

TABLE 1. Acreage Summary, Cibola County, Projected 2013.

| BUDGET AREA..... CIBOLA COUNTY     |                  |                |              |
|------------------------------------|------------------|----------------|--------------|
| FARM SIZE..... 300 ACRES           |                  |                |              |
| IRRIGATION TYPE..... FLOOD         |                  |                |              |
| NUMBER OF CROPS.. 4                |                  |                |              |
| WATER USE                          |                  |                |              |
| ACREAGE SUMMARY:                   | LAND USE (ACRES) | AC.IN. PER AC. | TOTAL AC.IN. |
| ALFALFA ESTABLISHMENT              | 25               | 18             | 450          |
| ALFALFA                            | 200              | 42             | 8,400        |
| PASTURE ESTABLISHMENT              | 2                | 18             | 36           |
| PASTURE                            | 40               | 30             | 1,200        |
| WHEAT                              | 20               | 24             | 480          |
| SWEET CORN                         | 8                | 30             | 240          |
| ROADS, HOMESTEAD                   | 5                |                |              |
| TOTAL                              | 300              |                | 10,806       |
| ACRE FEET PER ACRE OF WATER RIGHTS |                  |                | 3.00         |

TABLE 2. Basic cost information for Cibola County, Projected 2013.

| Item                            |                              |         |
|---------------------------------|------------------------------|---------|
| <b>Labor Wage Rate:</b>         |                              |         |
| Equipment operators             | \$/hour                      | \$7.50  |
| General & Irrigators            | \$/hour                      | \$7.50  |
| <b>Purchased Inputs:</b>        |                              |         |
| <b>Fertilizer:</b>              |                              |         |
| Nitrogen (N)                    | \$/pound                     | \$0.61  |
| Phosphate (P205)                | \$/pound                     | \$0.60  |
| <b>Seed:</b>                    |                              |         |
| Alfalfa                         | \$/pound                     | \$6.50  |
| Oat Hay                         | \$/pound                     | \$0.94  |
| Sweet Corn                      | \$/pound                     | \$62.00 |
| Wheat                           | \$/pound                     | \$0.65  |
| Pasture                         | \$/pound                     | \$3.12  |
| Baling wire                     | \$/box                       | \$0.91  |
| Gopher control                  | \$/acre                      | \$1.50  |
| Canal water                     | \$/acre                      | \$5.00  |
| <b>Energy:</b>                  |                              |         |
| Diesel fuel                     | \$/gallon                    | \$3.05  |
| Gasoline                        | \$/gallon                    | \$3.80  |
| Electricity                     | cents/KwHr                   | 12.65   |
| 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                      | 5.00%   |
| Land Interest Rate              | percent                      | 5.00%   |
| Equipment Interest Rate         | percent                      | 5.00%   |
| Real Interest Rate              | percent                      | 3.00%   |
| Land Taxes                      | \$/acre (full value)         | \$36.00 |
| Personal Property Tax Rate - NR | \$/ \$1,000 (Assessed Value) | \$24.63 |
| - R                             |                              | \$28.61 |
| <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 Cibola County, Projected 2013.

| Item                               |                           |                 |
|------------------------------------|---------------------------|-----------------|
| Electricity (Domestic & Shop)      | \$242.00 per month        | \$2,904         |
| Telephone                          | \$121.00 per month        | \$1,452         |
| Accounting & Legal                 |                           | \$1,724         |
| Misc. Supplies & Hand Tools        |                           | \$2,844         |
| Pickup and Auto                    |                           |                 |
| miles                              | 24,200 @ \$0.500 per mile | \$12,100        |
| <b>Insurance</b>                   |                           |                 |
| - general liability (non-employee) |                           | \$1,900         |
| - fire/theft                       |                           | \$1,500         |
| <b>Property Taxes</b>              |                           |                 |
| - non-planted land                 |                           | \$0             |
| - other than land & machinery      |                           | \$0             |
| Building repairs and maintenance   |                           | \$0             |
| Dues, fees, publications           |                           | \$1,446         |
| Farmstead Equipment                |                           | \$436           |
| Total                              |                           | <u>\$26,305</u> |
| Total Per Planted Acre             |                           | \$89.78         |





TABLE 6. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2013.  
Harvesting Dates: June 15 - September 15

| ITEM                             | PRICE          | YIELD               |                  |                 |                |               |                 | TOTAL           |
|----------------------------------|----------------|---------------------|------------------|-----------------|----------------|---------------|-----------------|-----------------|
| <b>GROSS RETURNS</b>             |                |                     |                  |                 |                |               |                 |                 |
| ALFALFA HAY                      | \$245.00       | 4.00 TONS (STACKED) |                  |                 |                |               |                 | \$980.00        |
| GRAZING                          | \$10.00        | 1.00 ACRE           |                  |                 |                |               |                 | \$10.00         |
| <b>TOTAL</b>                     |                |                     |                  |                 |                |               | <b>\$990.00</b> |                 |
| <b>PURCHASED INPUTS</b>          |                |                     |                  |                 |                |               |                 |                 |
| PURCHASED INPUTS                 | PRICE          | QUANTITY            | PURCHASED INPUTS |                 |                |               | FIXED COST      | TOTAL           |
| PHOSPHATE (P2O5)                 | \$0.60         | 40 LBS              | \$24.00          |                 |                |               |                 | \$24.00         |
| WIRE                             | \$0.91         | 34 LBS              | \$31.19          |                 |                |               |                 | \$31.19         |
| GOPHER CONTROL                   | \$1.50         | 1 ACRE              | \$1.50           |                 |                |               |                 | \$1.50          |
| ESTABLISHMENT: Principal         |                | 8 YEARS             |                  |                 |                |               |                 | \$0.00          |
| : Interest                       |                |                     |                  |                 |                |               |                 | \$0.00          |
| CANAL WATER                      |                | 42 AC. IN.          | \$5.00           |                 |                |               |                 | \$5.00          |
| <b>SUBTOTAL</b>                  |                |                     | <b>\$61.69</b>   |                 |                |               | <b>\$0.00</b>   | <b>\$61.69</b>  |
| <b>PREHARVEST OPERATIONS</b>     |                |                     |                  |                 |                |               |                 |                 |
| PREHARVEST OPERATIONS            | POWER UNIT     | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR           | FUEL & LUBE    | REPAIRS       | FIXED COST      | TOTAL           |
| FERT SPREADER                    | 93 HP          | 0.05 HR             |                  | \$0.38          | \$1.16         | \$0.09        | \$1.69          | \$3.31          |
| GOPHER CONTROL                   | 40 HP          | 0.15 HR             |                  | \$1.13          | \$2.13         | \$0.16        | \$2.03          | \$5.45          |
| IRRIGATE (6X)                    |                | 3.00 HR             |                  | \$22.50         |                |               |                 | \$22.50         |
| <b>SUBTOTAL</b>                  | <b>3.20 HR</b> |                     |                  | <b>\$24.00</b>  | <b>\$3.29</b>  | <b>\$0.25</b> | <b>\$3.72</b>   | <b>\$31.26</b>  |
| <b>HARVEST OPERATIONS</b>        |                |                     |                  |                 |                |               |                 |                 |
| SWATHER (3X)                     | 16 FT          | 0.33 HR             |                  | \$2.48          | \$3.77         | \$0.48        | \$18.81         | \$25.53         |
| BALER (3X)                       | 65 HP          | 0.63 HR             |                  | \$4.73          | \$11.64        | \$0.91        | \$4.51          | \$21.79         |
| BALEWAGON (3X)                   | 93 HP          | 0.60 HR             |                  | \$4.50          | \$13.88        | \$2.73        | \$12.80         | \$33.91         |
| <b>SUBTOTAL</b>                  | <b>1.56 HR</b> |                     |                  | <b>\$11.70</b>  | <b>\$29.29</b> | <b>\$4.12</b> | <b>\$36.11</b>  | <b>\$81.22</b>  |
| <b>OVERHEAD EXPENSES</b>         |                |                     |                  |                 |                |               |                 |                 |
| DOWNTIME                         |                | 0.43 HR             |                  | \$3.21          |                |               |                 | \$3.21          |
| EMPLOYEE BENEFITS                |                |                     |                  | \$6.43          |                |               |                 | \$6.43          |
| INSURANCE                        |                |                     | \$0.71           |                 |                |               |                 | \$0.71          |
| LAND TAXES                       |                |                     |                  |                 |                |               | \$36.00         | \$36.00         |
| SUPERVISION AND MANAGEMENT       |                |                     |                  | \$73.16         |                |               |                 | \$73.16         |
| OTHER EXPENSES                   |                |                     | \$89.78          |                 |                |               |                 | \$89.78         |
| <b>SUBTOTAL</b>                  | <b>0.43 HR</b> |                     | <b>\$90.49</b>   | <b>\$82.79</b>  |                |               | <b>\$36.00</b>  | <b>\$209.28</b> |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>5.19 HR</b> |                     | <b>\$152.19</b>  | <b>\$118.49</b> | <b>\$32.58</b> | <b>\$4.37</b> | <b>\$75.83</b>  | <b>\$383.46</b> |
| <b>NET OPERATING PROFIT</b>      |                |                     |                  |                 |                |               |                 | <b>\$606.54</b> |
| INTEREST ON OPERATING CAPITAL    |                | ( \$34.52 @         | 5.00%            | )               |                |               |                 | \$1.73          |
| INTEREST ON EQUIPMENT INVESTMENT |                |                     |                  |                 |                |               |                 | \$20.91         |
| <b>RETURN TO LAND AND RISK</b>   |                |                     |                  |                 |                |               |                 | <b>\$583.91</b> |

| <b>BUDGET SUMMARY</b>         |          |          |   |
|-------------------------------|----------|----------|---|
| GROSS RETURN                  |          | \$990.00 |   |
| VARIABLE OPERATING EXPENSES   | \$189.14 |          |   |
| RETURN OVER VARIABLE EXPENSES |          | \$800.86 | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$75.83  |          |   |
| NET FARM INCOME               |          | \$725.03 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$118.49 |          |   |
| NET OPERATING PROFIT          |          | \$606.54 | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$22.63  |          |   |
| RETURN TO LAND AND RISK       |          | \$583.91 |   |

TABLE 7. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2013.  
Planting Dates: May 15 - July 1

| ITEM                            | PRICE         | QUANTITY               | PURCHASED<br>INPUTS |         |                |         |               | TOTAL    |
|---------------------------------|---------------|------------------------|---------------------|---------|----------------|---------|---------------|----------|
| <u>PURCHASED INPUTS</u>         |               |                        |                     |         |                |         |               |          |
| GRASS SEED                      | \$3.12        | 15 LBS                 | \$46.80             |         |                |         |               | \$46.80  |
| CANAL WATER                     |               | 18 AC. IN.             | \$5.00              |         |                |         |               | \$5.00   |
| SUBTOTAL                        |               |                        | \$51.80             |         |                |         |               | \$51.80  |
| <u>PREHARVEST OPERATIONS</u>    |               |                        |                     |         |                |         |               |          |
|                                 | POWER<br>UNIT | ACCOMPLISHMENT<br>RATE | PURCHASED<br>INPUTS | LABOR   | FUEL &<br>LUBE | REPAIRS | FIXED<br>COST | TOTAL    |
| PLOW                            | 93 HP         | 0.67 HR                |                     | \$5.03  | \$15.50        | \$3.42  | \$10.27       | \$34.21  |
| DISC (2X)                       | 93 HP         | 0.14 HR                |                     | \$1.05  | \$3.24         | \$0.65  | \$4.28        | \$9.22   |
| FLOAT                           | 93 HP         | 0.24 HR                |                     | \$1.80  | \$5.55         | \$0.23  | \$1.25        | \$8.83   |
| DRILL                           | 65 HP         | 0.21 HR                |                     | \$1.58  | \$3.88         | \$0.49  | \$10.60       | \$16.55  |
| BORDER DISC                     | 40 HP         | 0.05 HR                |                     | \$0.38  | \$0.71         | \$0.10  | \$2.94        | \$4.12   |
| IRRIGATE (3X)                   |               | 1.50 HR                |                     | \$11.25 |                |         |               | \$11.25  |
| SUBTOTAL                        |               | 2.81 HR                |                     | \$21.08 | \$28.89        | \$4.89  | \$29.33       | \$84.19  |
| <u>OVERHEAD EXPENSES</u>        |               |                        |                     |         |                |         |               |          |
| DOWNTIME                        |               | 0.33 HR                |                     | \$2.46  |                |         |               | \$2.46   |
| EMPLOYEE BENEFITS               |               |                        |                     | \$3.79  |                |         |               | \$3.79   |
| INSURANCE                       |               |                        | \$0.42              |         |                |         |               | \$0.42   |
| LAND TAXES                      |               |                        |                     |         |                |         | \$36.00       | \$36.00  |
| SUPERVISION AND MANAGEMENT      |               |                        |                     | \$11.67 |                |         |               | \$11.67  |
| SUBTOTAL                        |               | 0.33 HR                | \$0.42              | \$17.92 |                |         | \$36.00       | \$54.35  |
| <u>TOTAL OPERATING EXPENSES</u> |               | 3.14 HR                | \$52.22             | \$39.00 | \$28.89        | \$4.89  | \$65.33       | \$190.33 |

TABLE 8. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2013.  
Harvesting Dates: September 30 - June 30

| ITEM  | PRICE         | YIELD                  |                     |                |                |               |                | TOTAL             |
|---|---------------|------------------------|---------------------|----------------|----------------|---------------|----------------|-------------------|
| GROSS RETURNS<br>PASTURE                          | \$12.00       | 6.00 AUMS              |                     |                |                |               |                | \$72.00           |
| <b>TOTAL</b>                                      |               |                        |                     |                |                |               |                | <b>\$72.00</b>    |
| PURCHASED INPUTS                                  | PRICE         | QUANTITY               | PURCHASED<br>INPUTS | LABOR          | FUEL &<br>LUBE | REPAIRS       | FIXED<br>COST  | TOTAL             |
| LIVESTOCK FAC & EQUIP<br>ESTABLISHMENT: Principal |               | 20 YEARS               |                     |                |                |               | \$3.00         | \$3.00            |
| : Interest  |               |                        |                     |                |                |               | \$9.52         | \$9.52            |
| CANAL WATER                                       |               | 30 AC. IN.             | \$5.00              |                |                |               | \$3.78         | \$3.78            |
|   |               |                        |                     |                |                |               |                | \$5.00            |
| <b>SUBTOTAL</b>                                   |               |                        | <b>\$5.00</b>       |                |                |               | <b>\$16.30</b> | <b>\$21.30</b>    |
| PREHARVEST OPERATIONS                             | POWER<br>UNIT | ACCOMPLISHMENT<br>RATE | PURCHASED<br>INPUTS | LABOR          | FUEL &<br>LUBE | REPAIRS       | FIXED<br>COST  | TOTAL             |
| IRRIGATE (5X)                                     |               | 2.50 HR                |                     | \$18.75        |                |               |                | \$18.75           |
| <b>SUBTOTAL</b>                                   |               | <b>2.50 HR</b>         |                     | <b>\$18.75</b> |                |               |                | <b>\$18.75</b>    |
| <b>OVERHEAD EXPENSES</b>                          |               |                        |                     |                |                |               |                |                   |
| DOWNTIME  |               | 0.00 HR                |                     | \$0.00         |                |               |                | \$0.00            |
| EMPLOYEE BENEFITS                                 |               |                        |                     | \$3.38         |                |               |                | \$3.38            |
| INSURANCE   |               |                        | \$0.38              |                |                |               |                | \$0.38            |
| LAND TAXES  |               |                        |                     |                |                |               | \$36.00        | \$36.00           |
| SUPERVISION AND MANAGEMENT                        |               |                        |                     | \$7.54         |                |               |                | \$7.54            |
| OTHER EXPENSES                                    |               |                        | \$89.78             |                |                |               |                | \$89.78           |
| <b>SUBTOTAL</b>                                   |               | <b>0.00 HR</b>         | <b>\$90.15</b>      | <b>\$10.92</b> |                |               | <b>\$36.00</b> | <b>\$137.07</b>   |
| <b>TOTAL OPERATING EXPENSES</b>                   |               | <b>2.50 HR</b>         | <b>\$95.15</b>      | <b>\$29.67</b> | <b>\$0.00</b>  | <b>\$0.00</b> | <b>\$52.30</b> | <b>\$177.12</b>   |
| <b>NET OPERATING PROFIT</b>                       |               |                        |                     |                |                |               |                | <b>(\$105.12)</b> |
| INTEREST ON OPERATING CAPITAL                     |               | ( \$2.50 @             | 5.00%               | )              |                |               |                | \$0.13            |
| INTEREST ON EQUIPMENT INVESTMENT                  |               |                        |                     |                |                |               |                | \$0.00            |
| <b>RETURN TO LAND AND RISK</b>                    |               |                        |                     |                |                |               |                | <b>(\$105.24)</b> |

BUDGET SUMMARY

|                                |                   |   |
|--------------------------------|-------------------|---|
| GROSS RETURN                   | \$72.00           |   |
| VARIABLE OPERATING EXPENSES    | \$95.15           |   |
| RETURN OVER VARIABLE EXPENSES  | (\$23.15)         | (GROSS MARGIN)                          |
| FIXED EXPENSES                 | \$52.30           |   |
| NET FARM INCOME                | (\$75.45)         | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST      | \$29.67           |   |
| NET OPERATING PROFIT           | (\$105.12)        | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                  | \$0.13            |   |
| <b>RETURN TO LAND AND RISK</b> | <b>(\$105.24)</b> |   |

TABLE 9. Wheat for grain, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2013.  
 Planting Dates: August 1 - September 30  
 Harvesting Dates: July 1 - August 15

| ITEM                             | PRICE      | YIELD               |                  |                 |                |                |                | TOTAL           |
|----------------------------------|------------|---------------------|------------------|-----------------|----------------|----------------|----------------|-----------------|
| <b>GROSS RETURNS</b>             |            |                     |                  |                 |                |                |                |                 |
| GRAIN                            | \$7.75     | 65.00               | BUSHELS          |                 |                |                |                | \$503.75        |
| GRAZING                          | \$11.00    | 2.00                | AUMS             |                 |                |                |                | \$22.00         |
| STRAW                            | \$2.00     | 50.00               | BALE             |                 |                |                |                | \$100.00        |
| <b>TOTAL</b>                     |            |                     |                  |                 |                |                |                | <b>\$625.75</b> |
| <b>PURCHASED INPUTS</b>          |            |                     |                  |                 |                |                |                |                 |
|                                  | PRICE      | QUANTITY            | PURCHASED INPUTS |                 |                |                | FIXED COST     | TOTAL           |
| SEED                             | \$0.65     | 80                  | LBS              | \$52.00         |                |                |                | \$52.00         |
| BALING WIRE                      | \$0.91     | 14                  | LBS              | \$13.00         |                |                |                | \$13.00         |
| CANAL WATER                      |            | 24                  | ACRE IN.         | \$5.00          |                |                |                | \$5.00          |
| <b>SUBTOTAL</b>                  |            |                     |                  |                 |                |                |                | <b>\$70.00</b>  |
| <b>PREHARVEST OPERATIONS</b>     |            |                     |                  |                 |                |                |                |                 |
|                                  | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR           | FUEL & LUBE    | REPAIRS        | FIXED COST     | TOTAL           |
| PLOW                             | 93 HP      | 0.67 HR             |                  | \$5.03          | \$15.50        | \$3.42         | \$10.27        | \$34.21         |
| DISC (2X)                        | 93 HP      | 0.28 HR             |                  | \$2.10          | \$6.48         | \$1.31         | \$8.55         | \$18.44         |
| FLOAT (2X)                       | 93 HP      | 0.48 HR             |                  | \$3.60          | \$11.11        | \$0.46         | \$2.50         | \$17.67         |
| DRILL                            | 65 HP      | 0.21 HR             |                  | \$1.58          | \$3.88         | \$0.49         | \$10.60        | \$16.55         |
| BORDER DISC                      | 40 HP      | 0.05 HR             |                  | \$0.38          | \$0.71         | \$0.10         | \$2.94         | \$4.12          |
| IRRIGATE (4X)                    |            | 2.00 HR             |                  | \$15.00         |                |                |                | \$15.00         |
| <b>SUBTOTAL</b>                  |            | <b>3.69 HR</b>      |                  | <b>\$27.68</b>  | <b>\$37.68</b> | <b>\$5.78</b>  | <b>\$34.86</b> | <b>\$105.99</b> |
| <b>HARVEST OPERATIONS</b>        |            |                     |                  |                 |                |                |                |                 |
| COMBINE (CUSTOM)                 |            |                     |                  | \$16.57         |                |                |                | \$16.57         |
| HAUL (CUSTOM)                    |            |                     |                  | \$12.35         |                |                |                | \$12.35         |
| BALER, 2-WIRE                    | 65 HP      | 0.21 HR             |                  | \$1.58          | \$3.88         | \$0.30         | \$1.50         | \$7.26          |
| BALE WAGON                       | 93 HP      | 0.20 HR             |                  | \$1.50          | \$4.63         | \$0.91         | \$4.27         | \$11.30         |
| <b>SUBTOTAL</b>                  |            | <b>0.41 HR</b>      |                  | <b>\$28.92</b>  | <b>\$3.08</b>  | <b>\$8.51</b>  | <b>\$1.21</b>  | <b>\$47.49</b>  |
| <b>OVERHEAD EXPENSES</b>         |            |                     |                  |                 |                |                |                |                 |
| DOWNTIME                         |            | 0.53 HR             |                  | \$3.94          |                |                |                | \$3.94          |
| EMPLOYEE BENEFITS                |            |                     |                  | \$5.54          |                |                |                | \$5.54          |
| INSURANCE                        |            |                     |                  | \$0.62          |                |                |                | \$0.62          |
| LAND TAXES                       |            |                     |                  |                 |                |                | \$36.00        | \$36.00         |
| SUPERVISION AND MANAGEMENT       |            |                     |                  | \$46.85         |                |                |                | \$46.85         |
| OTHER EXPENSES                   |            |                     |                  | \$89.78         |                |                |                | \$89.78         |
| <b>SUBTOTAL</b>                  |            | <b>0.53 HR</b>      |                  | <b>\$90.39</b>  | <b>\$56.33</b> |                | <b>\$36.00</b> | <b>\$182.72</b> |
| <b>TOTAL OPERATING EXPENSES</b>  |            | <b>4.63 HR</b>      |                  | <b>\$189.31</b> | <b>\$87.08</b> | <b>\$46.19</b> | <b>\$6.99</b>  | <b>\$406.19</b> |
| <b>NET OPERATING PROFIT</b>      |            |                     |                  |                 |                |                |                | <b>\$219.56</b> |
| INTEREST ON OPERATING CAPITAL    |            | (                   | \$49.08          | @               | 5.00%          | )              |                | \$2.45          |
| INTEREST ON EQUIPMENT INVESTMENT |            |                     |                  |                 |                |                |                | \$16.71         |
| <b>RETURN TO LAND AND RISK</b>   |            |                     |                  |                 |                |                |                | <b>\$200.40</b> |

| <b>BUDGET SUMMARY</b>         |          |          |   |
|-------------------------------|----------|----------|---|
| GROSS RETURN                  |          | \$625.75 |   |
| VARIABLE OPERATING EXPENSES   | \$242.49 |          |   |
| RETURN OVER VARIABLE EXPENSES |          | \$383.26 | (GROSS MARGIN)                          |
| FIXED EXPENSES                | \$76.63  |          |   |
| NET FARM INCOME               |          | \$306.63 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$87.08  |          |   |
| NET OPERATING PROFIT          |          | \$219.56 | (RETURN TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$19.16  |          |   |
| RETURN TO LAND AND RISK       |          | \$200.40 |   |

TABLE 10. Sweet corn, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2013.  
 Planting Dates: May 5 - May 25  
 Harvest Dates: August 15 - September 20

| ITEM                  | PRICE  | YIELD        | TOTAL      |
|-----------------------|--------|--------------|------------|
| GROSS RETURNS<br>CORN | \$2.00 | 700.00 DOZEN | \$1,400.00 |
| TOTAL                 |        |              | \$1,400.00 |

| PURCHASED INPUTS | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST | TOTAL    |
|------------------|---------|------------|------------------|------------|----------|
| SEED             | \$62.00 | 13 LBS     | \$775.00         |            | \$775.00 |
| NITROGEN (N)     | \$0.61  | 120 LBS    | \$73.20          |            | \$73.20  |
| PHOSPHATE (P2O5) | \$0.60  | 45 LBS     | \$27.00          |            | \$27.00  |
| HERBICIDE        | \$19.28 | 1 ACRE     | \$19.28          |            | \$19.28  |
| INSECTICIDE      | \$13.18 | 2 X/ACRE   | \$26.36          |            | \$26.36  |
| CANAL WATER      |         | 30 AC. IN. | \$5.00           |            | \$5.00   |
| SUBTOTAL         |         |            | \$925.84         |            | \$925.84 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| DISC                  | 93 HP      | 0.14 HR             |                  | \$1.05  | \$3.24      | \$0.65  | \$4.28     | \$9.22   |
| PLOW                  | 93 HP      | 0.67 HR             |                  | \$5.03  | \$15.50     | \$3.42  | \$10.27    | \$34.21  |
| SPRAY                 | 65 HP      | 0.15 HR             |                  | \$1.13  | \$2.77      | \$0.29  | \$8.72     | \$12.91  |
| FERT SPREADER         | 93 HP      | 0.05 HR             |                  | \$0.38  | \$1.16      | \$0.09  | \$1.69     | \$3.31   |
| DISC                  | 93 HP      | 0.14 HR             |                  | \$1.05  | \$3.24      | \$0.65  | \$4.28     | \$9.22   |
| FLOAT                 | 93 HP      | 0.24 HR             |                  | \$1.80  | \$5.55      | \$0.23  | \$1.25     | \$8.83   |
| LISTER                | 65 HP      | 0.18 HR             |                  | \$1.35  | \$3.33      | \$0.59  | \$29.04    | \$34.31  |
| PRE-IRRIGATE          |            | 0.75 HR             |                  | \$5.63  |             |         |            | \$5.63   |
| HAND PLANT            |            | 5.00 HR             |                  | \$37.50 |             |         |            | \$37.50  |
| SPRAY (2X)            | 65 HP      | 0.30 HR             |                  | \$2.25  | \$5.54      | \$0.59  | \$17.44    | \$25.82  |
| CULTIVATOR (2X)       | 65 HP      | 0.42 HR             |                  | \$3.15  | \$7.76      | \$3.15  | \$90.18    | \$104.24 |
| IRRIGATE (4X)         |            | 2.00 HR             |                  | \$15.00 |             |         |            | \$15.00  |
| SUBTOTAL              |            | 10.04 HR            |                  | \$75.30 | \$48.09     | \$9.66  | \$167.14   | \$300.20 |

| HARVEST OPERATIONS |         |          |  |          |          |        |          |          |
|--------------------|---------|----------|--|----------|----------|--------|----------|----------|
| HAND PICK          |         | 25.00 HR |  | \$187.50 |          |        |          | \$187.50 |
| HAUL               | 3/4 TON | 6.25 HR  |  | \$46.88  | \$149.63 | \$5.50 | \$572.58 | \$774.58 |
| SUBTOTAL           |         | 31.25 HR |  | \$234.38 | \$149.63 | \$5.50 | \$572.58 | \$962.08 |

| OVERHEAD EXPENSES          |  |         |         |          |  |         |  |          |
|----------------------------|--|---------|---------|----------|--|---------|--|----------|
| DOWNTIME                   |  | 3.26 HR |         | \$24.47  |  |         |  | \$24.47  |
| EMPLOYEE BENEFITS          |  |         |         | \$55.74  |  |         |  | \$55.74  |
| INSURANCE                  |  |         | \$6.19  |          |  |         |  | \$6.19   |
| LAND TAXES                 |  |         |         |          |  | \$36.00 |  | \$36.00  |
| SUPERVISION AND MANAGEMENT |  |         |         | \$107.28 |  |         |  | \$107.28 |
| OTHER EXPENSES             |  |         | \$89.78 |          |  |         |  | \$89.78  |
| SUBTOTAL                   |  | 3.26 HR | \$95.97 | \$187.49 |  | \$36.00 |  | \$319.46 |

|                                  |   |          |            |          |          |         |          |              |
|----------------------------------|---|----------|------------|----------|----------|---------|----------|--------------|
| TOTAL OPERATING EXPENSES         |   | 13.30 HR | \$1,021.81 | \$497.16 | \$197.72 | \$15.16 | \$775.72 | \$2,507.57   |
| NET OPERATING PROFIT             |   |          |            |          |          |         |          | (\$1,107.57) |
| INTEREST ON OPERATING CAPITAL    | ( | \$490.29 | @          | 5.00%    | )        |         |          | \$24.51      |
| INTEREST ON EQUIPMENT INVESTMENT |   |          |            |          |          |         |          | \$199.97     |
| RETURN TO LAND AND RISK          |   |          |            |          |          |         |          | (\$1,332.05) |

| BUDGET SUMMARY                |              |   |  |
|-------------------------------|--------------|---|--|
| GROSS RETURN                  | \$1,400.00   |   |  |
| VARIABLE OPERATING EXPENSES   | \$1,234.69   |   |  |
| RETURN OVER VARIABLE EXPENSES | \$165.31     | (GROSS MARGIN)                          |  |
| FIXED EXPENSES                | \$775.72     |   |  |
| NET FARM INCOME               | (\$610.41)   | (RETURN TO CAPITAL, LABOR, LAND & RISK) |  |
| LABOR AND MANAGEMENT COST     | \$497.16     |   |  |
| NET OPERATING PROFIT          | (\$1,107.57) | (RETURN TO CAPITAL, LAND & RISK)        |  |
| CAPITAL COSTS                 | \$224.48     |   |  |
| RETURN TO LAND AND RISK       | (\$1,332.05) |   |  |



TABLE 11. Summary of per acre costs and returns, 300 acre farm with above average management, Cibola County, Projected 2013.

|                                  | ALFALFA<br>ESTABLISHMEN<br>T | ALFALFA<br>HAY | PERMANENT<br>PASTURE<br>ESTABLISHMEN | PERMANENT<br>PASTURE | WHEAT<br>FOR<br>GRAIN | SWEET<br>CORN |
|----------------------------------|------------------------------|----------------|--------------------------------------|----------------------|-----------------------|---------------|
|                                  | TONS                         | TONS           |                                      | AUMS                 | BU                    | DOZ           |
| PRIMARY YIELD                    | 3.50                         | 4.00           |                                      | 6.00                 | 65.00                 | 700.00        |
| PRIMARY PRICE                    | \$195.00                     | \$245.00       |                                      | \$12.00              | \$7.75                | \$2.00        |
| GOVERNMENT PAYMENTS              | \$0.00                       | \$0.00         |                                      | \$0.00               | \$0.00                | \$0.00        |
| SECOND INCOME                    | \$0.00                       | \$10.00        |                                      | \$0.00               | \$122.00              | \$0.00        |
| GROSS RETURN                     | \$682.50                     | \$990.00       |                                      | \$72.00              | \$625.75              | \$1,400.00    |
| CASH OPERATING EXPENSES          |                              |                |                                      |                      |                       |               |
| SEED                             | \$158.20                     |                | \$46.80                              |                      | \$52.00               | \$775.00      |
| FERTILIZER                       |                              | \$24.00        |                                      |                      |                       | \$100.20      |
| CHEMICALS                        |                              | \$1.50         |                                      |                      |                       | \$45.64       |
| CROP INSURANCE                   |                              |                |                                      |                      | \$0.00                |               |
| OTHER PURCHASED INPUTS           |                              | \$31.19        |                                      |                      | \$13.00               |               |
| CANAL WATER                      | \$5.00                       | \$5.00         | \$5.00                               | \$5.00               | \$5.00                | \$5.00        |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$41.89                      | \$32.58        | \$28.89                              | \$0.00               | \$46.19               | \$197.72      |
| FUEL-IRRIGATION                  |                              |                |                                      |                      |                       |               |
| REPAIRS                          | \$6.92                       | \$4.37         | \$4.89                               | \$0.00               | \$6.99                | \$15.16       |
| CUSTOM CHARGES                   |                              |                |                                      |                      | \$28.92               |               |
| LAND TAXES                       | \$36.00                      | \$36.00        | \$36.00                              | \$36.00              | \$36.00               | \$36.00       |
| OTHER EXPENSES                   | \$90.30                      | \$90.49        | \$0.42                               | \$90.15              | \$90.39               | \$95.97       |
| TOTAL CASH EXPENSES              | \$338.31                     | \$225.14       | \$122.00                             | \$131.15             | \$278.49              | \$1,270.69    |
| RETURN OVER CASH EXPENSES        | \$344.19                     | \$764.86       | (\$122.00)                           | (\$59.15)            | \$347.26              | \$129.31      |
| FIXED EXPENSES                   | \$45.64                      | \$39.83        | \$29.33                              | \$16.30              | \$40.63               | \$739.72      |
| TOTAL EXPENSES                   | \$383.95                     | \$264.97       | \$151.33                             | \$147.45             | \$319.12              | \$2,010.41    |
| NET FARM INCOME                  | \$298.55                     | \$725.03       | (\$151.33)                           | (\$75.45)            | \$306.63              | (\$610.41)    |
| LABOR AND MANAGEMENT COSTS       | \$60.57                      | \$118.49       | \$39.00                              | \$29.67              | \$87.08               | \$497.16      |
| NET OPERATING PROFIT             | \$237.98                     | \$606.54       | (\$190.33)                           | (\$105.12)           | \$219.56              | (\$1,107.57)  |
| CAPITAL COSTS                    |                              |                |                                      |                      |                       |               |
| INTEREST ON OPERATING CAPITAL    | \$4.60                       | \$1.73         |                                      | \$0.13               | \$2.45                | \$24.51       |
| INTEREST ON EQUIPMENT INVESTMENT | \$18.92                      | \$20.91        |                                      | \$0.00               | \$16.71               | \$199.97      |
| TOTAL CAPITAL COSTS              | \$23.52                      | \$22.63        | \$0.00                               | \$0.13               | \$19.16               | \$224.48      |
| RETURN TO LAND AND RISK          | \$214.46                     | \$583.91       | (\$190.33)                           | (\$105.24)           | \$200.40              | (\$1,332.05)  |

TABLE 12. Whole farm summary, Cibola County,  
Projected 2013.

|                                  |           |                        |
|----------------------------------|-----------|------------------------|
| GROSS RETURNS                    |           |                        |
| ALFALFA HAY CROP                 | 200 ACRES | \$196,000              |
| GRAZING PASTURE                  | 40 ACRES  | \$2,000                |
| WHEAT FOR GRAIN CROP             | 20 ACRES  | \$2,880                |
| GRAZING STRAW                    |           | \$10,075               |
| SWEET CORN CROP                  | 8 ACRES   | \$440                  |
|                                  |           | \$2,000                |
|                                  |           | \$11,200               |
| GROSS RETURN                     |           | <u>\$224,595</u>       |
| CASH OPERATING EXPENSES          |           |                        |
| SEED                             |           | \$11,289               |
| FERTILIZER                       |           | \$5,602                |
| CHEMICALS                        |           | \$665                  |
| CROP INSURANCE                   |           | \$0                    |
| OTHER PURCHASED INPUTS           |           | \$6,499                |
| CANAL WATER                      |           | \$1,475                |
| FUEL, OIL & LUBRICANTS-EQUIPMENT |           | \$10,127               |
| FUEL-IRRIGATION                  |           | \$0                    |
| REPAIRS                          |           | \$1,318                |
| CUSTOM CHARGES                   |           | \$578                  |
| LAND TAXES                       |           | \$10,620               |
| OTHER EXPENSES                   |           | \$26,539               |
| TOTAL CASH EXPENSES              |           | <u>\$74,711</u>        |
| RETURN OVER CASH EXPENSES        |           | \$149,884              |
| FIXED EXPENSES                   |           | \$16,168               |
| TOTAL EXPENSES                   |           | \$90,879               |
| NET FARM INCOME                  |           | \$133,716              |
| LABOR AND MANAGEMENT COSTS       |           | \$32,195               |
| NET OPERATING PROFIT             |           | \$101,521              |
| CAPITAL COSTS                    |           |                        |
| INTEREST ON OPERATING CAPITAL    |           | \$710                  |
| INTEREST ON EQUIPMENT INVESTMENT |           | \$6,588                |
| TOTAL CAPITAL COSTS              |           | <u>\$7,299</u>         |
| RETURN TO LAND AND RISK          |           | <u><u>\$94,222</u></u> |

| LAND VALUE    | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$1,000 /ACRE | \$85,222        | 25.12%                 |
| \$2,000 /ACRE | \$76,222        | 14.42%                 |
| \$3,000 /ACRE | \$67,222        | 10.11%                 |
| \$4,000 /ACRE | \$58,222        | 7.78%                  |
| \$5,000 /ACRE | \$49,222        | 6.33%                  |

\* 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)