

TABLE 1. Acreage Summary, Curry County,
Projected 2005.

| | | | |
|------------------------------------|---------------------|---------------------|------------------|
| 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 2005.

| | | | |
|---------------------------------|--------------------|------------------------------|---------|
| Item | | | |
| Labor Wage Rate: | | | |
| Equipment operators | \$/hour | | \$7.45 |
| General & Irrigators | \$/hour | | \$6.65 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | \$0.40 |
| Phosphate (P205) | \$/pound | | \$0.31 |
| Seed: | | | |
| Alfalfa | \$/pound | | \$2.88 |
| Diesel fuel | \$/gallon | | \$2.10 |
| Gasoline | \$/gallon | | \$2.00 |
| Electricity (SWPS) | cents/KwHr | | 6.85 |
| LP Gas | \$/gallon | | \$1.70 |
| Natural Gas (Gas NM) | \$/MCF | | \$3.27 |
| Plastic Twine | \$/pound | | \$0.21 |
| Employee Liability Insurance | \$/(\$1,000 wages) | | \$20.00 |
| Employee Benefits | percent/wages | | 18.00% |
| Labor Downtime | percent | | 25.00% |
| Financial Rates: | | | |
| Operating Capital Interest Rate | percent | | 7.00% |
| Land Interest Rate | percent | | 7.00% |
| Equipment Interest Rate | percent | | 7.00% |
| Real Interest Rate | percent | | 3.00% |
| Land Taxes | | \$109.00 /acre (full value) | \$0.91 |
| Personal Property Tax Rate | - NR | \$/(\$1,000 (Assessed Value) | \$25.05 |
| | - R | | \$25.05 |
| Supervision Factors | | | |
| Field Crop-Irrigation | \$/labor hour | | \$1.00 |
| Field Crop-Equipment & Genera | \$/labor hour | | \$0.50 |
| Management Rate | percent | | 7.00% |

TABLE 3. Overhead cost information for Curry County
Projected 2005.

| | | | |
|------------------------------------|---|------------------------|--------|
| Item | | | |
| Electricity (Domestic & Shop) | | \$0.00 per month | \$0 |
| Telephone | | \$0.00 per month | \$0 |
| Accounting & Legal | | | \$0 |
| Misc. Supplies & Hand Tools | | | \$0 |
| Pickup and Auto | | | |
| miles | 0 | @ \$0.000 per mile | \$0 |
| Insurance | | | |
| - general liability (non-employee) | | | \$0 |
| - fire/theft | | | \$0 |
| Property Taxes | | | |
| - non-planted land | | | \$0 |
| - other than land & machinery | | | \$0 |
| Building repairs and maintenance | | | \$0 |
| Dues, fees, publications | | | \$0 |
| Farmstead Equipment | | | \$0 |
| | | Total | \$0 |
| | | Total Per Planted Acre | \$0.00 |

TABLE 4. Pumping costs and data for Curry County,
Projected 2005.

| INPUT DATA | | | |
|--------------------------|---------|------------------------|-----|
| DELIVERY PSI: | | DEPTH CHARACTERISTICS: | |
| SPRINKLER | 40 | 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 | 6.85 | CENTS/KwHr | |
| NATURAL GAS | \$3.27 | \$/MCF | |
| LP GAS | \$1.70 | \$/GAL | |
| DIESEL | \$2.10 | \$/GAL | |
| PUMPING COSTS | | | |
| ELECTRIC WELL: | | | |
| COST PER HOUR | \$7.49 | | |
| COST PER ACRE INCH | \$4.23 | | |
| NATURAL GAS: | | | |
| COST PER HOUR | \$5.08 | | |
| COST PER ACRE INCH | \$2.87 | | |
| LP GAS WELL: | | | |
| COST PER HOUR | \$26.10 | | |
| COST PER ACRE INCH | \$14.77 | | |
| DIESEL WELL: | | | |
| COST PER HOUR | \$20.40 | | |
| COST PER ACRE INCH | \$11.54 | | |

TABLE 5. Equipment summary for a 640 acre sprinkler-irrigated hay farm with above average management, Curry County,
Projected 2005.

| 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 | \$9,473 | \$3,836 | \$622 | \$12.79 | \$2.07 | \$1,152 | \$144 | \$4.32 |
| TRACTOR | 140 HP | 282 | 1 | \$19,725 | \$4,628 | \$1,227 | \$16.41 | \$4.35 | \$4,834 | \$303 | \$18.22 |
| TRACTOR | 185 HP | 159 | 1 | \$44,016 | \$3,459 | \$920 | \$21.75 | \$5.79 | \$6,428 | \$403 | \$42.96 |
| SWATHER | 16 FT | 275 | 1 | \$21,350 | \$2,162 | \$398 | \$7.86 | \$1.45 | \$3,621 | \$302 | \$14.26 |
| DISC | 14 FT | 14 | 1 | \$3,000 | | \$52 | | \$3.72 | \$400 | \$25 | \$30.36 |
| FERT SPREADER | DEALER FURNISHED | 0 | | | | | | | | | |
| CHISEL | 7 PT | 20 | 1 | \$1,200 | | \$30 | | \$1.49 | \$160 | \$10 | \$8.50 |
| FLOAT | 14 FT | 32 | 1 | \$600 | | \$1 | | \$0.02 | \$60 | \$4 | \$1.99 |
| BALER | 1 TON | 125 | 1 | \$41,720 | | \$218 | | \$1.74 | \$5,812 | \$364 | \$49.40 |
| RAKE | | 300 | 1 | \$1,550 | | \$130 | | \$0.43 | \$155 | \$13 | \$0.56 |
| FRONT END LOADER | | 250 | 1 | \$2,550 | | \$791 | | \$3.16 | \$255 | \$21 | \$1.11 |
| SPRINKLER | | 7,354 | 1 | \$15,000 | | | | | \$2,000 | \$125 | \$0.29 |
| ELECTRIC WELL | | 7,354 | 1 | \$13,000 | \$55,054 | | \$7.49 | | \$1,040 | \$109 | \$0.16 |
| TOTAL | | | | \$173,183 | \$69,140 | \$4,388 | | | \$25,916 | \$1,823 | |

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2005.
Planting Dates: August 1 - September 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | | TOTAL | |
|---------------------------------|---------------|------------------------|---------------------|---------|----------------|---------|---------------|----------|----------|---------|
| PURCHASED INPUTS | | | | | | | | | | |
| SEED | \$2.88 | 30.00 LBS | \$86.40 | | | | | | \$86.40 | |
| NITROGEN (N) | \$0.40 | 20.00 LBS | \$8.00 | | | | | | \$8.00 | |
| PHOSPHATE (P2O5) | \$0.31 | 50.00 LBS | \$15.50 | | | | | | \$15.50 | |
| PUMP WATER* | | 5.00 AC. IN. | | | | | | | | |
| SUBTOTAL | | | \$109.90 | | | | | | \$109.90 | |
| PREHARVEST OPERATIONS | | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | | |
| CHISEL | 185 HP | 0.20 HR | | \$1.49 | \$4.35 | \$1.45 | \$10.29 | \$17.59 | | |
| DISC | 185 HP | 0.14 HR | | \$1.04 | \$3.05 | \$1.33 | \$10.26 | \$15.68 | | |
| FLOAT (2X) | 140 HP | 0.32 HR | | \$2.38 | \$5.25 | \$1.40 | \$6.47 | \$15.50 | | |
| PRE-IRRIGATE | | 0.10 HR | | \$0.75 | \$3.02 | \$0.00 | \$0.18 | \$3.95 | | |
| SEED (CUSTOM) | | | \$9.00 | | | | | \$9.00 | | |
| IRRIGATE (6X) | | 0.60 HR | | \$3.99 | \$18.15 | \$0.00 | \$1.08 | \$23.22 | | |
| SUBTOTAL | | 1.36 HR | \$9.00 | \$9.65 | \$33.82 | \$4.18 | \$28.28 | \$84.94 | | |
| OVERHEAD EXPENSES | | | | | | | | | | |
| DOWNTIME | | 0.09 HR | | \$0.63 | | | | | | \$0.63 |
| EMPLOYEE BENEFITS | | | | \$1.74 | | | | | | \$1.74 |
| INSURANCE | | | \$0.03 | | | | | | \$0.03 | |
| SUPERVISION AND MANAGEMENT | | | | \$14.62 | | | | | | \$14.62 |
| SUBTOTAL | | 0.09 HR | \$0.03 | \$16.99 | | | | | | \$17.02 |
| TOTAL OPERATING EXPENSES | | 1.45 HR | \$118.93 | \$26.64 | \$33.82 | \$4.18 | \$28.28 | \$211.86 | | |

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2005.
Harvesting Dates: May 15 - September 15

| ITEM | PRICE | YIELD | TOTAL |
|---------------|----------|---------------------|----------|
| GROSS RETURNS | | | |
| ALFALFA HAY | \$130.00 | 6.50 TONS (STACKED) | \$845.00 |
| TOTAL | | | \$845.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|--------------------------|---------|------------|------------------|------------|----------|
| NITROGEN (N) | \$0.40 | 100 LBS | \$40.00 | | \$40.00 |
| PHOSPHATE (P205) | \$0.31 | 200 LBS | \$62.00 | | \$62.00 |
| 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 | \$0.21 | 170 FT/TON | \$0.06 | | \$0.06 |
| ESTABLISHMENT: Principal | | 6 YEARS | | \$35.31 | \$35.31 |
| : Interest | | | | \$7.92 | \$7.92 |
| PUMP WATER* | | 25 AC. IN. | | | |
| SUBTOTAL | | | \$151.24 | \$43.23 | \$194.46 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------------|------------|----------------------|------------------|---------|-------------|---------|------------|----------|
| IRRIGATE | | 2.00 HR | | \$13.30 | \$105.87 | \$0.00 | \$6.30 | \$125.47 |
| SUBTOTAL | | 2.00 HR | | \$13.30 | \$105.87 | \$0.00 | \$6.30 | \$125.47 |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER (5X) | 16 FT | 0.55 HR | | \$4.10 | \$4.32 | \$0.80 | \$7.85 | \$17.06 |
| RAKE (5X) | 96 HP | 0.60 HR | | \$4.47 | \$7.67 | \$1.50 | \$2.93 | \$16.57 |
| BALER (5X) | 185 HP | 0.25 HR | | \$1.86 | \$5.44 | \$1.88 | \$23.09 | \$32.27 |
| FRONT END LOADER (5X) | 140 HP | 0.50 HR | | \$3.73 | \$8.21 | \$3.76 | \$9.66 | \$25.35 |
| SUBTOTAL | | 1.90 HR | | \$14.16 | \$25.64 | \$7.94 | \$43.53 | \$91.26 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.48 HR | | \$3.54 | | | | \$3.54 |
| EMPLOYEE BENEFITS | | | | \$4.94 | | | | \$4.94 |
| INSURANCE | | | \$0.55 | | | | | \$0.55 |
| LAND TAXES | | | | | | | \$0.91 | \$0.91 |
| SUPERVISION AND MANAGEMENT* | | | | \$62.10 | | | | \$62.10 |
| OTHER EXPENSES | | | \$0.00 | | | | | \$0.00 |
| SUBTOTAL | | 0.48 HR | \$0.55 | \$70.58 | | | \$0.91 | \$72.04 |
| TOTAL OPERATING EXPENSES | | 4.38 HR | \$151.78 | \$98.04 | \$131.51 | \$7.94 | \$93.96 | \$483.23 |
| NET OPERATING PROFIT | | | | | | | | \$361.77 |
| INTEREST ON OPERATING CAPITAL | | (\$108.84 @ 7.00%) | | | | | | \$7.62 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$27.74 |
| RETURN TO LAND AND RISK | | | | | | | | \$326.41 |

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

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$845.00 | |
| VARIABLE OPERATING EXPENSES | \$291.24 | | |
| RETURN OVER VARIABLE EXPENSES | | \$553.76 | (GROSS MARGIN) |
| FIXED EXPENSES | \$93.96 | | |
| NET FARM INCOME | | \$459.80 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$98.04 | | |
| NET OPERATING PROFIT | | \$361.77 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$35.36 | | |
| RETURN TO LAND AND RISK | | \$326.41 | |

TABLE 8. Summary of per acre costs and returns for a 640 acre farm with above average management, Curry County, Projected 2005.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY |
|----------------------------------|--------------------------|----------------|
| | | TONS |
| PRIMARY YIELD | | 6.50 |
| PRIMARY PRICE | | \$130.00 |
| GOVERNMENT PAYMENTS | | \$0.00 |
| SECOND INCOME | | \$0.00 |
| GROSS RETURN | | \$845.00 |
| CASH OPERATING EXPENSES | | |
| SEED | \$86.40 | |
| FERTILIZER | \$23.50 | \$116.25 |
| CHEMICALS | | \$34.93 |
| CROP INSURANCE | | |
| OTHER PURCHASED INPUTS | | \$0.06 |
| CANAL WATER | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$12.65 | \$25.64 |
| FUEL-IRRIGATION | \$21.17 | \$105.87 |
| REPAIRS | \$4.18 | \$7.94 |
| CUSTOM CHARGES | \$9.00 | \$0.00 |
| LAND TAXES | | \$0.91 |
| OTHER EXPENSES | \$0.03 | \$0.55 |
| TOTAL CASH EXPENSES | \$156.93 | \$292.15 |
| RETURN OVER CASH EXPENSES | (\$156.93) | \$552.85 |
| FIXED EXPENSES | \$28.28 | \$93.05 |
| TOTAL EXPENSES | \$185.22 | \$385.20 |
| NET FARM INCOME | (\$185.22) | \$459.80 |
| LABOR AND MANAGEMENT COSTS | \$26.64 | \$98.04 |
| NET OPERATING PROFIT | (\$211.86) | \$361.77 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$7.62 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$27.74 |
| TOTAL CAPITAL COSTS | \$0.00 | \$35.36 |
| RETURN TO LAND AND RISK | (\$211.86) | \$326.41 |

TABLE 9. Whole farm summary, Curry County,
Projected 2005.

| | | |
|----------------------------------|-----------|------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 500 ACRES | |
| CROP | | \$422,500 |
| GROSS RETURN | | <u>\$422,500</u> |
| CASH OPERATING EXPENSES | | |
| | | \$8,640 |
| | | \$60,473 |
| CHEMICALS | | \$17,466 |
| CROP INSURANCE | | \$0 |
| OTHER PURCHASED INPUTS | | \$29 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$14,085 |
| FUEL-IRRIGATION | | \$55,054 |
| REPAIRS | | \$4,388 |
| CUSTOM CHARGES | | \$900 |
| LAND TAXES | | \$455 |
| OTHER EXPENSES | | \$277 |
| TOTAL CASH EXPENSES | | <u>\$161,768</u> |
| RETURN OVER CASH EXPENSES | | \$260,732 |
| FIXED EXPENSES | | \$31,698 |
| TOTAL EXPENSES | | \$193,465 |
| NET FARM INCOME | | \$229,035 |
| LABOR AND MANAGEMENT COSTS | | \$51,682 |
| NET OPERATING PROFIT | | \$177,353 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$3,810 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$13,869 |
| TOTAL CAPITAL COSTS | | <u>\$17,679</u> |
| RETURN TO LAND AND RISK | | <u>\$159,674</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | \$150,074 | 35.96% |
| \$1,000 /ACRE | \$140,474 | 21.81% |
| \$1,500 /ACRE | \$130,874 | 15.65% |
| \$2,000 /ACRE | \$121,274 | 12.20% |
| \$2,500 /ACRE | \$111,674 | 10.00% |

* 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)