

TABLE 1. Acreage Summary, Lincoln County
Projected 2005.

BUDGET AREA..... HONDO VALLEY, LINCOLN COUNTY		WATER USE	
FARM SIZE..... 35 ACRES		AC.IN.	TOTAL
IRRIGATION TYPE..... FLOOD		PER AC.	AC.IN.
NUMBER OF CROPS... 4			
ACREAGE SUMMARY:	LAND USE (ACRES)		
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 2005.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$6.65
General & Irrigators		\$/hour	\$6.35
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.40
Phosphorus (P205)		\$/pound	\$0.31
Seed:			
Alfalfa		\$/pound	\$2.88
Pasture		\$/pound	\$2.20
Natural Gas		\$/MCF	\$3.26
Diesel fuel		\$/gallon	\$2.10
Gasoline		\$/gallon	\$2.00
Electricity		cents/kwhr	6.88
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	7.00%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	7.00%
Expected Inflation Rate		percent	3.00%
Land Taxes		\$175.00 /acre (full value)	\$1.42
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$24.33
	- R		\$19.83
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 2005.

Item			
Electricity (Domestic & Shop)		\$215.00 per month	\$2,580
Telephone		\$115.00 per month	\$1,380
Accounting & Legal			\$1,525
Misc. Supplies & Hand Tools			\$1,430
Pickup and Auto			
miles	20,009	@ \$0.365 per mile	\$7,303
Insurance			
- general liability (non-employee			\$1,710
- fire/theft			\$1,525
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$1,290
Dues, fees, publications			\$405
Farmstead Equipment			\$185
		Total	\$25,343
		Total per planted acre	\$844.78

TABLE 4. Pumping costs and data for irrigation wells, Lincoln County, Projected 2005.

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	6.88	CENTS/KwHr	
NATURAL GAS	\$3.26	\$/MCF	
LP GAS	\$0.67	\$/GAL	
DIESEL	\$2.10	\$/GAL	
PUMPING COSTS			
ELECTRICAL WELL:			
COST PER HOUR		\$0.90	
COST PER ACRE INCH		\$1.02	
NATURAL GAS WELL:			
COST PER HOUR		\$0.58	
COST PER ACRE INCH		\$0.66	
BUTANE WELL:			
COST PER HOUR		\$0.78	
COST PER ACRE INCH		\$0.89	
DIESEL WELL:			
COST PER HOUR		\$1.46	
COST PER ACRE INCH		\$1.65	

TABLE 5. Equipment summary for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.

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	\$7,609	\$745	\$107	\$7.48	\$1.08	\$359	\$73	\$4.34
BALER, PTO	2 WIRE	15	1	\$1,600		\$2		\$0.15	\$385	\$31	\$27.75
HARROW	8 FT	1	1	\$200		\$0		\$0.01	\$27	\$2	\$23.57
FLOAT	8 FT	2	1	\$400		\$0		\$0.01	\$40	\$2	\$17.68
DISC	6 FT	10	1	\$600		\$7		\$0.74	\$80	\$5	\$8.84
FERT. SPREADER		10	1	\$2,300		\$9		\$0.92	\$307	\$19	\$31.89
RAKE	8 FT	15	1	\$1,550		\$7		\$0.43	\$155	\$13	\$11.17
DRILL	8 FT	1	1	\$1,000		\$1		\$0.48	\$80	\$8	\$73.43
MOWER	7 FT	30	1	\$1,300		\$11		\$0.36	\$130	\$11	\$4.68
WELL ELECTRIC		204	1	\$8,000	\$183	\$0	\$0.90	\$0.00	\$640	\$65	\$3.46
				\$24,559	\$928	\$144			\$2,203	\$228	

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.
Planting dates: August 15 - October 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
ALFALFA SEED	\$2.88	20 LBS		\$57.60				\$57.60
PHOSPHORUS (P2O5)	\$0.31	50 LBS		\$15.50				\$15.50
CANAL WATER		12 AC. IN.						
SUBTOTAL				\$73.10				\$73.10
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$15.96	\$17.95	\$4.37	\$31.63	\$69.92
HARROW	30 HP	0.30 HR		\$2.00	\$2.24	\$0.33	\$8.37	\$12.94
FLOAT	30 HP	0.60 HR		\$3.99	\$4.49	\$0.65	\$13.21	\$22.34
FERT. SPREADER	30 HP	0.30 HR		\$2.00	\$2.24	\$0.60	\$10.87	\$15.71
DRILL	30 HP	0.30 HR		\$2.00	\$2.24	\$0.47	\$23.33	\$28.04
IRRIGATE (2X)		1.00 HR		\$6.35				\$6.35
SUBTOTAL		4.90 HR		\$32.29	\$29.17	\$6.42	\$87.42	\$155.30
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.98 HR		\$6.48				\$6.48
EMPLOYEE BENEFITS				\$3.87				\$3.87
FARM INSURANCE			\$0.39					\$0.39
SUPERVISION AND MANAGEMENT				\$12.09				\$12.09
SUBTOTAL		0.98 HR	\$0.39	\$22.44				\$22.83
<u>TOTAL OPERATING EXPENSES</u>		5.88 HR	\$73.49	\$54.73	\$29.17	\$6.42	\$87.42	\$251.23

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.
Harvesting dates: June 15 - September 15

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
ALFALFA HAY	\$130.00	4.00 TONS STACKED	\$520.00
GRAZING	\$15.00	1.00 ACRE	\$15.00
TOTAL			\$535.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	\$0.40	20 LBS	\$8.00		\$8.00
PHOSPHORUS (P2O5)	\$0.31	90 LBS	\$27.90		\$27.90
INSECTICIDE	\$16.00	1 ACRE	\$16.00		\$16.00
WIRE	\$0.50	35 LBS	\$17.50		\$17.50
ESTABLISHMENT: Principal		5 YEARS		\$50.25	\$50.25
: Interest				\$7.19	\$7.19
CANAL WATER		30 AC. IN.			
PUMP WATER*		6 AC. IN.			
SUBTOTAL			\$69.40	\$57.44	\$126.84

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$2.00	\$2.24	\$0.60	\$10.87	\$15.71
DITCH MAINTENANCE		0.25 HR		\$1.66				\$1.66
IRRIGATE (6X)		3.00 HR		\$19.05	\$6.11	\$0.00	\$23.49	\$48.66
SUBTOTAL		3.55 HR		\$22.71	\$8.36	\$0.60	\$34.36	\$66.03

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
MOWER (3X)	30 HP	3.00 HR		\$19.95	\$22.44	\$4.33	\$27.08	\$73.79
RAKE (3X)	30 HP	1.50 HR		\$9.98	\$11.22	\$2.27	\$23.27	\$46.73
BALER, PTO (3X)	30 HP	1.50 HR		\$9.98	\$11.22	\$1.85	\$48.13	\$71.18
HAUL (3X)	30 HP	1.50 HR		\$9.98	\$11.22	\$1.62	\$6.51	\$29.32
SUBTOTAL		7.50 HR		\$49.88	\$56.10	\$10.06	\$104.99	\$221.03

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	2.01 HR		\$13.38				\$13.38
EMPLOYEE BENEFITS			\$8.71				\$8.71
FARM INSURANCE		\$0.87					\$0.87
LAND TAXES						\$1.42	\$1.42
SUPERVISION AND MANAGEMENT			\$28.43				\$28.43
OTHER EXPENSES		\$844.78					\$844.78
SUBTOTAL	2.01 HR	\$845.65	\$50.52			\$1.42	\$897.58

TOTAL OPERATING EXPENSES 13.06 HR \$915.05 \$123.10 \$64.46 \$10.66 \$198.21 \$1,311.48

NET OPERATING PROFIT (\$776.48)

INTEREST ON OPERATING CAPITAL (\$371.36 @ 7.00%) \$6.58
INTEREST ON EQUIPMENT INVESTMENT \$119.56

RETURN TO LAND AND RISK (\$902.62)

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

BUDGET SUMMARY

GROSS RETURN		\$535.00	
VARIABLE OPERATING EXPENSES	\$996.75		
RETURN OVER VARIABLE EXPENSES		(\$461.75)	(GROSS MARGINS)
FIXED EXPENSES	\$198.21		
NET FARM INCOME		(\$659.95)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$123.10		
NET OPERATING PROFIT		(\$783.06)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$119.56		
RETURN TO LAND AND RISK		(\$902.62)	

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 2005.

Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
PASTURE SEED	\$2.20	20.00 LBS	\$44.00					\$44.00
NITROGEN (N)	\$0.40	50 LBS	\$20.00					\$20.00
PHOSPHORUS (P2O5)	\$0.31	20 LBS	\$6.20					\$6.20
CANAL WATER		12.00 AC. IN.						
SUBTOTAL			\$70.20					\$70.20
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$15.96	\$17.95	\$4.37	\$31.63	\$69.92
HARROW	30 HP	0.30 HR		\$2.00	\$2.24	\$0.33	\$8.37	\$12.94
FERT. SPREADER	30 HP	0.30 HR		\$2.00	\$2.24	\$0.60	\$10.87	\$15.71
FLOAT	30 HP	0.60 HR		\$3.99	\$4.49	\$0.65	\$13.21	\$22.34
DRILL	30 HP	0.30 HR		\$2.00	\$2.24	\$0.47	\$23.33	\$28.04
IRRIGATE (3X)		1.00 HR		\$6.35				\$6.35
SUBTOTAL		4.90 HR		\$32.29	\$29.17	\$6.42	\$87.42	\$155.30
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.98 HR		\$6.48				\$6.48
EMPLOYEE BENEFITS				\$3.87				\$3.87
FARM INSURANCE			\$0.39					\$0.39
SUPERVISION AND MANAGEMENT				\$11.97				\$11.97
OTHER EXPENSES			\$844.78					\$844.78
SUBTOTAL		0.98 HR	\$845.16	\$22.33				\$867.49
TOTAL OPERATING EXPENSES		5.88 HR	\$915.36	\$54.61	\$29.17	\$6.42	\$87.42	\$1,092.99

TABLE 9. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.
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)	\$0.40	50 LBS	\$20.00		\$20.00
PHOSPHORUS (P2O5)	\$0.31	20 LBS	\$6.20		\$6.20
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10 YEARS		\$12.00	\$12.00
: Interest				\$109.30	\$109.30
CANAL WATER		24 AC. IN.		\$42.61	\$42.61
PUMP WATER*		6 AC. IN.			
SUBTOTAL			\$26.20	\$163.91	\$190.11

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$1.91	\$2.24	\$0.60	\$10.87	\$15.62
DITCH MAINTENANCE		0.25 HR		\$1.59				\$1.59
IRRIGATE (5X)		2.50 HR		\$15.88	\$6.11	\$0.00	\$23.49	\$45.48
SUBTOTAL		3.05 HR		\$19.37	\$8.36	\$0.60	\$34.36	\$62.69

OVERHEAD EXPENSES

DOWNTIME		0.14 HR		\$0.91				\$0.91
EMPLOYEE BENEFITS				\$2.32				\$2.32
FARM INSURANCE			\$0.23					\$0.23
LAND TAXES							\$1.42	\$1.42
SUPERVISION AND MANAGEMENT				\$7.58				\$7.58
OTHER EXPENSES			\$844.78					\$844.78
SUBTOTAL		0.14 HR	\$845.01	\$10.81			\$1.42	\$857.24

TOTAL OPERATING EXPENSES		3.19 HR	\$871.21	\$30.18	\$8.36	\$0.60	\$199.70	\$1,110.04
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NET OPERATING PROFIT								(\$990.04)
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INTEREST ON OPERATING CAPITAL	(\$252.80	@	7.00%)			\$7.75
INTEREST ON EQUIPMENT INVESTMENT								\$25.30

RETURN TO LAND AND RISK								(\$1,023.09)
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$120.00	
VARIABLE OPERATING EXPENSES	\$887.92		
RETURN OVER VARIABLE EXPENSES		(\$767.92)	(GROSS MARGINS)
FIXED EXPENSES	\$199.70		
NET FARM INCOME		(\$967.61)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$30.18		
NET OPERATING PROFIT		(\$997.79)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$25.30		
RETURN TO LAND AND RISK		(\$1,023.09)	

TABLE 10. Summary of per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2005.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE
		TONS		AUMS
PRIMARY YIELD		4.00		10.00
PRIMARY PRICE		\$130.00		\$12.00
GOVERNMENT PAYMENTS		\$0.00		\$0.00
SECOND INCOME		\$15.00		\$0.00
GROSS RETURN		\$535.00		\$120.00
CASH OPERATING EXPENSES				
SEED	\$57.60		\$44.00	
FERTILIZER	\$15.50	\$35.90	\$26.20	\$26.20
CHEMICALS		\$16.00		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$17.50		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$29.17	\$58.34	\$29.17	\$2.24
FUEL-IRRIGATION		\$6.11		\$6.11
REPAIRS	\$6.42	\$10.66	\$6.42	\$0.60
CUSTOM CHARGES				
LAND TAXES		\$1.42		\$1.42
OTHER EXPENSES	\$0.39	\$845.65	\$845.16	\$845.01
TOTAL CASH EXPENSES	\$109.08	\$991.58	\$950.96	\$881.58
RETURN OVER CASH EXPENSES	(\$109.08)	(\$456.58)	(\$950.96)	(\$761.58)
FIXED EXPENSES	\$87.42	\$196.79	\$87.42	\$198.28
TOTAL EXPENSES	\$196.50	\$1,188.37	\$1,038.38	\$1,079.86
NET FARM INCOME	(\$196.50)	(\$653.37)	(\$1,038.38)	(\$959.86)
LABOR AND MANAGEMENT COSTS	\$54.73	\$123.10	\$54.61	\$30.18
NET OPERATING PROFIT	(\$251.23)	(\$776.48)	(\$1,092.99)	(\$990.04)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$6.58		\$7.75
INTEREST ON EQUIPMENT INVESTMENT		\$119.56		\$25.30
TOTAL CAPITAL COSTS	\$0.00	\$126.14	\$0.00	\$33.05
RETURN TO LAND AND RISK	(\$251.23)	(\$902.62)	(\$1,092.99)	(\$1,023.09)

TABLE 11. Whole farm summary, Hondo Valley, Lincoln County,
Projected 2005.

GROSS RETURNS		
ALFALFA HAY	10.00 ACRES	
CROP		\$5,200
GRAZING		\$150
PASTURE	20.00 ACRES	
GRAZING		\$2,400
GROSS RETURN		<u>\$7,750</u>
CASH OPERATING EXPENSES		
SEED		\$203
FERTILIZER		\$966
CHEMICALS		\$160
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$175
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$745
FUEL-IRRIGATION		\$183
REPAIRS		\$144
CUSTOM CHARGES		\$0
LAND TAXES		\$43
OTHER EXPENSES		\$27,048
TOTAL CASH EXPENSES		<u>\$29,668</u>
RETURN OVER CASH EXPENSES		(\$21,918)
FIXED EXPENSES		\$3,595
TOTAL EXPENSES		\$33,262
NET FARM INCOME		(\$25,512)
LABOR AND MANAGEMENT COSTS		\$2,053
NET OPERATING PROFIT		(\$27,566)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$221
INTEREST ON EQUIPMENT INVESTMENT		\$1,702
TOTAL CAPITAL COSTS		<u>\$1,922</u>
RETURN TO LAND AND RISK		<u>(\$29,488)</u>

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$30,223)	-56.19%
\$900 /ACRE	(\$30,433)	-49.17%
\$1,100 /ACRE	(\$30,643)	-43.71%
\$1,300 /ACRE	(\$30,853)	-39.35%
\$1,500 /ACRE	(\$31,063)	-35.77%
\$1,700 /ACRE	(\$31,273)	-32.79%
\$1,900 /ACRE	(\$31,483)	-30.27%
\$2,100 /ACRE	(\$31,693)	-28.11%

* 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)