

TABLE 1. Basic cost information for San Juan County Projected 2016

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		6.75
General & Irrigators	\$/hour		6.45
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)	\$/pound		0.48
Phosphate (P205)	\$/pound		0.61
Seed:			
Alfalfa	\$/pound		6.00
Oats	\$/pound		0.40
Pasture	\$/pound		3.12
Wire	\$/pound		1.68
Canal Water	\$/acre foot		10.75
Energy:			
Diesel fuel	\$/gallon		2.55
Gasoline	\$/gallon		2.40
Natural Gas	\$/MCF		3.00
LP Gas	\$/gallon		2.45
Electricity	cents/KwHr		12.31
Employee Liability Insurance	\$/ \$1,000 wages		12.00
Employee Benefits	percent/w ages		12.00%
Labor Downtime	percent		25.00%
Financial Rates:			
Operating Capital Interest Rate	percent		5.50%
Land Interest Rate	percent		5.00%
Equipment Interest Rate	percent		5.50%
Real Interest Rate	percent		4.00%
Land Taxes	253.00 /acre (full value)		2.07
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)		24.30
- R			29.00
Supervision Factors			
Field Crop-Irrigation	\$/labor hour		1.00
Field Crop-Equipment & General	\$/labor hour		0.50
Management Rate	percent		4.00%

BUDGET AREA.....	SAN JUAN COUNTY	Projected 2016	
FARM SIZE.....	20 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS.....	2		
		WATER USE	
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	1.5	48	72.0
ALFALFA	9.0	60	540.0
PASTURE ESTABLISHMENT	0.5 *	21	10.5
PASTURE	10.0	62	620.0
TOTAL	20.5		1,242.5
		ACRE FEET PER ACRE OF WATER RIGHTS 5.05	

* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for San Juan County. Projected 2016

ITEM		CROP ENTERPRISE	LIVESTOCK ENTERPRISE	TOTAL
Electricity (Domestic & Shop)	37.50 per month	420	42	462
Telephone	37.50 per month	420	42	462
Accounting & Legal		130		144
Misc. Supplies & Hand Tools		245	25	316
Pickup and Auto	Crop Ent. Livestock Ent.			
miles	3,100 1,545 @	0.500 per mile		
		1,132	564	1,695
Insurance				
- general liability (non-employee)		0		0
- fire/theft		0		0
Property Taxes				
- non-planted land		0		0
- other than land & machinery		60		60
Building repairs and maintenance		115	12	138
Dues, fees, publications		115	6	131
Farmstead Equipment		175	18	220
Total		2,812	707	3,519
Total per planted acre		137.15		

Table 3a. Livestock Production Parameters

NUMBER OF COWS	0
COWS PER BULL	0
NUMBER OF HORSES	0
REPLACEMENT RATE (%)	0
CALF DEATH LOSS (%)	0.03
YEARLING DEATH LOSS (%)	0.0125
COW DEATH LOSS (%)	0.01
BULL DEATH LOSS (%)	0
CALF CROP (%)	0.9
PRODUCTIVE LIFE OF BULLS	5
CALVES PURCHASED	
HEIFERS	0
STEERS	20

Table 3b. Forage Sources for Livestock

	ACRES	AUMS/ ACRE	AUMS PROVIDED
ALFALFA	9.00	1.40	12.60
PERMANENT PASTURE	10	7	70
BALED HAY (TONS)		0.56	1.4
TOTAL	19.00		84.00

Table 3c. STOCK COUNT CHART

SEASON	TOTAL YEARLING YEARLING STEERS HEIFERS		AUMs REQUIRED
	0.7	0.7	
JANUARY			0
FEBUARY			0
MARCH			0
APRIL			0
MAY	20		14
JUNE	20		14
JULY	20		14
AUGUST	20		14

SEPTEMB	20	14
OCTOBER	20	14
NOVEMBER		0
DECEMBER		0
		<u>84</u>

Table 3d. FORAGE BALANCE CHART

	TOTAL AUMs REQUIRED	PERMANENT ALFALFA	PASTURE	TOTAL AUMs SUPPLIED	HAY
JANUARY	0	0	0	0	0
FEBRUAR	0	0	0	0	0
MARCH	0	0	0	0	0
APRIL	0	0	0	0	0
MAY	14	0	14	14	0
JUNE	14	0	14	14	0
JULY	14	0	14	14	0
AUGUST	14	0	14	14	0
SEPTEMB	14	0	14	14	0
OCTOBER	14	12.6	0	12.6	1.4
NOVEMBE	0	0	0	0	0
DECEMBE	0	0	0	0	0
Total AUM	84	12.6	70	82.6	1.4

TABLE 4. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm, San Juan County. Projected 2016
 Planting dates: April 15 - June 1
 Harvest dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	100.00	2.00 TONS (IN FIELD)						200.00
TOTAL								200.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
ALFALFA SEED	2.80	20.00 LBS	56.00					56.00
OAT SEED	0.30	45.00 LBS	13.50					13.50
PHOSPHATE (P2O5)	0.20	45.00 LBS	9.00					9.00
CANAL WATER		48.00 AC. IN.		75.00				75.00
CANAL WATER (MAINTENANCE)		1 ACRE		8.00				8.00
SUBTOTAL			78.50	83.00				161.50
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	65 HP	0.83 HR		5.60	5.85	0.21	3.71	15.37
DISC (2X)	65 HP	0.84 HR		5.67	5.92	0.21	3.75	15.55
FERTILIZE	65 HP	0.05 HR		0.34	0.35	0.01	0.22	0.93
CORRUGATE	65 HP	0.41 HR		2.77	2.89	0.10	2.84	8.61
DRILL	65 HP	0.33 HR		2.23	2.33	0.08	1.47	6.11
DITCHER	65 HP	0.10 HR		0.68	0.70	0.02	0.45	1.85
IRRIGATE (6X)		3.00 HR		19.35				19.35
SUBTOTAL		5.56 HR		36.63	18.05	0.64	12.45	67.76
HARVEST OPERATIONS								
MOWER	65 HP	0.45 HR		3.04	3.17	0.37	6.97	13.55
RAKE	65 HP	0.26 HR		1.76	1.83	0.15	4.02	7.76
BALER (CUSTOM)			65.60					65.60
SUBTOTAL		0.71 HR	65.60	4.79	5.01	0.52	11.00	86.91
OVERHEAD EXPENSES								
DOWNTIME		2.43 HR		16.37				16.37
EMPLOYEE BENEFITS				4.97				4.97
INSURANCE			0.50					0.50
LAND TAXES							2.23	2.23
SUPERVISION AND MANAGEMENT				13.81				13.81
OTHER EXPENSES			144.71					144.71
SUBTOTAL		2.43 HR	145.21	35.14			2.23	182.58
TOTAL OPERATING EXPENSES		8.70 HR	289.31	76.57	23.05	1.16	108.67	498.76
NET OPERATING PROFIT								-298.76
INTEREST ON OPERATING CAPITAL (49.85	@	0.07				3.24
INTEREST ON EQUIPMENT INVESTMENT								21.43
RETURN TO LAND AND RISK								-323.43

TABLE 5. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm,
 San Juan County Projected 2016
 Harvesting dates: June 10 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	185.00	5.50 TONS (IN FIELD)						1,017.50
GRAZING	10.00	1.40 AUM						14.00
TOTAL								1,031.50
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS			FIXED COST	TOTAL
PHOSPHATE (P2O5)	0.61	45.00 LBS	27.45					27.45
ESTABLISHMENT: Principal		6.00 YEARS				53.90		53.90
: Interest						17.24		17.24
LIVESTOCK FAC & EQUIP						5.00		5.00
CANAL WATER		60.00 AC. IN.				93.75		93.75
CANAL WATER (MAINTENANCE)		1 ACRE				8.00		8.00
SUBTOTAL			27.45			177.90		205.35
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		0.34	0.35	0.01	0.22	0.93
DITCHER	65 HP	0.10 HR		0.68	0.70	0.02	0.45	1.85
CORRUGATE	65 HP	0.41 HR		2.77	2.89	0.10	2.84	8.61
IRRIGATE (10X)		5.00 HR		32.25				32.25
SUBTOTAL		5.56 HR		36.03	3.95	0.14	3.51	43.63
HARVEST OPERATIONS								
MOWER (3X)	65 HP	1.35 HR		9.11	9.52	1.11	20.92	40.66
RAKE (3X)	65 HP	0.78 HR		5.27	5.50	0.45	12.07	23.29
BALER (CUSTOM)			180.40					180.40
SUBTOTAL		2.13 HR	180.40	14.38	15.02	1.56	32.99	244.34
OVERHEAD EXPENSES								
DOWNTIME		0.55 HR		3.68				3.68
EMPLOYEE BENEFITS				6.05				6.05
INSURANCE			0.60					0.60
LAND TAXES							2.23	2.23
SUPERVISION AND MANAGEMENT				47.35				47.35
OTHER EXPENSES			144.71					144.71
SUBTOTAL		0.55 HR	145.32	57.08			2.23	204.62
TOTAL OPERATING EXPENSES		8.24 HR	353.17	107.49	18.96	1.70	216.63	697.95
NET OPERATING PROFIT								333.55
INTEREST ON OPERATING CAPITAL	(31.16	@	0.07)			2.03
INTEREST ON EQUIPMENT INVESTMENT								27.91
RETURN TO LAND AND RISK								303.62

BUDGET SUMMARY

GROSS RETURN	1,031.50	
VARIABLE OPERATING EXPENSES	373.83	
RETURN OVER VARIABLE EXPENSES	657.67	(GROSS MARGIN)
FIXED EXPENSES	216.63	
NET FARM INCOME	441.04	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	107.49	
NET OPERATING PROFIT	333.55	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	29.94	
RETURN TO LAND AND RISK	303.62	

TABLE 6. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm, San Juan County. Projected 2016
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
<u>PURCHASED INPUTS</u>								
SEED	2.50	15.00 LBS	37.50					37.50
NITROGEN (N)	0.29	20.00 LBS	5.80					5.80
PHOSPHATE (P205)	0.20	50.00 LBS	10.00					10.00
CANAL WATER		21.00 AC. IN.					32.81	32.81
CANAL WATER (MAINTENANCE)							8.00	8.00
SUBTOTAL			53.30				40.81	94.11
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	65 HP	0.83 HR		5.60	5.85	0.21	3.71	15.37
DISC (2X)	65 HP	0.84 HR		5.67	5.92	0.21	3.75	15.55
HARROW	65 HP	0.41 HR		2.77	2.89	0.10	2.84	8.61
FERTILIZE	65 HP	0.05 HR		0.34	0.35	0.01	0.22	0.93
CORRUGATE	65 HP	0.41 HR		2.77	2.89	0.10	2.84	8.61
DRILL	65 HP	0.33 HR		2.23	2.33	0.08	1.47	6.11
DITCHER	65 HP	0.10 HR		0.68	0.70	0.02	0.45	1.85
IRRIGATE (3X)		1.50 HR		9.68				9.68
SUBTOTAL		4.47 HR		29.72	20.94	0.74	15.29	66.69
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.74 HR		5.01				5.01
EMPLOYEE BENEFITS				3.57				3.57
INSURANCE			0.36					0.36
SUPERVISION AND MANAGEMENT				9.42				9.42
SUBTOTAL		0.74 HR	0.36	18.00				18.35
TOTAL OPERATING EXPENSES		5.21 HR	53.66	47.72	20.94	0.74	56.10	179.16

TABLE 7. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm,
 San Juan County.
 Projected 2016
 Harvesting dates: Year Round

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
PASTURE	12.00	7.00 AUMS	84.00
TOTAL			84.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
NITROGEN (N)	0.29	100.00 LBS	29.00		29.00
ESTABLISHMENT: Principal		20.00 YEARS		8.96	8.96
: Interest				5.02	5.02
CANAL WATER		62.00 AC. IN.		96.88	96.88
CANAL WATER (MAINTENANCE)		1 ACRE		8.00	8.00
SUBTOTAL			29.00	118.85	147.85

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	65 HP	0.05 HR		0.34	0.35	0.01	0.22	0.93
CORRUGATE	65 HP	0.41 HR		2.77	2.89	0.10	2.84	8.61
DITCHER	65 HP	0.10 HR		0.68	0.70	0.02	0.45	1.85
IRRIGATE (11X)		5.50 HR		35.48				35.48
SUBTOTAL		6.06 HR		39.26	3.95	0.14	3.51	46.86

OVERHEAD EXPENSES

DOWNTIME	0.14 HR		0.95					0.95
EMPLOYEE BENEFITS				4.71				4.71
INSURANCE			0.47					0.47
LAND TAXES							2.23	2.23
SUPERVISION AND MANAGEMENT				9.14				9.14
OTHER EXPENSES			144.71					144.71
SUBTOTAL		0.14 HR	145.18	14.80			2.23	162.21

TOTAL OPERATING EXPENSES		6.20 HR	174.18	54.05	3.95	0.14	124.59	356.91
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NET OPERATING PROFIT

INTEREST ON OPERATING CAPITAL	(15.52	@	0.07)			1.01
INTEREST ON EQUIPMENT INVESTMENT								3.37

RETURN TO LAND AND RISK

-277.29

PASTURE LIVESTOCK
 -272.91 -0.06736 0.01

BUDGET SUMMARY

GROSS RETURN	84.00	
VARIABLE OPERATING EXPENSES	178.27	
RETURN OVER VARIABLE EXPENSES	-94.27	(GROSS MARGIN)
FIXED EXPENSES	124.59	
NET FARM INCOME	-218.86	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	54.05	
NET OPERATING PROFIT	-272.91	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	4.38	
RETURN TO LAND AND RISK	-277.29	

TABLE 8. Summary of per acre costs and returns for a 20 acre part-time farm,
San Juan County. Projected 2016

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE EST.	ANNUAL PASTURE
	TONS	TONS	-----FLOOD-----	
				AUMS
PRIMARY YIELD	2.00	5.50		7.00
PRIMARY PRICE	100.00	185.00		12.00
GOVERNMENT PAYMENTS	0.00	0.00		0.00
SECOND INCOME	0.00	14.00		0.00
GROSS RETURN	200.00	1,031.50		84.00
CASH OPERATING EXPENSES				
SEED	69.50		37.50	
FERTILIZER	9.00	27.45	15.80	29.00
CHEMICALS				
CROP INSURANCE				
OTHER PURCHASED INPUTS	0.00	0.00	0.00	0.00
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	23.05	18.96	20.94	3.95
FUEL-IRRIGATION				
REPAIRS	1.16	1.70	0.74	0.14
CUSTOM CHARGES	65.60	180.40		
LAND TAXES	2.23	2.23		2.23
OTHER EXPENSES	145.21	145.32	0.36	145.18
TOTAL CASH EXPENSES	315.75	376.06	75.34	180.50
RETURN OVER CASH EXPENSES	-115.75	655.44	-75.34	-96.50
FIXED EXPENSES	106.45	214.40	56.10	122.36
TOTAL EXPENSES	422.19	590.46	131.44	302.86
NET FARM INCOME	-222.19	441.04	-131.44	-218.86
LABOR AND MANAGEMENT COSTS	76.57	107.49	47.72	54.05
NET OPERATING PROFIT	-298.76	333.55	-179.16	-272.91
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	3.24	2.03		1.01
INTEREST ON EQUIPMENT INVESTMENT	21.43	27.91		3.37
TOTAL CAPITAL COSTS	24.67	29.94	0.00	4.38
RETURN TO LAND AND RISK	-323.43	303.62	-179.16	-277.29

TABLE 9. Whole farm summary, San Juan County. Projected 2016

GROSS RETURNS		
OAT HAY	1.50 ACRES	
CROP		\$300.00
GRAZING		\$0.00
ALFALFA HAY	9.00 ACRES	
CROP		\$9,157.50
GRAZING		\$126.00
PASTURE	10.00 ACRES	
GRAZING		\$840.00
LIVESTOCK		\$15,384.00
GROSS RETURN		<u>\$25,807.50</u>
CASH OPERATING EXPENSES		
FORAGE		\$966.00
FEED AND LIVESTOCK		\$11,661.98
SEED		\$123.00
FERTILIZER		\$558.45
CHEMICALS		\$0.00
CROP INSURANCE		\$0.00
OTHER PURCHASED INPUTS		\$0.00
CANAL WATER		\$0.00
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$255.21
FUEL-IRRIGATION		\$0.00
REPAIRS		\$18.81
CUSTOM CHARGES		\$1,722.00
LAND TAXES		\$45.66
OTHER EXPENSES		\$3,699.11
TOTAL CASH EXPENSES		<u>\$19,050.22</u>
RETURN OVER CASH EXPENSES		\$6,757.28
FIXED EXPENSES		\$3,906.25
TOTAL EXPENSES		<u>\$22,956.46</u>
NET FARM INCOME		\$2,851.04
LABOR AND MANAGEMENT COSTS		\$2,219.05
NET OPERATING PROFIT		\$631.99
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$33.18
INTEREST ON EQUIPMENT INVESTMENT		\$317.06
INTEREST ON LIVESTOCK ENTERPRISE		\$2,146.18
TOTAL CAPITAL COSTS		<u>\$2,496.43</u>
RETURN TO LAND AND RISK		<u>-\$1,864.44</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
1,000.00 /ACRE	-2,664.44	0.03
2,500.00 /ACRE	-3,864.44	0.01
4,000.00 /ACRE	-5,064.44	0.01
5,500.00 /ACRE	-6,264.44	0.01
7,000.00 /ACRE	-7,464.44	0.00
8,500.00 /ACRE	-8,664.44	0.00

* 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)