

BUDGET AREA..... HONDO VALLEY, LINCOLN COUNProjected 2009.
FARM SIZE..... 35 ACRES
IRRIGATION TYPE..... FLOOD
NUMBER OF CROPS..... 4

TABLE 1. Acreage Summary, Lincoln County,
Projected 2009.

BUDGET AREA.....	HONDO VALLEY, LINCOLN COUNTY		
FARM SIZE.....	35 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS....	4		
	WATER USE		
ACREAGE SUMMARY:	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		
	TOT 35.00		1,008
	ACRE FEET PER ACRE OF WATER RIG		2.40

*DOUBLE-CROPPED

TABLE 2. Basic cost information for Lincoln County,
Projected 2009.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.20
General & Irrigators	\$/hour	\$7.25
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.62
Phosphorus (P205)	\$/pound	\$0.58
Seed:		
Alfalfa	\$/pound	\$4.00
Pasture	\$/pound	\$3.55
Natural Gas	\$/MCF	\$5.89
Diesel fuel	\$/gallon	\$2.80
Gasoline	\$/gallon	\$2.50
Electricity	cents/kwhr	9.84
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	7.50%
Land Interest Rate	percent	7.25%
Equipment Interest Rate	percent	7.50%
Expected Inflation Rate	percent	3.00%
Land Taxes	\$175.00 /acre (full value)	\$1.26
Personal Property Tax Rate	- NR \$/ \$1,000 (Assessed Value)	\$21.65
	- R	\$25.87
Supervision Factors		
Field Crop-Irrigation	\$/acre	\$1.00
Field Crop-Equipment & General	\$/acre	\$0.50
Management Rate	percent	4.00%

TABLE 3. Overhead cost information for Lincoln County,
Projected 2009.

Item		
Electricity (Domestic & Shop)	\$52.20 per month	\$626
Telephone	\$40.60 per month	\$487
Accounting & Legal		\$128
Misc. Supplies & Hand Tools		\$244
Pickup and Auto		
miles	4,779 @ \$0.415 per mile	\$1,983
Insurance		
- general liability (non-employee)		\$168
- fire/theft		\$139
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$203
Dues, fees, publications		\$104
Farmstead Equipment		\$168
	Total	\$10,261
	Total per planted acre	\$342.04

TABLE 4. Pumping costs and data for irrigation wells, Lincoln County, Proposed 2009

WELL DATA		DEPTH CHARACTERISTICS	
DELIVERY PIPE SPRINKLER	0	STATIC	50
		DRAW DOWN	75
		TOTAL HEAD	75
		CABLE	NO
GALLONS PER MINUTE (GPM)		WORK HOURS/POWER	
	400		8
EFFICIENCY FACTOR:			
ELECTRICITY	0.45		
NATURAL GAS	0.15		
LPG GAS	0.19		
DIESEL	0.2		
FUEL COST PER HOUR:		COST PER ACRE INCH	
NATURAL GAS	\$3.04 CENT/SHPHR		
LPG GAS	\$2.88 SMCZ		
DIESEL	\$2.80 SGAL		
PUMPING COSTS			
ELECTRICAL WELL:		COST PER ACRE INCH	
		\$1.28	
NATURAL GAS WELL:		COST PER ACRE INCH	
		\$1.44	
BUTANE WELL:		COST PER ACRE INCH	
		\$1.03	
DIESEL WELL:		COST PER ACRE INCH	
		\$1.03	
		\$2.12	

TABLE 5. Equipment summary for a 35 acre part-time farm, Harolds Valley, Lincoln County, Proposed 2009

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
				FUEL OIL LUBRICANT	REPAIR COSE	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR
TRACTOR	20 HP	100	\$6,888	\$901	\$107	\$9.30	\$1.08	\$300	\$65	\$4.26
BALEER PFD	2 WIRE	15	\$1,800	\$2	\$2	\$0.16	\$386	\$38	\$37.52	
HARROW	8 FT	1	\$200	\$0	\$0.01	\$0.01	\$27	\$1	\$21.43	
FLAT SFT	2	1	\$400	\$0	\$0.01	\$0.01	\$40	\$2	\$17.07	
DISC	8 FT	10	\$600	\$7	\$0.74	\$80	\$4	\$8.78		
FERT SPREADER	10	1	\$2,300	\$9	\$1.02	\$107	\$17	\$21.68		
RAKE	8 FT	15	\$1,500	\$7	\$0.43	\$155	\$11	\$11.08		
DRILL	8 FT	1	\$1,000	\$1	\$0.48	\$60	\$7	\$21.08		
MOWER	7 FT	30	\$1,300	\$11	\$0.30	\$130	\$9	\$4.85		
WELL ELECTRIC	204	1	\$5,000	\$30	\$1.28	\$0.00	\$640	\$58	\$1.43	
			\$63,838	\$1,991	\$14			\$2,505	\$305	

ITEM	EQUIPMENT LIST						ANNUAL EST	ALFALFA HAY	ALFALFA PASTURE	ANNUAL PER ACRE PASTURE
	NEW VALUE	USED VALUE	YEARS LIFE	EQUP COSE	MAX HOURS	FUEL OIL LUBE UNITS/HR				
TRACTOR 20 HP	17,076	6,888	30	1	800	3.40	0.10	160,000	15	814.08
BALEER PFD 2 WIRE	7,700	1,800	20	2	500			270.00	18	288.75
HARROW 8 FT	400	200	15	4	300			18.00	18	15.00
FLAT SFT	800	400	15	4	300			36.00	15	22.80
DISC 8 FT	1,200	600	15	3	300			153.60	18	48.00
FERT SPREADER	4,800	2,300	15	9	150			172.50	15	172.50
RAKE 8 FT	3,150	1,500	20	6	500			225.00	18	118.25
DRILL 8 FT	2,000	1,000	25	8	300			18.00	13	75.00
MOWER 7 FT	2,600	1,300	20	6	300			450.00	15	87.50
WELL ELECTRIC	16,000	8,000	25	0	8,742			3055.05	15	600.00

INTEREST PROPORTION	
ALFALFA HAY PASTURE	
DELIVERY PER ACRE	
5.29	2.03
28.88	0.00
0.00	0.00
0.00	0.00
0.00	0.00
5.07	0.07
11.65	0.00
0.00	0.00
8.79	0.00
20.00	20.00
128.11	27.10

ALFALFA ESTABLISHMENT		ACRES		PUMP WATER	
MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT		
			RATE	TOTAL	CUSTOM
DISC (2X)	30 HP	2.00	1.20	2.40	
HARROW	30 HP	1.00	0.30	0.30	
FLAT	30 HP	1	0.60	0.60	
FERT SPREADER	30 HP	1.00	0.30	0.30	
DRILL	30 HP	1	0.30	0.30	
IRRIGATE (2X)		2	1.50	3.00	

ALFALFA HAY		ACRES		PUMP WATER	
MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT		
			RATE	TOTAL	CUSTOM
FERT SPREADER	30 HP	1	0.30	0.30	
DITCH MAINTENANCE		1	0.25	0.25	
IRRIGATE (2X)		8	1.13	6.79	

PERMANENT PASTURE EST.		ACRES		PUMP WATER	
MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT		
			RATE	TOTAL	CUSTOM
DISC (2X)	30 HP	2	1.20	2.40	
HARROW	30 HP	1	0.30	0.30	
FERT SPREADER	30 HP	1	0.30	0.30	
FLAT	30 HP	1	0.60	0.60	
DRILL	30 HP	1	0.30	0.30	
IRRIGATE (2X)		2	1.50	3.00	

ANNUAL PERMANENT PASTURE		ACRES		PUMP WATER	
MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT		
			RATE	TOTAL	CUSTOM
FERT SPREADER	30 HP	1	0.30	0.30	
DITCH MAINTENANCE		1	0.25	0.25	
IRRIGATE (2X)		5	1.13	6.79	

Based on unpublished data of D. R. Hunt, Department of Agricultural Engineering, University of Illinois

Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1983.

Codes
 1 tractors
 2 bales, baling machines, orange balers, windmills, sodders
 3 rotary hoes, disks, moldboard plows, chisels, field cultivators
 4 row cultivators, laser plows
 5 harrows, wagons, trails, into back, drag, roller, water furrow, bed shaper
 6 baler/wagons, cotton pickers, cotton strip-pickers, corn pickers, orchard tractors, forage equipment, rotary mowers, disk chippers, feed wagons, farm trucks
 7 drills, collector mowers
 8 faller or engine, mowers, sprayers
 9 plows, disks, seeding equipment, mounted sprayers
 0 fertilizer distributing equipment

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	0.00420	0.00560	0.00720
100	0.00060	0.00120	0.00180	0.00240	0.00300	0.00360	0.00420	0.00480	0.00540
200	0.00120	0.00240	0.00360	0.00480	0.00600	0.00720	0.00840	0.00960	0.01080
300	0.00180	0.00360	0.00540	0.00720	0.00900	0.01080	0.01260	0.01440	0.01620
400	0.00240	0.00480	0.00720	0.00960	0.01200	0.01440	0.01680	0.01920	0.02160
500	0.00300	0.00600	0.00900	0.01200	0.01500	0.01800	0.02100	0.02400	0.02700
600	0.00360	0.00720	0.01080	0.01440	0.01800	0.02160	0.02520	0.02880	0.03240
700	0.00420	0.00840	0.01260	0.01680	0.02100	0.02520	0.02940	0.03360	0.03780
800	0.00480	0.00960	0.01440	0.01920	0.02340	0.02760	0.03180	0.03600	0.04020
900	0.00540	0.01080	0.01620	0.02160	0.02640	0.03120	0.03600	0.04080	0.04560
1000	0.00600	0.01200	0.01800	0.02400	0.02940	0.03480	0.04020	0.04560	0.05100
1200	0.00720	0.01440	0.02160	0.02880	0.03600	0.04320	0.05040	0.05760	0.06480
1400	0.00840	0.01680	0.02520	0.03360	0.04200	0.05040	0.05880	0.06720	0.07560
1600	0.00960	0.01920	0.02880	0.03840	0.04800	0.05760	0.06720	0.07680	0.08640
1800	0.01080	0.02160	0.03240	0.04320	0.05400	0.06480	0.07560	0.08640	0.09720
2000	0.01200	0.02400	0.03600	0.04800	0.06000	0.07200	0.08400	0.09600	0.10800
2500	0.01500	0.03000	0.04500	0.06000	0.07500	0.09000	0.10500	0.12000	0.13500
3000	0.01800	0.03600	0.05400	0.07200	0.09000	0.10800	0.12600	0.14400	0.16200
3500	0.02100	0.04200	0.06300	0.08400	0.10500	0.12600	0.14700	0.16800	0.18900
4000	0.02400	0.04800	0.07200	0.09600	0.12000	0.14400	0.16800	0.19200	0.21600
4500	0.02700	0.05400	0.08100	0.10800	0.13500	0.16200	0.18900	0.21600	0.24300
5000	0.03000	0.06000	0.09000	0.12000	0.15000	0.18000	0.21000	0.24000	0.27000
5500	0.03300	0.06600	0.09900	0.13200	0.16500	0.19800	0.23100	0.26400	0.29700
6000	0.03600	0.07200	0.10800	0.14400	0.18000	0.21600	0.25200	0.28800	0.32400
6500	0.03900	0.07800	0.11700	0.15600	0.19500	0.23400	0.27300	0.31200	0.35100
7000	0.04200	0.08400	0.12600	0.16800	0.21000	0.25200	0.29400	0.33600	0.37800
7500	0.04500	0.09000	0.13500	0.18000	0.22500	0.27000	0.31500	0.36000	0.40500
8000	0.04800	0.09600	0.14400	0.19200	0.23400	0.28200	0.33000	0.37800	0.42600
8500	0.05100	0.10200	0.15300	0.20400	0.24300	0.29400	0.34500	0.39600	0.44700
9000	0.05400	0.10800	0.16200	0.21600	0.25200	0.30600	0.35700	0.40800	0.45900
9500	0.05700	0.11400	0.17100	0.22800	0.26100	0.31500	0.36600	0.41700	0.46800
10000	0.06000	0.12000	0.18000	0.24000	0.27000	0.32400	0.37500	0.42600	0.47700

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2009.
Planting dates: August 15 - October 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$4.00	20 LBS	\$80.00					\$80.00
PHOSPHORUS (P2O5)	\$0.58	50 LBS	\$29.00					\$29.00
CANAL WATER		12 AC. IN.						
SUBTOTAL			\$109.00					\$109.00
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$17.28	\$22.44	\$4.37	\$31.31	\$75.40
HARROW	30 HP	0.30 HR		\$2.16	\$2.81	\$0.33	\$8.31	\$13.60
FLOAT	30 HP	0.60 HR		\$4.32	\$5.61	\$0.65	\$13.10	\$23.68
FERT. SPREADER	30 HP	0.30 HR		\$2.16	\$2.81	\$0.60	\$10.79	\$16.35
DRILL	30 HP	0.30 HR		\$2.16	\$2.81	\$0.47	\$23.08	\$28.51
IRRIGATE (2X)		1.00 HR		\$7.25				\$7.25
SUBTOTAL		4.90 HR		\$35.33	\$36.47	\$6.42	\$86.58	\$164.80
OVERHEAD EXPENSES								
DOWNTIME		0.98 HR		\$7.02				\$7.02
EMPLOYEE BENEFITS				\$4.24				\$4.24
FARM INSURANCE			\$0.42					\$0.42
SUPERVISION AND MANAGEMENT				\$13.90				\$13.90
SUBTOTAL		0.98 HR	\$0.42	\$25.16				\$25.59
TOTAL OPERATING EXPENSES		5.88 HR	\$109.42	\$60.49	\$36.47	\$6.42	\$86.58	\$299.38

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2009.

Harvesting dates: June 15 - September 15								
ITEM	PRICE	YIELD		TOTAL				
GROSS RETURNS								
ALFALFA HAY	\$140.00	4.00 TONS STACKED		\$560.00				
GRAZING	\$15.00	1.00 ACRE		\$15.00				
TOTAL				\$575.00				
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.62	20 LBS	\$12.40					\$12.40
PHOSPHORUS (P2O5)	\$0.58	90 LBS	\$52.20					\$52.20
INSECTICIDE	\$16.00	1 ACRE	\$16.00					\$16.00
WIRE	\$0.55	35 LBS	\$19.25					\$19.25
ESTABLISHMENT: Principal		5 YEARS					\$59.88	\$59.88
: Interest							\$10.04	\$10.04
CANAL WATER		30 AC. IN.						
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$99.85				\$69.91	\$169.76
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$2.16	\$2.81	\$0.60	\$10.79	\$16.35
DITCH MAINTENANCE		0.25 HR		\$1.80				\$1.80
IRRIGATE (6X)		3.00 HR		\$21.75	\$8.66	\$0.00	\$23.26	\$53.66
SUBTOTAL		3.55 HR		\$25.71	\$11.46	\$0.60	\$34.04	\$71.81
HARVEST OPERATIONS								
MOWER (3X)	30 HP	3.00 HR		\$21.60	\$28.05	\$4.33	\$26.72	\$80.70
RAKE (3X)	30 HP	1.50 HR		\$10.80	\$14.03	\$2.27	\$23.01	\$50.10
BALER, PTO (3X)	30 HP	1.50 HR		\$10.80	\$14.03	\$1.85	\$47.67	\$74.34
HAUL (3X)	30 HP	1.50 HR		\$10.80	\$14.03	\$1.62	\$6.39	\$32.83
SUBTOTAL		7.50 HR		\$54.00	\$70.13	\$10.06	\$103.79	\$237.98
OVERHEAD EXPENSES								
DOWNTIME		2.01 HR		\$14.49				\$14.49
EMPLOYEE BENEFITS				\$9.57				\$9.57
FARM INSURANCE			\$0.96					\$0.96
LAND TAXES							\$1.26	\$1.26
SUPERVISION AND MANAGEMENT				\$30.03				\$30.03
OTHER EXPENSES			\$342.04					\$342.04
SUBTOTAL		2.01 HR		\$343.00	\$54.08		\$1.26	\$398.34
TOTAL OPERATING EXPENSES		13.06 HR		\$442.85	\$133.79	\$81.59	\$10.66	\$209.01
NET OPERATING PROFIT								(\$302.89)
INTEREST ON OPERATING CAPITAL		(\$431.00 @	7.50%)				\$8.86
INTEREST ON EQUIPMENT INVESTMENT								\$128.11
RETURN TO LAND AND RISK								(\$439.86)

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

BUDGET SUMMARY

GROSS RETURN		\$575.00	
VARIABLE OPERATING EXPENSES	\$543.95		
RETURN OVER VARIABLE EXPENSES		\$31.05	(GROSS MARGINS)
FIXED EXPENSES	\$209.01		
NET FARM INCOME		(\$177.96)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$133.79		
NET OPERATING PROFIT		(\$311.75)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$128.11		
RETURN TO LAND AND RISK		(\$439.86)	

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 2009.

Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
PURCHASED INPUTS								
PASTURE SEED	\$3.55	20.00 LBS					\$71.00	
NITROGEN (N)	\$0.62	50 LBS					\$31.00	
PHOSPHORUS (P2O5)	\$0.58	20 LBS					\$11.60	
CANAL WATER		12.00 AC. IN.						
SUBTOTAL							\$113.60	
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$17.28	\$22.44	\$4.37	\$31.31	\$75.40
HARROW	30 HP	0.30 HR		\$2.16	\$2.81	\$0.33	\$8.31	\$13.60
FERT. SPREADER	30 HP	0.30 HR		\$2.16	\$2.81	\$0.60	\$10.79	\$16.35
FLOAT	30 HP	0.60 HR		\$4.32	\$5.61	\$0.65	\$13.10	\$23.68
DRILL	30 HP	0.30 HR		\$2.16	\$2.81	\$0.47	\$23.08	\$28.51
IRRIGATE (3X)		1.00 HR		\$7.25				\$7.25
SUBTOTAL		4.90 HR		\$35.33	\$36.47	\$6.42	\$86.58	\$164.80
OVERHEAD EXPENSES								
DOWNTIME		0.98 HR		\$7.02				\$7.02
EMPLOYEE BENEFITS				\$4.24				\$4.24
FARM INSURANCE			\$0.42					\$0.42
SUPERVISION AND MANAGEMENT				\$14.09				\$14.09
OTHER EXPENSES			\$342.04					\$342.04
SUBTOTAL		0.98 HR	\$342.46	\$25.35				\$367.81
TOTAL OPERATING EXPENSES		5.88 HR	\$456.06	\$60.68	\$36.47	\$6.42	\$86.58	\$646.20

TABLE 9. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2009.

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)	\$0.62	50 LBS	\$31.00				\$31.00	
PHOSPHORUS (P2O5)	\$0.58	20 LBS	\$11.60				\$11.60	
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10 YEARS		\$12.00			\$12.00	
: Interest				\$64.62			\$64.62	
CANAL WATER		24 AC. IN.		\$25.57			\$25.57	
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$42.60	\$102.19			\$144.79	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$2.18	\$2.81	\$0.60	\$10.79	\$16.37
DITCH MAINTENANCE		0.25 HR		\$1.81				\$1.81
IRRIGATE (5X)		2.50 HR		\$18.13	\$8.66	\$0.00	\$23.26	\$50.04
SUBTOTAL		3.05 HR		\$22.11	\$11.46	\$0.60	\$34.04	\$68.21
OVERHEAD EXPENSES								
DOWNTIME		0.14 HR		\$0.99				\$0.99
EMPLOYEE BENEFITS				\$2.65				\$2.65
FARM INSURANCE			\$0.27					\$0.27
LAND TAXES							\$1.26	\$1.26
SUPERVISION AND MANAGEMENT				\$7.58				\$7.58
OTHER EXPENSES			\$342.04					\$342.04
SUBTOTAL		0.14 HR	\$342.30	\$11.22			\$1.26	\$354.79
TOTAL OPERATING EXPENSES		3.19 HR	\$384.90	\$33.33	\$11.46	\$0.60	\$137.49	\$567.79
NET OPERATING PROFIT								(\$447.79)
INTEREST ON OPERATING CAPITAL		(\$213.00 @	7.50%)				\$6.71
INTEREST ON EQUIPMENT INVESTMENT								\$27.10
RETURN TO LAND AND RISK								(\$481.60)

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

BUDGET SUMMARY

GROSS RETURN		\$120.00	
VARIABLE OPERATING EXPENSES	\$403.67		
RETURN OVER VARIABLE EXPENSES	(\$283.67)	(GROSS MARGINS)	
FIXED EXPENSES	\$137.49		
NET FARM INCOME	(\$421.17)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$33.33		
NET OPERATING PROFIT	(\$454.50)	(RETURNS TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$27.10		
RETURN TO LAND AND RISK	(\$481.60)		

TABLE 10. Summary of per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2009.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE
		TONS		AUMS
PRIMARY YIELD		4.00		10.00
PRIMARY PRICE		\$140.00		\$12.00
GOVERNMENT PAYMENTS		\$0.00		\$0.00
SECOND INCOME		\$15.00		\$0.00
GROSS RETURN		\$575.00		\$120.00
CASH OPERATING EXPENSES				
SEED	\$80.00		\$71.00	
FERTILIZER	\$29.00	\$64.60	\$42.60	\$42.60
CHEMICALS		\$16.00		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$19.25		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$36.47	\$72.93	\$36.47	\$2.81
FUEL-IRRIGATION		\$8.66		\$8.66
REPAIRS	\$6.42	\$10.66	\$6.42	\$0.60
CUSTOM CHARGES				
LAND TAXES		\$1.26		\$1.26
OTHER EXPENSES	\$0.42	\$343.00	\$342.46	\$342.30
TOTAL CASH EXPENSES	\$152.31	\$536.36	\$498.95	\$398.23
RETURN OVER CASH EXPENSES	(\$152.31)	\$38.64	(\$498.95)	(\$278.23)
FIXED EXPENSES	\$86.58	\$207.75	\$86.58	\$136.23
TOTAL EXPENSES	\$238.89	\$744.10	\$585.53	\$534.46
NET FARM INCOME	(\$238.89)	(\$169.10)	(\$585.53)	(\$414.46)
LABOR AND MANAGEMENT COSTS	\$60.49	\$133.79	\$60.68	\$33.33
NET OPERATING PROFIT	(\$299.38)	(\$302.89)	(\$646.20)	(\$447.79)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$8.86		\$6.71
INTEREST ON EQUIPMENT INVESTMENT		\$128.11		\$27.10
TOTAL CAPITAL COSTS	\$0.00	\$136.97	\$0.00	\$33.81
RETURN TO LAND AND RISK	(\$299.38)	(\$439.86)	(\$646.20)	(\$481.60)

TABLE 11. Whole farm summary, Hondo Valley, Lincoln County,
Projected 2009.

GROSS RETURNS		
ALFALFA HAY	10.00 ACRES	
CROP		\$5,600
GRAZING		\$150
PASTURE	20.00 ACRES	
GRAZING		\$2,400
GROSS RETURN		\$8,150
CASH OPERATING EXPENSES		
SEED		\$302
FERTILIZER		\$1,641
CHEMICALS		\$160
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$193
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$931
FUEL-IRRIGATION		\$260
REPAIRS		\$144
CUSTOM CHARGES		\$0
LAND TAXES		\$38
OTHER EXPENSES		\$10,962
TOTAL CASH EXPENSES		\$14,631
RETURN OVER CASH EXPENSES		(\$6,481)
FIXED EXPENSES		\$3,257
TOTAL EXPENSES		\$17,888
NET FARM INCOME		(\$9,738)
LABOR AND MANAGEMENT COSTS		\$2,247
NET OPERATING PROFIT		(\$11,985)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$223
INTEREST ON EQUIPMENT INVESTMENT		\$1,823
TOTAL CAPITAL COSTS		\$2,046
RETURN TO LAND AND RISK		(\$14,031)

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$14,766)	-24.79%
\$900 /ACRE	(\$14,976)	-21.66%
\$1,100 /ACRE	(\$15,186)	-19.23%
\$1,300 /ACRE	(\$15,396)	-17.28%
\$1,500 /ACRE	(\$15,606)	-15.70%
\$1,700 /ACRE	(\$15,816)	-14.38%
\$1,900 /ACRE	(\$16,026)	-13.27%
\$2,100 /ACRE	(\$16,236)	-12.31%

* 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)