----------------|
| SEED | \$0.18 | 80 LBS | \$14.40 | | \$14.40 |
| NITROGEN (N) | \$0.29 | 60 LBS | \$17.40 | | \$17.40 |
| CANAL WATER | | 20 AC. IN. | \$42.50 | | \$42.50 |
| CROP INSURANCE | \$2.94 | | \$2.94 | | \$2.94 |
| SUBTOTAL | | | \$77.24 | | \$77.24 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|----------------|
| PLOW | 65 HP | 1.05 HR | | \$7.09 | \$7.40 | \$1.35 | \$1.26 | \$17.09 |
| DISC | 65 HP | 0.17 HR | | \$1.15 | \$1.20 | \$0.52 | \$3.30 | \$6.17 |
| FERT SPREADER | 65 HP | 0.05 HR | | \$0.34 | \$0.35 | \$0.08 | \$1.53 | \$2.30 |
| LAND PLANE | 65 HP | 0.24 HR | | \$1.62 | \$1.69 | \$0.34 | \$3.85 | \$7.50 |
| BORDER DISC | 65 HP | 0.05 HR | | \$0.34 | \$0.35 | \$0.10 | \$2.70 | \$3.49 |
| DRILL | 65 HP | 0.25 HR | | \$1.69 | \$1.76 | \$0.62 | \$6.75 | \$10.82 |
| IRRIGATE (5X) | | 2.50 HR | | \$16.13 | | | | \$16.13 |
| SUBTOTAL | | 4.31 HR | \$0.00 | \$28.34 | \$12.76 | \$3.01 | \$19.39 | \$63.50 |

| HARVEST OPERATIONS | | | | |
|--------------------|--|--|----------------|----------------|
| COMBINE (CUSTOM) | | | \$14.70 | \$14.70 |
| HAUL (CUSTOM) | | | \$6.80 | \$6.80 |
| SUBTOTAL | | | \$21.50 | \$21.50 |

| OVERHEAD EXPENSES | | | | | | | | |
|----------------------------|--|----------------|----------------|----------------|--|---------------|--|-----------------|
| DOWNTIME | | 0.45 HR | | \$3.05 | | | | \$3.05 |
| EMPLOYEE BENEFITS | | | | \$7.09 | | | | \$7.09 |
| INSURANCE | | | \$0.01 | | | | | \$0.01 |
| LAND TAXES | | | | | | \$0.00 | | \$0.00 |
| SUPERVISION AND MANAGEMENT | | | | \$13.84 | | | | \$13.84 |
| OTHER EXPENSES | | | \$76.16 | | | | | \$76.16 |
| SUBTOTAL | | 0.45 HR | \$76.17 | \$23.98 | | \$0.00 | | \$100.15 |

| | | | | | | | | |
|----------------------------------|--|----------------|-----------------|----------------|----------------|---------------|----------------|------------------|
| TOTAL OPERATING EXPENSES | | 4.76 HR | \$174.91 | \$52.33 | \$12.76 | \$3.01 | \$19.39 | \$262.40 |
| NET OPERATING PROFIT | | | | | | | | (\$69.72) |
| INTEREST ON OPERATING CAPITAL | | (\$44.36 @ | 6.50% |) | | | | \$2.88 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$8.60 |
| RETURN TO LAND AND RISK | | | | | | | | (\$81.20) |

| BUDGET SUMMARY | | | |
|-------------------------------|----------|-----------|---|
| GROSS RETURN | | \$192.68 | |
| VARIABLE OPERATING EXPENSES | \$190.68 | | |
| RETURN OVER VARIABLE EXPENSES | | \$2.00 | (GROSS MARGIN) |
| FIXED EXPENSES | \$19.39 | | |
| NET FARM INCOME | | (\$17.39) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$52.33 | | |
| NET OPERATING PROFIT | | (\$69.72) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$11.48 | | |
| RETURN TO LAND AND RISK | | (\$81.20) | |

TABLE 8. Oat hay, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County
 Projected 2004.
 Planting dates: March 1 - March 15
 Harvesting Dates: July 1 - July 15

| ITEM | PRICE | YIELD | TOTAL |
|---------------|----------|---------------------|----------|
| GROSS RETURNS | | | |
| OAT HAY | \$120.00 | 4.75 TONS (STACKED) | \$570.00 |
| TOTAL | | | \$570.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|------------------|--------|------------|------------------|------------|---------|
| SEED | \$0.30 | 100 LBS | \$30.00 | | \$30.00 |
| NITROGEN (N) | \$0.29 | 40 LBS | \$11.60 | | \$11.60 |
| WIRE | \$0.38 | 41 LBS | \$15.57 | | \$15.57 |
| CANAL WATER | | 20 AC. IN. | \$42.50 | | \$42.50 |
| SUBTOTAL | | | \$99.67 | | \$99.67 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|---------|
| PLOW | 65 HP | 1.05 HR | | \$7.09 | \$7.40 | \$1.35 | \$1.26 | \$17.09 |
| DISC | 65 HP | 0.17 HR | | \$1.15 | \$1.20 | \$0.52 | \$3.30 | \$6.17 |
| FERT SPREADER | 65 HP | 0.05 HR | | \$0.34 | \$0.35 | \$0.08 | \$1.53 | \$2.30 |
| LAND PLANE | 65 HP | 0.24 HR | | \$1.62 | \$1.69 | \$0.34 | \$3.85 | \$7.50 |
| BORDER DISC | 65 HP | 0.05 HR | | \$0.34 | \$0.35 | \$0.10 | \$2.70 | \$3.49 |
| DRILL | 65 HP | 0.25 HR | | \$1.69 | \$1.76 | \$0.62 | \$6.75 | \$10.82 |
| IRRIGATE (5X) | | 2.50 HR | | \$16.13 | | | | \$16.13 |
| SUBTOTAL | | 4.31 HR | | \$28.34 | \$12.76 | \$3.01 | \$19.39 | \$63.50 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| SWATHER | 14 FT | 0.16 HR | | \$1.08 | \$0.90 | \$0.20 | \$2.17 | \$4.35 |
| BALER | 65 HP | 0.21 HR | | \$1.42 | \$1.48 | \$0.47 | \$1.32 | \$4.69 |
| BALEWAGON | 65 HP | 0.20 HR | | \$1.35 | \$1.41 | \$1.41 | \$2.60 | \$6.77 |
| SUBTOTAL | | 0.57 HR | | \$3.85 | \$3.79 | \$2.08 | \$6.08 | \$15.80 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|---------|-------------|---------|------------|---------|
| DOWNTIME | 0.60 HR | | \$4.02 | | | | \$4.02 |
| EMPLOYEE BENEFITS | | | \$8.05 | | | | \$8.05 |
| INSURANCE | | \$0.01 | | | | | \$0.01 |
| LAND TAXES | | | | | | \$0.00 | \$0.00 |
| SUPERVISION AND MANAGEMENT | | | \$40.83 | | | | \$40.83 |
| OTHER EXPENSES | | \$38.08 | | | | | \$38.08 |
| SUBTOTAL | 0.60 HR | \$38.09 | \$52.89 | | | \$0.00 | \$90.98 |

| | | | | | | | |
|--------------------------|---------|----------|---------|---------|--------|---------|----------|
| TOTAL OPERATING EXPENSES | 5.48 HR | \$137.76 | \$85.08 | \$16.55 | \$5.09 | \$25.47 | \$269.95 |
|--------------------------|---------|----------|---------|---------|--------|---------|----------|

| | | | | | | | |
|----------------------|--|--|--|--|--|--|----------|
| NET OPERATING PROFIT | | | | | | | \$300.05 |
|----------------------|--|--|--|--|--|--|----------|

| | | | | | | | |
|----------------------------------|---|---------|---|-------|---|--|---------|
| INTEREST ON OPERATING CAPITAL | (| \$54.27 | @ | 6.50% |) | | \$3.53 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$12.35 |

| | | | | | | | |
|-------------------------|--|--|--|--|--|--|----------|
| RETURN TO LAND AND RISK | | | | | | | \$284.17 |
|-------------------------|--|--|--|--|--|--|----------|

| BUDGET SUMMARY | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$570.00 | |
| VARIABLE OPERATING EXPENSES | \$159.40 | | |
| RETURN OVER VARIABLE EXPENSES | | \$410.60 | (GROSS MARGIN) |
| FIXED EXPENSES | \$25.47 | | |
| NET FARM INCOME | | \$385.13 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$85.08 | | |
| NET OPERATING PROFIT | | \$300.05 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$15.88 | | |
| RETURN TO LAND AND RISK | | \$284.17 | |

TABLE 9. Hygear, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, De Baca County, Projected 2004.
 Planting Dates: July 5 - July 20
 Harvesting Dates: September 15 - October 15

| ITEM | PRICE | YIELD | TOTAL |
|---------------|----------|---------------------|----------|
| GROSS RETURNS | | | |
| HYGEAR | \$105.00 | 4.75 TONS (STACKED) | \$498.75 |
| TOTAL | | | \$498.75 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|------------------|--------|------------|------------------|------------|---------|
| SEED | \$0.43 | 70 LBS | \$30.10 | | \$30.10 |
| NITROGEN (N) | \$0.29 | 40 LBS | \$11.60 | | \$11.60 |
| CANAL WATER | | 12 AC. IN. | \$21.25 | | \$21.25 |
| SUBTOTAL | | | \$62.95 | | \$62.95 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|---------|
| PLOW | 65 HP | 1.05 HR | | \$7.09 | \$7.40 | \$1.35 | \$1.26 | \$17.09 |
| DISC (2X) | 65 HP | 0.34 HR | | \$2.30 | \$2.40 | \$1.04 | \$6.61 | \$12.34 |
| FERT SPREADER | 65 HP | 0.05 HR | | \$0.34 | \$0.35 | \$0.08 | \$1.53 | \$2.30 |
| LAND PLANE | 65 HP | 0.24 HR | | \$1.55 | \$1.69 | \$0.34 | \$3.85 | \$7.43 |
| DRILL | 65 HP | 0.25 HR | | \$1.69 | \$1.76 | \$0.62 | \$6.75 | \$10.82 |
| IRRIGATE (4X) | | 2.00 HR | | \$12.90 | | | | \$12.90 |
| SUBTOTAL | | 3.93 HR | | \$25.86 | \$13.61 | \$3.43 | \$19.99 | \$62.88 |

| HARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|--------------------|------------|---------------------|------------------|--------|-------------|---------|------------|---------|
| SWATHER | 14 FT | 0.16 HR | | \$1.03 | \$0.90 | \$0.20 | \$2.17 | \$4.30 |
| BALER | 65 HP | 0.21 HR | | \$1.35 | \$1.48 | \$0.47 | \$1.32 | \$4.62 |
| BALE WAGON | 65 HP | 0.20 HR | | \$1.29 | \$1.41 | \$1.41 | \$2.60 | \$6.71 |
| SUBTOTAL | | 0.57 HR | \$0.00 | \$3.68 | \$3.79 | \$2.08 | \$6.08 | \$15.63 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|---------|------------|---------|
| DOWNTIME | 1.05 HR | | \$7.10 | | \$7.10 |
| EMPLOYEE BENEFITS | | | \$7.38 | | \$7.38 |
| INSURANCE | | \$0.01 | | | \$0.01 |
| LAND TAXES | | | | \$0.00 | \$0.00 |
| SUPERVISION AND MANAGEMENT | | | \$35.30 | | \$35.30 |
| OTHER EXPENSES | | \$38.08 | | | \$38.08 |
| SUBTOTAL | 1.05 HR | \$38.09 | \$49.79 | \$0.00 | \$87.88 |

TOTAL OPERATING EXPENSES 5.55 HR \$101.04 \$79.32 \$17.40 \$5.51 \$26.08 \$229.34

NET OPERATING PROFIT \$269.41

INTEREST ON OPERATING CAPITAL (\$36.22 @ 6.50%) \$2.35
 INTEREST ON EQUIPMENT INVESTMENT \$12.68

RETURN TO LAND AND RISK \$254.38

BUDGET SUMMARY

| | | |
|-------------------------------|----------|---|
| GROSS RETURN | \$498.75 | |
| VARIABLE OPERATING EXPENSES | \$123.94 | |
| RETURN OVER VARIABLE EXPENSES | \$374.81 | (GROSS MARGIN) |
| FIXED EXPENSES | \$26.08 | |
| NET FARM INCOME | \$348.73 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$79.32 | |
| NET OPERATING PROFIT | \$269.41 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$15.03 | |
| RETURN TO LAND AND RISK | \$254.38 | |

TABLE 10. Summary of per acre costs and returns for a 100 acre farm with above average management, De Baca County, Projected 2004.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | WHEAT FOR GRAIN | OAT HAY | HYGEAR |
|----------------------------------|--------------------------|----------------|--------------------|----------|----------|
| | | TONS | BU | TONS | TONS |
| PRIMARY YIELD | | 5.10 | 40.00 | 4.75 | 4.75 |
| PRIMARY PRICE | | \$130.00 | \$3.75 | \$120.00 | \$105.00 |
| GOVERNMENT PAYMENTS | | \$0.00 | \$17.68 | \$0.00 | \$0.00 |
| SECOND INCOME | | \$12.50 | \$25.00 | \$0.00 | \$0.00 |
| GROSS RETURN | | \$675.50 | \$192.68 | \$570.00 | \$498.75 |
| CASH OPERATING EXPENSES | | | | | |
| SEED | \$70.00 | | \$14.40 | \$30.00 | \$30.10 |
| FERTILIZER | | \$26.00 | \$17.40 | \$11.60 | \$11.60 |
| CHEMICALS | | \$32.18 | | | |
| CROP INSURANCE | | | \$2.94 | | |
| OTHER PURCHASED INPUTS | | \$16.45 | | \$15.57 | |
| CANAL WATER | | \$42.50 | \$42.50 | \$42.50 | \$21.25 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$21.57 | \$19.30 | \$12.76 | \$16.55 | \$17.40 |
| FUEL-IRRIGATION | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| REPAIRS | \$5.27 | \$10.48 | \$3.01 | \$5.09 | \$5.51 |
| CUSTOM CHARGES | | | \$21.50 | | |
| LAND TAXES | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| OTHER EXPENSES | \$0.01 | \$76.17 | \$76.17 | \$38.09 | \$38.09 |
| TOTAL CASH EXPENSES | \$96.85 | \$223.08 | \$190.68 | \$159.40 | \$123.94 |
| RETURN OVER CASH EXPENSES | (\$96.85) | \$452.42 | \$2.00 | \$410.60 | \$374.81 |
| FIXED EXPENSES | \$39.99 | \$77.55 | \$19.39 | \$25.47 | \$26.08 |
| TOTAL EXPENSES | \$136.84 | \$300.63 | \$210.07 | \$184.87 | \$150.02 |
| NET FARM INCOME | (\$136.84) | \$374.87 | (\$17.39) | \$385.13 | \$348.73 |
| LABOR AND MANAGEMENT COSTS | \$59.48 | \$109.47 | \$52.33 | \$85.08 | \$79.32 |
| NET OPERATING PROFIT | (\$196.32) | \$265.40 | (\$69.72) | \$300.05 | \$269.41 |
| CAPITAL COSTS | | | | | |
| INTEREST ON OPERATING CAPITAL | | \$3.97 | \$2.88 | \$3.53 | \$2.35 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$19.49 | \$8.60 | \$12.35 | \$12.68 |
| TOTAL CAPITAL COSTS | \$0.00 | \$23.46 | \$11.48 | \$15.88 | \$15.03 |
| RETURN TO LAND AND RISK | (\$196.32) | \$241.94 | (\$81.20) | \$284.17 | \$254.38 |

TABLE 11. Whole farm summary, De Baca County,
Projected 2004.

| | | |
|----------------------------------|----------|----------|
| GROSS RETURNS | | |
| ALFALFA HAY | 65 ACRES | |
| CROP | | \$43,095 |
| GRAZING | | \$813 |
| WHEAT FOR GRAIN | 17 ACRES | |
| CROP | | \$2,550 |
| GRAZING | | \$425 |
| ASCS DEFICIENCY | | \$301 |
| COUNTER CYCLICAL PAYMENT | | \$0 |
| OAT HAY | 10 ACRES | |
| CROP | | \$5,700 |
| HYGEAR | 17 ACRES | |
| CROP | | \$8,479 |
| GROSS RETURN | | \$61,362 |
| CASH OPERATING EXPENSES | | |
| SEED | | \$1,967 |
| FERTILIZER | | \$2,299 |
| CHEMICALS | | \$2,092 |
| CROP INSURANCE | | \$50 |
| OTHER PURCHASED INPUTS | | \$1,225 |
| CANAL WATER | | \$4,271 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$2,213 |
| FUEL-IRRIGATION | | \$0 |
| REPAIRS | | \$945 |
| CUSTOM CHARGES | | \$366 |
| LAND TAXES | | \$0 |
| OTHER EXPENSES | | \$7,275 |
| TOTAL CASH EXPENSES | | \$22,702 |
| RETURN OVER CASH EXPENSES | | \$38,660 |
| FIXED EXPENSES | | \$4,036 |
| TOTAL EXPENSES | | \$26,738 |
| NET FARM INCOME | | \$34,624 |
| LABOR AND MANAGEMENT COSTS | | \$10,977 |
| NET OPERATING PROFIT | | \$23,646 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$383 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$1,752 |
| TOTAL CAPITAL COSTS | | \$2,134 |
| RETURN TO LAND AND RISK | | \$21,512 |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$1,000 /ACRE | \$17,512 | 20.25% |
| \$2,000 /ACRE | \$13,512 | 10.91% |
| \$3,000 /ACRE | \$9,512 | 7.46% |
| \$4,000 /ACRE | \$5,512 | 5.67% |
| \$5,000 /ACRE | \$1,512 | 4.58% |

* 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)