

TABLE 1. Acreage Summary, Lincoln County
Projected 2004.

BUDGET AREA..... HONDO VALLEY, LINCOLN COUNTY	
FARM SIZE.....	35 ACRES
IRRIGATION TYPE.....	FLOOD
NUMBER OF CROPS....	4

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	2.00 *	12	24
ALFALFA HAY	10.00	36	360
PASTURE ESTABLISHMENT	2.00 *	12	24
PERMANENT PASTURE	20.00	30	600
ROADS, DITCHES, HOMESTEAD	5.00		
TO	35.00		1,008
ACRE FEET PER ACRE OF WATER RIG			2.40

*DOUBLE-CROPPED

TABLE 2. Basic cost information for Lincoln County
Projected 2004.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$6.25
General & Irrigators	\$/hour	\$5.95
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.29
Phosphorus (P205)	\$/pound	\$0.20
Seed:		
Alfalfa	\$/pound	\$3.00
Pasture	\$/pound	\$2.50
Natural Gas	\$/MCF	\$7.22
Diesel fuel	\$/gallon	\$1.50
Gasoline	\$/gallon	\$1.45
Electricity	cents/kwhr	5.72
Employee Liability Insurance	\$/ \$1,000 wages	\$12.00
Employee Benefits	percent/wages	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	\$175.00 /acre (full value)	\$1.57
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$26.83 \$21.63
Supervision Factors		
Field Crop-Irrigation	\$/acre	\$1.00
Field Crop-Equipment & Genera	\$/acre	\$0.50
Management Rate	percent	4.00%

TABLE 3. Overhead cost information for Lincoln County
Projected 2004.

Item		
Electricity (Domestic & Shop)	\$55.00 per month	\$660
Telephone	\$45.00 per month	\$540
Accounting & Legal		\$130
Misc. Supplies & Hand Tools		\$230
Pickup and Auto		
miles	4,120 @	\$0.365 per mile
Insurance		
- general liability (non-employee		\$165
- fire/theft		\$140
Property Taxes		
- non-planted land		\$19
- other than land & machinery		\$140
Building repairs and maintenance		\$195
Dues, fees, publications		\$110
Farmstead Equipment		\$165
Total		\$3,998
Total per planted acre		\$133.26

TABLE 4. Pumping costs and data for irrigation wells, Lincoln County, Projected 2004.

INPUT DATA			
DELIVERY PSI: SPRINKLER	0	DEPTH CHARACTERISTICS:	
		STATIC.....	50
		DRAW DOWN.....	25
		TOTAL HEAD.....	75
		CASING.....	100
GALLONS PER MINUTE (GPM)	400		
WORK HORSEPOWER	8		
EFFICIENCY FACTOR:			
ELECTRICITY	0.447		
NATURAL GAS	0.125		
LP GAS	0.186		
DIESEL	0.199		
FUEL COST PER HOUR:			
ELECTRICITY	5.72	CENTS/KwHr	
NATURAL GAS	\$7.22	\$/MCF	
LP GAS	\$0.67	\$/GAL	
DIESEL	\$1.50	\$/GAL	
PUMPING COSTS			
ELECTRICAL WELL:			
COST PER HOUR		\$0.75	
COST PER ACRE INCH		\$0.85	
NATURAL GAS WELL:			
COST PER HOUR		\$1.25	
COST PER ACRE INCH		\$1.42	
BUTANE WELL:			
COST PER HOUR		\$0.78	
COST PER ACRE INCH		\$0.89	
DIESEL WELL:			
COST PER HOUR		\$1.05	
COST PER ACRE INCH		\$1.19	

TABLE 5. Equipment summary for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2004.

EQUIPMENT				VARIABLE COSTS					FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL, OIL, LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR	
TRACTOR	29 HP	100	1	\$2,150	\$292	\$25	\$2.93	\$0.25	\$46	\$10	\$0.57
BALER, PTO	2 WIRE	15	1	\$1,400		\$1	\$0.00	\$0.09	\$150	\$13	\$10.89
HARROW	8 FT	1	1	\$200		\$0	\$0.00	\$0.01	\$27	\$2	\$23.71
FLOAT	8 FT	2	1	\$400		\$0	\$0.00	\$0.01	\$40	\$3	\$17.78
DISC	6 FT	10	1	\$600		\$6	\$0.00	\$0.60	\$80	\$5	\$8.89
FERT. SPREADER		10	1	\$200		\$1	\$0.00	\$0.06	\$20	\$1	\$2.05
RAKE	8 FT	15	1	\$1,550		\$12	\$0.00	\$0.81	\$155	\$14	\$11.26
DRILL	8 FT	1	1	\$1,000		\$1	\$0.00	\$0.48	\$80	\$9	\$74.12
MOWER	7 FT	30	1	\$1,300		\$29	\$0.00	\$0.96	\$130	\$12	\$4.72
WELL ELECTRIC		204	1	\$7,100	\$154	\$18	\$0.75	\$0.09	\$710	\$63	\$3.80
				\$15,900	\$446	\$92			\$1,438	\$132	

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2004.
Planting dates: August 15 - October 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$2.65	20 LBS	\$53.00					\$53.00
PHOSPHORUS (P2O5)	\$0.20	50 LBS	\$10.00					\$10.00
CANAL WATER		12 AC. IN.						
SUBTOTAL			\$63.00					\$63.00
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$15.00	\$7.04	\$2.04	\$22.70	\$46.78
HARROW	30 HP	0.30 HR		\$1.88	\$0.88	\$0.08	\$7.28	\$10.12
FLOAT	30 HP	0.60 HR		\$3.75	\$1.76	\$0.16	\$11.01	\$16.68
FERT. SPREADER	30 HP	0.30 HR		\$1.88	\$0.88	\$0.09	\$0.78	\$3.63
DRILL	30 HP	0.30 HR		\$1.88	\$0.88	\$0.22	\$22.41	\$25.38
IRRIGATE (2X)		1.00 HR		\$5.95				\$5.95
SUBTOTAL		4.90 HR		\$30.33	\$11.45	\$2.58	\$64.18	\$108.53
OVERHEAD EXPENSES								
DOWNTIME		0.98 HR		\$6.09				\$6.09
EMPLOYEE BENEFITS				\$3.64				\$3.64
FARM INSURANCE			\$0.36					\$0.36
SUPERVISION AND MANAGEMENT				\$9.81				\$9.81
SUBTOTAL		0.98 HR	\$0.36	\$19.54				\$19.91
TOTAL OPERATING EXPENSES		5.88 HR	\$63.36	\$49.87	\$11.45	\$2.58	\$64.18	\$191.44

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2004.
Harvesting dates: June 15 - September 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$140.00	3.50 TONS STACKED						\$490.00
GRAZING	\$15.00	1.00 ACRE						\$15.00
TOTAL								\$505.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.24	20 LBS	\$4.80					\$4.80
PHOSPHORUS (P2O5)	\$0.20	90 LBS	\$18.00					\$18.00
INSECTICIDE	\$16.00	1 ACRE	\$16.00					\$16.00
WIRE	\$0.37	35 LBS	\$12.95					\$12.95
ESTABLISHMENT: Principal		5 YEARS					\$38.29	\$38.29
: Interest							\$6.42	\$6.42
CANAL WATER		30 AC. IN.						
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$51.75				\$44.71	\$96.46
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$1.88	\$0.88	\$0.09	\$0.78	\$3.63
DITCH MAINTENANCE		0.25 HR		\$1.56				\$1.56
IRRIGATE (6X)		3.00 HR		\$17.85	\$5.12	\$0.61	\$25.78	\$49.36
SUBTOTAL		3.55 HR		\$21.29	\$6.00	\$0.71	\$26.57	\$54.56
HARVEST OPERATIONS								
MOWER (3X)	30 HP	3.00 HR		\$18.75	\$8.80	\$3.63	\$15.86	\$47.04
RAKE (3X)	30 HP	1.50 HR		\$9.38	\$4.40	\$1.58	\$17.73	\$33.09
BALER, PTO (3X)	30 HP	1.50 HR		\$9.38	\$4.40	\$0.51	\$17.19	\$31.47
HAUL (3X)	30 HP	1.50 HR		\$9.38	\$4.40	\$0.37	\$0.85	\$15.00
SUBTOTAL		7.50 HR		\$46.88	\$22.01	\$6.09	\$51.63	\$126.61
OVERHEAD EXPENSES								
DOWNTIME		2.01 HR		\$12.58				\$12.58
EMPLOYEE BENEFITS				\$8.18				\$8.18
FARM INSURANCE			\$0.82					\$0.82
LAND TAXES							\$1.57	\$1.57
SUPERVISION AND MANAGEMENT				\$27.23				\$27.23
OTHER EXPENSES			\$133.26					\$133.26
SUBTOTAL		2.01 HR	\$134.08	\$47.98			\$1.57	\$183.63
TOTAL OPERATING EXPENSES		13.06 HR	\$185.83	\$116.15	\$28.01	\$6.80	\$124.47	\$461.25
NET OPERATING PROFIT								\$43.75
INTEREST ON OPERATING CAPITAL		(\$248.85 @	8.00%)				\$5.69
INTEREST ON EQUIPMENT INVESTMENT								\$61.17
RETURN TO LAND AND RISK								(\$23.11)

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

BUDGET SUMMARY

GROSS RETURN		\$505.00	
VARIABLE OPERATING EXPENSES	\$226.33		
RETURN OVER VARIABLE EXPENSES		\$278.67	(GROSS MARGINS)
FIXED EXPENSES	\$124.47		
NET FARM INCOME		\$154.20	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$116.15		
NET OPERATING PROFIT		\$38.06	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$61.17		
RETURN TO LAND AND RISK		(\$23.11)	

TABLE 8. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2004.
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
PASTURE SEED	\$2.50	20.00 LBS		\$50.00				\$50.00
NITROGEN (N)	\$0.24	50 LBS		\$12.00				\$12.00
PHOSPHORUS (P2O5)	\$0.20	20 LBS		\$4.00				\$4.00
CANAL WATER		12.00 AC. IN.						
SUBTOTAL				\$66.00				\$66.00
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$15.00	\$7.04	\$2.04	\$22.70	\$46.78
HARROW	30 HP	0.30 HR		\$1.88	\$0.88	\$0.08	\$7.28	\$10.12
FERT. SPREADER	30 HP	0.30 HR		\$1.88	\$0.88	\$0.09	\$0.78	\$3.63
FLOAT	30 HP	0.60 HR		\$3.75	\$1.76	\$0.16	\$11.01	\$16.68
DRILL	30 HP	0.30 HR		\$1.88	\$0.88	\$0.22	\$22.41	\$25.38
IRRIGATE (3X)		1.00 HR		\$5.95				\$5.95
SUBTOTAL		4.90 HR		\$30.33	\$11.45	\$2.58	\$64.18	\$108.53
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.98 HR		\$6.09				\$6.09
EMPLOYEE BENEFITS				\$3.64				\$3.64
FARM INSURANCE			\$0.36					\$0.36
SUPERVISION AND MANAGEMENT				\$9.93				\$9.93
OTHER EXPENSES			\$133.26					\$133.26
SUBTOTAL		0.98 HR	\$133.62	\$19.66				\$153.29
<u>TOTAL OPERATING EXPENSES</u>		5.88 HR	\$199.62	\$49.99	\$11.45	\$2.58	\$64.18	\$327.82

TABLE 9. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2004.
Harvesting dates: March 1 - September 30

ITEM	PRICE	YIELD					TOTAL
GROSS RETURNS							
PASTURE	\$12.00	10.00 AUMS					\$120.00
TOTAL							\$120.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	\$0.24	50 LBS	\$12.00		\$12.00
PHOSPHORUS (P2O5)	\$0.20	20 LBS	\$4.00		\$4.00
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10 YEARS		\$12.00	\$12.00
: Interest				\$32.78	\$32.78
CANAL WATER		24 AC. IN.		\$12.93	\$12.93
PUMP WATER*		6 AC. IN.			
SUBTOTAL			\$16.00	\$57.71	\$73.71

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$1.79	\$0.88	\$0.09	\$0.78	\$3.54
DITCH MAINTENANCE		0.25 HR		\$1.49				\$1.49
IRRIGATE (5X)		2.50 HR		\$14.88	\$5.12	\$0.61	\$25.78	\$46.39
SUBTOTAL		3.05 HR		\$18.15	\$6.00	\$0.71	\$26.57	\$51.42

OVERHEAD EXPENSES								
DOWNTIME		0.14 HR		\$0.86				\$0.86
EMPLOYEE BENEFITS				\$2.18				\$2.18
FARM INSURANCE			\$0.22					\$0.22
LAND TAXES						\$1.57		\$1.57
SUPERVISION AND MANAGEMENT				\$7.58				\$7.58
OTHER EXPENSES			\$133.26					\$133.26
SUBTOTAL		0.14 HR	\$133.48	\$10.61		\$1.57		\$145.65

TOTAL OPERATING EXPENSES		3.19 HR	\$149.48	\$28.76	\$6.00	\$0.71	\$85.84	\$270.78
NET OPERATING PROFIT								(\$150.78)
INTEREST ON OPERATING CAPITAL	(\$125.12	@	8.00%)			\$3.98
INTEREST ON EQUIPMENT INVESTMENT								\$19.44
RETURN TO LAND AND RISK								(\$174.20)

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

BUDGET SUMMARY

GROSS RETURN		\$120.00	
VARIABLE OPERATING EXPENSES	\$160.16		
RETURN OVER VARIABLE EXPENSES		(\$40.16)	(GROSS MARGINS)
FIXED EXPENSES	\$85.84		
NET FARM INCOME		(\$126.00)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$28.76		
NET OPERATING PROFIT		(\$154.76)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$19.44		
RETURN TO LAND AND RISK		(\$174.20)	

TABLE 10. Summary of per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2004.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE
		TONS		AUMS
PRIMARY YIELD		3.50		10.00
PRIMARY PRICE		\$140.00		\$12.00
GOVERNMENT PAYMENTS		\$0.00		\$0.00
SECOND INCOME		\$15.00		\$0.00
GROSS RETURN		\$505.00		\$120.00
CASH OPERATING EXPENSES				
SEED	\$53.00		\$50.00	
FERTILIZER	\$10.00	\$22.80	\$16.00	\$16.00
CHEMICALS		\$16.00		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$12.95		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$11.45	\$22.89	\$11.45	\$0.88
FUEL-IRRIGATION		\$5.12		\$5.12
REPAIRS	\$2.58	\$6.80	\$2.58	\$0.71
CUSTOM CHARGES				
LAND TAXES		\$1.57		\$1.57
OTHER EXPENSES	\$0.36	\$134.08	\$133.62	\$133.48
TOTAL CASH EXPENSES	\$77.39	\$222.20	\$213.65	\$157.75
RETURN OVER CASH EXPENSES	(\$77.39)	\$282.80	(\$213.65)	(\$37.75)
FIXED EXPENSES	\$64.18	\$122.90	\$64.18	\$84.27
TOTAL EXPENSES	\$141.57	\$345.11	\$277.83	\$242.02
NET FARM INCOME	(\$141.57)	\$159.89	(\$277.83)	(\$122.02)
LABOR AND MANAGEMENT COSTS	\$49.87	\$116.15	\$49.99	\$28.76
NET OPERATING PROFIT	(\$191.44)	\$43.75	(\$327.82)	(\$150.78)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$5.69		\$3.98
INTEREST ON EQUIPMENT INVESTMENT		\$61.17		\$19.44
TOTAL CAPITAL COSTS	\$0.00	\$66.86	\$0.00	\$23.42
RETURN TO LAND AND RISK	(\$191.44)	(\$23.11)	(\$327.82)	(\$174.20)

TABLE 11. Whole farm summary, Hondo Valley, Lincoln County,
Projected 2004.

GROSS RETURNS		
ALFALFA HAY	10.00 ACRES	
CROP		\$4,900
GRAZING		\$150
PASTURE	20.00 ACRES	
GRAZING		\$2,400
GROSS RETURN		<u>\$7,450</u>
CASH OPERATING EXPENSES		
SEED		\$206
FERTILIZER		\$600
CHEMICALS		\$160
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$130
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$292
FUEL-IRRIGATION		\$154
REPAIRS		\$92
CUSTOM CHARGES		\$0
LAND TAXES		\$47
OTHER EXPENSES		\$4,278
TOTAL CASH EXPENSES		<u>\$5,959</u>
RETURN OVER CASH EXPENSES		\$1,491
FIXED EXPENSES		\$2,133
TOTAL EXPENSES		\$8,092
NET FARM INCOME		(\$642)
LABOR AND MANAGEMENT COSTS		\$1,936
NET OPERATING PROFIT		(\$2,578)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$136
INTEREST ON EQUIPMENT INVESTMENT		\$1,001
TOTAL CAPITAL COSTS		<u>\$1,137</u>
RETURN TO LAND AND RISK		<u>(\$3,715)</u>

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$4,695)	-6.38%
\$900 /ACRE	(\$4,975)	-5.44%
\$1,100 /ACRE	(\$5,255)	-4.74%
\$1,300 /ACRE	(\$5,535)	-4.20%
\$1,500 /ACRE	(\$5,815)	-3.77%
\$1,700 /ACRE	(\$6,095)	-3.42%
\$1,900 /ACRE	(\$6,375)	-3.13%
\$2,100 /ACRE	(\$6,655)	-2.88%

* 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)