

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... SAN JUAN COUNTY Projected 2007.  
FARM SIZE..... 80.00 ACRES  
IRRIGATION TYPE..... SPRINKLER  
NUMBER OF CROPS..... 1

VERSION 1.0

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TABLE 1. Acreage Summary, San Juan County,  
Projected 2007.

BUDGET AREA.....	SAN JUAN COUNTY, 2002.		
FARM SIZE.....	80 ACRES		
IRRIGATION TYPE.....	SPRINKLER		
NUMBER OF CROPS...	1		
	WATER USE		
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	11.00	39	429
ALFALFA	69.00	46	3,174
TOTAL	80.00		3,603
ACRE FEET PER ACRE OF WATER RIGHTS			3.75

TABLE 2. Basic cost information for San Juan County,  
Projected 2007.

Item			
<b>Labor Wage Rate:</b>			
Equipment operators		\$/hour	\$6.65
General & Irrigators		\$/hour	\$6.35
<b>Purchased Inputs:</b>			
<b>Fertilizer:</b>			
Phosphate (P205)		\$/pound	\$0.40
<b>Seed:</b>			
Alfalfa		\$/pound	\$3.05
Oats		\$/pound	\$0.26
<b>Wire</b>			
Canal Water		\$/pound	\$0.55
		\$/acre foot	\$2.75
<b>Energy:</b>			
Diesel fuel		\$/gallon	\$2.70
Gasoline		\$/gallon	\$2.45
Electricity		cents/KwHr	10.69
LP Gas		\$/gallon	\$1.90
Natural Gas		\$/MCF	\$3.25
(service charge)		\$/month	\$10.00
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
<b>Financial Rates:</b>			
Operating Capital Interest Rate		percent	8.00%
Land Interest Rate		percent	8.00%
Equipment Interest Rate		percent	8.00%
Real Interest Rate		percent	3.00%
Land Taxes		\$253.00 /acre (full value)	\$2.10
Personal Property Tax Rate	- NR	\$/ \$1,000 (Assessed Value)	\$24.96
	- R		\$21.09
<b>Supervision Factors</b>			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for San Juan County,  
Projected 2007.

Item			
Electricity (Domestic & Shop)		\$114.45 per month	\$1,373
Telephone		\$81.75 per month	\$981
Accounting & Legal			\$485
Misc. Supplies & Hand Tools			\$818
Pickup and Auto			
miles	11,227	@ \$0.415 per mile	\$4,659
<b>Insurance</b>			
- general liability (non-employee)			\$1,014
- fire/theft			\$659
<b>Property Taxes</b>			
- non-farm land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$507
Dues, fees, publications			\$251
Farmstead Equipment			\$164
Total			\$16,920
Total per planted acre			\$245.22

Table 4. Pumping costs and data for irrigation, San Juan County, Projected 2007.

INPUT DATA	
DELIVERY PSL BOOSTER PUMP	70
GALLONS PER MINUTE (GPM) WORK HORSEPOWER	800 33
EFFICIENCY FACTOR:	
ELECTRICITY	0.540
NATURAL GAS	0.154
LP GAS	0.154
DIESEL	0.160
FUEL COST PER UNIT	
ELECTRICITY	10.89 CENTS/KWH
NATURAL GAS	\$3.25 BSCF
LP GAS	\$1.90 \$GAL
DIESEL	\$2.70 \$GAL
PUMPING COSTS	
ELECTRIC WELL:	
COST PER HOUR	\$4.85
COST PER ACRE INCH	\$2.75
NATURAL GAS WELL:	
COST PER HOUR	\$1.95
COST PER ACRE INCH	\$1.11
LP GAS WELL:	
COST PER HOUR	\$11.59
COST PER ACRE INCH	\$6.35
DIESEL WELL:	
COST PER HOUR	\$6.80
COST PER ACRE INCH	\$3.92

TABLE 5. Equipment summary for an 80 acre sprinkler-irrigated farm, San Juan County, Projected 2007.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS				FIXED COSTS		TOTAL PER HR	
			TOTAL FUEL OIL LUBRICANT	REPAIR PER HR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION TAXES			
TRACTOR 40 HP	51	1	\$7,069	\$472	\$56	\$9.18	\$1.08	\$360	\$75	\$8.44
TRACTOR 95 HP	65	1	\$14,410	\$1,076	\$136	\$16.44	\$2.07	\$1,152	\$144	\$19.80
SWATHER 14 FT	35	1	\$3,900	\$353	\$20	\$10.11	\$0.58	\$1,450	\$121	\$45.03
BALER PTO 2 WRE	46	1	\$1,900	\$57	\$7	\$0.15	\$0.05	\$385	\$32	\$9.11
BALE WAGON PTO	46	1	\$1,500	\$56	\$7	\$0.15	\$0.05	\$600	\$67	\$19.88
DISC 12 FT	4	1	\$2,250	\$10	\$10	\$2.79	\$0.00	\$300	\$19	\$65.22
PLOW 3-1/4 IN	7	1	\$3,250	\$31	\$11	\$4.15	\$0.00	\$447	\$28	\$94.29
DITCHER (DOUBLE MOLDBOARD) 12 FT	8	1	\$1,250	\$0	\$0	\$0.05	\$0.00	\$167	\$10	\$22.13
HARROW 12 FT	2	1	\$300	\$0	\$0	\$0.01	\$0.00	\$40	\$2	\$20.33
DRILL 12 FT	2	1	\$2,200	\$2	\$2	\$1.06	\$0.00	\$440	\$18	\$198.40
FERT SPREADER DEALER FURNISH	2,038	1	\$2,500	\$0	\$0	\$0.00	\$0.00	\$333	\$21	\$0.17
SIDEROLL SPRINKLER	2,038	1	\$2,500	\$3,982	\$0	\$1.95	\$0.00	\$333	\$21	\$0.23
NATURAL GAS BOOSTER PUMP										
			\$42,238	\$2,881	\$318			\$5,208	\$507	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL LUNTHR	LUBE COEF	ACCOM HOURS	INTEREST AGE	EXPENSE
TRACTOR 40 HP	17975.00	7068.50	50.00	1.00	800.00	3.40	0.10	772.95	15.00	719.00
TRACTOR 95 HP	34920.00	14403.50	30.00	1.00	800.00	5.54	0.10	1556.66	23.00	1392.00
SWATHER 14 FT	29000.00	3900.00	20.00	2.00	800.00	3.12	0.20	484.32	14.00	1160.00
BALER PTO 2 WRE	7700.00	1500.00	20.00	2.00	500.00			824.24	16.00	309.00
BALE WAGON PTO	18000.00	1500.00	20.00	5.00	800.00			261.60	6.00	640.00
DISC 12 FT	4500.00	2250.00	15.00	3.00	300.00			58.84	16.00	195.00
PLOW 3-1/4 IN	8700.00	3350.00	15.00	3.00	300.00			117.92	16.00	268.00
DITCHER (DOUBLE MOLDBOARD) 12 FT	2500.00	1250.00	15.00	4.00	300.00			100.00	15.00	100.00
HARROW 12 FT	600.00	300.00	15.00	4.00	300.00			33.44	16.00	24.00
DRILL 12 FT	4400.00	2200.00	10.00	5.00	100.00			30.23	13.00	176.00
FERT SPREADER DEALER FURNISH	5000.00	2500.00	15.00	0.00	8742.00			30573.71	15.00	200.00
SIDEROLL SPRINKLER	5000.00	2500.00	15.00	0.00	8742.00			30573.71	15.00	200.00
NATURAL GAS BOOSTER PUMP										

USAGE LIST

ALFALFA EST.	ALFALFA HAY	PER ACRE TOTALS
-hours per acre-		
TRACTOR	0.10	0.73
TRACTOR	1.87	0.65
TRACTOR	0.16	0.48
TRACTOR	0.21	0.63
TRACTOR	0.20	0.80
TRACTOR	0.34	0.00
TRACTOR	0.67	0.00
TRACTOR	0.10	0.10
TRACTOR	0.19	0.00
TRACTOR	0.21	0.00
TRACTOR	0.05	0.05
TRACTOR	22.08	28.02
TRACTOR	22.08	28.02

INTEREST PROORATION

QAT HAY	ALFALFA HAY
1.40	10.20
39.50	13.73
1.32	15.98
1.41	4.24
2.84	8.81
16.36	0.00
24.36	0.00
1.25	1.25
2.18	0.00
16.00	0.00
0.00	0.00
2.16	2.55
2.16	2.55
115.08	69.20

ALFALFA ESTABLISHMENT

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT RATE	TOTAL	CUSTOM
TRACTOR	95 HP	1.00	0.67	0.67	
TRACTOR	95 HP	1.00	0.17	0.34	
TRACTOR	95 HP	1.00	0.19	0.19	
TRACTOR	95 HP	1.00	0.05	0.05	
TRACTOR	95 HP	1.00	0.21	0.21	
TRACTOR	40 HP	9.00	0.57	22.08	

ALFALFA HAY

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT RATE	TOTAL	CUSTOM
TRACTOR	95 HP	1.00	0.05	0.05	
TRACTOR	40 HP	2.00	0.05	0.10	
TRACTOR	40 HP	13.00	0.57	26.02	
TRACTOR	14 FT	1.00	0.16	0.16	
TRACTOR	95 HP	1.00	0.21	0.21	
TRACTOR	95 HP	1.00	0.20	0.20	

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	1	2	3	4	5	6	7	8	9
0	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
50	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
100	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
150	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
200	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
250	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
300	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
350	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
400	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
450	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
500	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
550	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
600	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
650	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
700	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
750	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
800	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
850	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
900	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
950	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1000	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1050	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1100	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1150	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1200	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1250	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1300	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1350	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1400	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1450	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1500	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1550	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1600	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1650	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1700	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1750	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1800	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1850	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1900	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
1950	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
2000	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
2500	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.00500	0.00600
3000	0.00000	0.00020	0.00060	0.00120	0.00200	0.00300	0.00400	0.0050	

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for an 80 acre farm, San Juan County, Projected 2007.  
 Planting dates: April 15 - June 1  
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
OAT HAY	\$130.00	2.25 TONS (STACKED)						\$292.50	
GRAZING	\$10.00	1.00 AUM						\$10.00	
<b>TOTAL</b>								<b>\$302.50</b>	
<b>PURCHASED INPUTS</b>									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
ALFALFA SEED	\$3.05	20 LBS	\$61.00					\$61.00	
OAT SEED	\$0.26	45 LBS	\$11.70					\$11.70	
PHOSPHATE (P2O5)	\$0.40	45 LBS	\$18.00					\$18.00	
WIRE	\$0.55	19 LBS	\$10.61					\$10.61	
CANAL WATER		39 AC. IN.					\$8.94	\$8.94	
CANAL WATER (MAINTENANCE)		1 ACRE					\$8.00	\$8.00	
<b>SUBTOTAL</b>			<b>\$101.31</b>				<b>\$16.94</b>	<b>\$118.24</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	96 HP	0.67 HR		\$4.46	\$11.02	\$4.17	\$56.41	\$76.05	
DISC (2X)	96 HP	0.34 HR		\$2.26	\$5.59	\$1.65	\$35.71	\$45.21	
HARROW	96 HP	0.19 HR		\$1.26	\$3.12	\$0.40	\$7.63	\$12.41	
FERTILIZE	96 HP	0.05 HR		\$0.33	\$0.82	\$0.10	\$0.99	\$2.25	
DRILL	96 HP	0.21 HR		\$1.40	\$3.45	\$0.66	\$45.82	\$51.33	
DITCHER (2X)	40 HP	0.10 HR		\$0.67	\$0.92	\$0.11	\$3.06	\$4.75	
IRRIGATE (9X)		2.25 HR		\$14.29	\$43.10	\$0.00	\$8.97	\$66.35	
<b>SUBTOTAL</b>		<b>3.81 HR</b>		<b>\$24.66</b>	<b>\$68.02</b>	<b>\$7.10</b>	<b>\$158.57</b>	<b>\$258.35</b>	
<b>HARVEST OPERATIONS</b>									
SWATHER	14 FT	0.16 HR		\$1.06	\$1.62	\$0.09	\$7.20	\$9.98	
BALER	96 HP	0.21 HR		\$1.40	\$3.45	\$0.47	\$6.07	\$11.39	
BALE WAGON	96 HP	0.20 HR		\$1.33	\$3.29	\$0.67	\$7.94	\$13.22	
<b>SUBTOTAL</b>		<b>0.57 HR</b>		<b>\$3.79</b>	<b>\$8.36</b>	<b>\$1.23</b>	<b>\$21.21</b>	<b>\$34.59</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		1.74 HR		\$11.54				\$11.54	
EMPLOYEE BENEFITS				\$5.12				\$5.12	
INSURANCE			\$0.57					\$0.57	
LAND TAXES							\$2.10	\$2.10	
SUPERVISION AND MANAGEMENT				\$29.68				\$29.68	
<b>SUBTOTAL</b>		<b>1.74 HR</b>	<b>\$0.57</b>	<b>\$46.34</b>				<b>\$2.10</b>	<b>\$49.01</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>6.12 HR</b>	<b>\$101.87</b>	<b>\$74.79</b>	<b>\$76.38</b>	<b>\$8.33</b>	<b>\$198.83</b>	<b>\$460.19</b>	
<b>NET OPERATING PROFIT</b>								<b>(\$157.69)</b>	
INTEREST ON OPERATING CAPITAL		( \$70.23 @	8.00%	)				\$5.62	
INTEREST ON EQUIPMENT INVESTMENT								\$115.06	
<b>RETURN TO LAND AND RISK</b>								<b>(\$278.37)</b>	

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for an 80 acre farm, San Juan County, Projected 2007.  
Harvesting dates: June 1 - October 15

ITEM	PRICE	YIELD	TOTAL
<b>GROSS RETURNS</b>			
ALFALFA HAY	\$140.00	5.00 TONS (STACKED)	\$700.00
GRAZING	\$10.00	2.00 AUM	\$20.00
<b>TOTAL</b>			<b>\$720.00</b>

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
PHOSPHATE (P2O5)	\$0.40	40.00 LBS	\$16.00		\$16.00
INSECTICIDE (AERIAL)	\$19.20	1.00 ACRE	\$19.20		\$19.20
WIRE	\$0.55	43.00 LBS	\$23.65		\$23.65
LIVESTOCK FAC & EQUIP				\$5.00	\$5.00
ESTABLISHMENT: Principal		6.00 YEARS		\$46.40	\$46.40
: Interest				\$23.69	\$23.69
CANAL WATER		46.00 AC. IN.		\$10.54	\$10.54
CANAL WATER (MAINTENANCE)		1 ACRE		\$8.00	\$8.00
<b>SUBTOTAL</b>			<b>\$58.85</b>	<b>\$93.63</b>	<b>\$152.48</b>

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	96 HP	0.05 HR		\$0.33	\$0.82	\$0.10	\$0.99	\$2.25
DITCHER (2X)	40 HP	0.10 HR		\$0.67	\$0.92	\$0.11	\$3.06	\$4.75
IRRIGATE (13X)		3.25 HR		\$20.64	\$50.83	\$0.00	\$10.57	\$82.05
<b>SUBTOTAL</b>		<b>3.40 HR</b>		<b>\$21.64</b>	<b>\$52.57</b>	<b>\$0.22</b>	<b>\$14.62</b>	<b>\$89.04</b>

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
SWATHER (3X)	14 FT	0.48 HR		\$3.19	\$4.85	\$0.28	\$21.61	\$29.94
BALER (3X)	40 HP	0.63 HR		\$4.19	\$5.77	\$0.78	\$11.05	\$21.79
BALE WAGON (3X)	96 HP	0.60 HR		\$3.99	\$9.87	\$2.01	\$23.81	\$39.67
<b>SUBTOTAL</b>		<b>1.71 HR</b>		<b>\$11.37</b>	<b>\$20.49</b>	<b>\$3.07</b>	<b>\$56.47</b>	<b>\$91.40</b>

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.44 HR		\$2.93				\$2.93
EMPLOYEE BENEFITS			\$5.94				\$5.94
INSURANCE		\$0.66					\$0.66
LAND TAXES						\$2.10	\$2.10
SUPERVISION AND MANAGEMENT			\$54.53				\$54.53
OTHER EXPENSES		\$245.22					\$245.22
<b>SUBTOTAL</b>	<b>0.44 HR</b>	<b>\$245.88</b>	<b>\$63.40</b>			<b>\$2.10</b>	<b>\$311.38</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>5.55 HR</b>	<b>\$304.73</b>	<b>\$96.40</b>	<b>\$73.06</b>	<b>\$3.28</b>	<b>\$166.83</b>	<b>\$644.31</b>
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<b>NET OPERATING PROFIT</b>							<b>\$75.69</b>
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INTEREST ON OPERATING CAPITAL	(	\$44.59	@	8.00%	)		\$3.57
INTEREST ON EQUIPMENT INVESTMENT							\$59.29

<b>RETURN TO LAND AND RISK</b>							<b>\$12.83</b>
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**BUDGET SUMMARY**

GROSS RETURN		\$720.00	
VARIABLE OPERATING EXPENSES	\$381.08		
RETURN OVER VARIABLE EXPENSES	\$338.92		(GROSS MARGIN)
FIXED EXPENSES	\$166.83		
NET FARM INCOME	\$172.09		(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$96.40		
NET OPERATING PROFIT	\$75.69		(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$62.86		
RETURN TO LAND AND RISK		\$12.83	

TABLE 8. Summary of per acre costs and returns for an 80 acre farm, San Juan County,  
Projected 2007.

	ALFALFA ESTABLISHMENT	ALFALFA HAY
	TONS	TONS
PRIMARY YIELD	2.25	5.00
PRIMARY PRICE	\$130.00	\$140.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$10.00	\$20.00
GROSS RETURN	\$302.50	\$720.00
CASH OPERATING EXPENSES		
SEED	\$72.70	
FERTILIZER	\$18.00	\$16.00
CHEMICALS		\$19.20
CROP INSURANCE		
OTHER PURCHASED INPUTS	\$10.61	\$23.65
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$33.28	\$22.23
FUEL-IRRIGATION	\$43.10	\$50.83
REPAIRS	\$8.33	\$3.28
CUSTOM CHARGES		
LAND TAXES	\$2.10	\$2.10
OTHER EXPENSES	\$0.57	\$245.88
TOTAL CASH EXPENSES	\$188.68	\$383.18
RETURN OVER CASH EXPENSES	\$113.82	\$336.82
FIXED EXPENSES	\$196.72	\$164.73
TOTAL EXPENSES	\$385.41	\$547.91
NET FARM INCOME	(\$82.91)	\$172.09
LABOR AND MANAGEMENT COSTS	\$74.79	\$96.40
NET OPERATING PROFIT	(\$157.69)	\$75.69
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$5.62	\$3.57
INTEREST ON EQUIPMENT INVESTMENT	\$115.06	\$59.29
TOTAL CAPITAL COSTS	\$120.68	\$62.86
RETURN TO LAND AND RISK	(\$278.37)	\$12.83

TABLE 9. Whole farm summary, San Juan County,  
Projected 2007.

GROSS RETURNS		
OAT HAY	11.00 ACRES	
CROP		\$3,328
ALFALFA HAY	69.00 ACRES	
CROP		\$48,300
GRAZING		\$1,380
GROSS RETURN		<u>\$53,008</u>
CASH OPERATING EXPENSES		
SEED		\$800
FERTILIZER		\$1,302
CHEMICALS		\$1,325
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$1,749
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,900
FUEL-IRRIGATION		\$3,982
REPAIRS		\$318
CUSTOM CHARGES		\$0
LAND TAXES		\$168
OTHER EXPENSES		\$16,972
TOTAL CASH EXPENSES		<u>\$28,515</u>
RETURN OVER CASH EXPENSES		\$24,492
FIXED EXPENSES		\$10,329
TOTAL EXPENSES		\$38,844
NET FARM INCOME		\$14,164
LABOR AND MANAGEMENT COSTS		\$7,475
NET OPERATING PROFIT		\$6,689
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$308
INTEREST ON EQUIPMENT INVESTMENT		\$5,357
TOTAL CAPITAL COSTS		<u>\$5,665</u>
RETURN TO LAND AND RISK		<u>\$1,024</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	(\$1,376)	5.45%
\$2,500 /ACRE	(\$4,976)	2.75%
\$4,000 /ACRE	(\$8,576)	1.84%
\$5,500 /ACRE	(\$12,176)	1.39%
\$7,000 /ACRE	(\$15,776)	1.11%
\$8,500 /ACRE	(\$19,376)	0.93%

\* 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)