

TABLE 1. Acreage Summary, Cibola County,
Projected 2014

| | | | |
|-----------------------|------------------------------------|-------------------|-----------------|
| 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 2014

| Item | | |
|--|------------------------------|--------------------|
| Labor Wage Rate: | | |
| Equipment operators | \$/hour | \$7.50 |
| General & Irrigators | \$/hour | \$7.50 |
| Purchased Inputs: | | |
| Fertilizer: | | |
| Nitrogen (N) | \$/pound | \$0.50 |
| Phosphate (P205) | \$/pound | \$0.40 |
| Seed: | | |
| Alfalfa | \$/pound | \$6.00 |
| Oat Hay | \$/pound | \$0.86 |
| Sweet Corn | \$/pound | \$62.00 |
| Wheat | \$/pound | \$0.45 |
| Pasture | \$/pound | \$3.12 |
| Baling wire | \$/box | \$1.32 |
| Gopher control | \$/acre | \$1.50 |
| Canal water | \$/acre | \$5.00 |
| Energy: | | |
| Diesel fuel | \$/gallon | \$4.05 |
| Gasoline | \$/gallon | \$3.50 |
| Electricity | cents/KwHr | 12.65 |
| Employee Liability Insurance | \$/ \$1,000 wages | \$20.00 |
| Employee Benefits | percent/wages | 18.00% |
| 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 | 3.00% |
| Land Taxes | \$/acre (full value) | \$36.00 |
| Personal Property Tax Rate - NR - R | \$/ \$1,000 (Assessed Value) | \$30.42 \$26.57 |
| Supervision Factors | | |
| 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 2014

| 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 |
| Insurance | | |
| - general liability (non-employee) | | \$1,900 |
| - fire/theft | | \$1,500 |
| Property Taxes | | |
| - non-planted land | | \$0 |
| - other than land & machinery | | \$0 |
| Building repairs and maintenance | | \$0 |
| Dues, fees, publications | | \$1,446 |
| Farmstead Equipment | | \$436 |
| | Total | \$26,305 |
| | Total Per Planted Acre | \$89.78 |

TABLE 5. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2014
Planting Dates: May 15 - July 1

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|----------------|----------------|---------------|----------------|-----------------|
| GROSS RETURNS | | | | | | | | |
| OAT HAY | \$195.00 | 3.50 TONS (STACKED) | | | | | | \$682.50 |
| TOTAL | | | | | | | | <u>\$682.50</u> |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| ALFALFA SEED | \$6.00 | 20 LBS | \$120.00 | | | | | \$120.00 |
| OAT SEED | \$0.86 | 30 LBS | \$25.80 | | | | | \$25.80 |
| CANAL WATER | | 18 AC. IN. | \$5.00 | | | | | \$5.00 |
| SUBTOTAL | | | <u>\$150.80</u> | | | | | <u>\$150.80</u> |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLow | 93 HP | 0.67 HR | | \$5.03 | \$14.28 | \$3.42 | \$10.43 | \$33.15 |
| DISC (2X) | 93 HP | 0.28 HR | | \$2.10 | \$5.97 | \$1.31 | \$8.68 | \$18.05 |
| FLOAT | 93 HP | 0.24 HR | | \$1.80 | \$5.12 | \$0.23 | \$1.28 | \$8.42 |
| DRILL | 65 HP | 0.21 HR | | \$1.58 | \$3.57 | \$0.49 | \$10.72 | \$16.36 |
| BORDER DISC | 40 HP | 0.05 HR | | \$0.38 | \$0.65 | \$0.10 | \$2.99 | \$4.12 |
| IRRIGATE (3X) | | 1.50 HR | | \$11.25 | | | | \$11.25 |
| SUBTOTAL | | <u>2.95 HR</u> | | <u>\$22.13</u> | <u>\$29.59</u> | <u>\$5.55</u> | <u>\$34.10</u> | <u>\$91.37</u> |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER | 16 FT | 0.11 HR | | \$0.83 | \$1.67 | \$0.16 | \$6.38 | \$9.03 |
| BALER, 2-WIRE | 65 HP | 0.21 HR | | \$1.58 | \$3.57 | \$0.30 | \$1.54 | \$7.00 |
| BALEWAGON | 93 HP | 0.20 HR | | \$1.50 | \$4.26 | \$0.91 | \$4.35 | \$11.02 |
| SUBTOTAL | | <u>0.52 HR</u> | | <u>\$3.90</u> | <u>\$9.50</u> | <u>\$1.37</u> | <u>\$12.27</u> | <u>\$27.05</u> |
| HARVEST OPERATIONS | | | | | | | | |
| DOWNTIME | | 1.26 HR | | \$9.41 | | | | \$9.41 |
| EMPLOYEE BENEFITS | | | | \$4.68 | | | | \$4.68 |
| INSURANCE | | | \$0.52 | | | | | \$0.52 |
| LAND TAXES | | | | | | | \$36.00 | \$36.00 |
| SUPERVISION AND MANAGEMENT | | | | \$19.44 | | | | \$19.44 |
| OTHER EXPENSES | | | \$89.78 | | | | | \$89.78 |
| SUBTOTAL | | <u>1.26 HR</u> | <u>\$90.30</u> | <u>\$33.53</u> | | | <u>\$36.00</u> | <u>\$159.83</u> |
| TOTAL OPERATING EXPENSES | | <u>4.73 HR</u> | <u>\$241.10</u> | <u>\$59.56</u> | <u>\$39.10</u> | <u>\$6.92</u> | <u>\$82.37</u> | <u>\$429.05</u> |
| NET OPERATING PROFIT | | | | | | | | \$253.45 |
| INTEREST ON OPERATING CAPITAL | | (| \$85.09 | @ | 5.50% |) | | \$4.68 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$20.81 |
| RETURN TO LAND AND RISK | | | | | | | | <u>\$227.96</u> |

TABLE 6. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2014
Harvesting Dates: June 15 - September 15

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---|------------------|-----------------|----------------|---------------|----------------|-----------------|
| GROSS RETURNS | | | | | | | | |
| ALFALFA HAY | \$245.00 | 4.00 TONS (STACKED) | | | | | | \$980.00 |
| GRAZING | \$10.00 | 1.00 ACRE | | | | | | \$10.00 |
| TOTAL | | | | | | | | \$990.00 |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| PHOSPHATE (P2O5) | \$0.40 | 40 LBS | \$16.00 | | | | | \$16.00 |
| WIRE | \$1.32 | 34 LBS | \$45.25 | | | | | \$45.25 |
| 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 |
| SUBTOTAL | | | \$67.75 | | | | \$0.00 | \$67.75 |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| FERT SPREADER | 93 HP | 0.05 HR | | \$0.38 | \$1.07 | \$0.09 | \$1.71 | \$3.25 |
| GOPHER CONTROL | 40 HP | 0.15 HR | | \$1.13 | \$1.96 | \$0.16 | \$2.11 | \$5.36 |
| IRRIGATE (6X) | | 3.00 HR | | \$22.50 | | | | \$22.50 |
| SUBTOTAL | | 3.20 HR | | \$24.00 | \$3.03 | \$0.25 | \$3.83 | \$31.11 |
| HARVEST OPERATIONS | | | | | | | | |
| SWATHER (3X) | 16 FT | 0.33 HR | | \$2.48 | \$5.00 | \$0.48 | \$19.14 | \$27.10 |
| BALER (3X) | 65 HP | 0.63 HR | | \$4.73 | \$10.72 | \$0.91 | \$4.63 | \$20.99 |
| BALEWAGON (3X) | 93 HP | 0.60 HR | | \$4.50 | \$12.79 | \$2.73 | \$13.04 | \$33.06 |
| SUBTOTAL | | 1.56 HR | | \$11.70 | \$28.51 | \$4.12 | \$36.81 | \$81.14 |
| OVERHEAD EXPENSES | | | | | | | | |
| 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 |
| SUBTOTAL | | 0.43 HR | \$90.49 | \$82.79 | | | \$36.00 | \$209.28 |
| TOTAL OPERATING EXPENSES | | 5.19 HR | \$158.24 | \$118.49 | \$31.54 | \$4.37 | \$76.64 | \$389.28 |
| NET OPERATING PROFIT | | | | | | | | \$600.72 |
| INTEREST ON OPERATING CAPITAL | | (\$37.41 @ 5.50%) | | | | | | \$2.06 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | \$23.00 |
| RETURN TO LAND AND RISK | | | | | | | | \$575.66 |
| BUDGET SUMMARY | | | | | | | | |
| GROSS RETURN | | | \$990.00 | | | | | |
| VARIABLE OPERATING EXPENSES | \$194.16 | | | | | | | |
| RETURN OVER VARIABLE EXPENSES | \$795.84 | (GROSS MARGIN) | | | | | | |
| FIXED EXPENSES | \$76.64 | | | | | | | |
| NET FARM INCOME | \$719.20 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | | | | | | |
| LABOR AND MANAGEMENT COST | \$118.49 | | | | | | | |
| NET OPERATING PROFIT | \$600.72 | (RETURN TO CAPITAL, LAND & RISK) | | | | | | |
| CAPITAL COSTS | \$25.06 | | | | | | | |
| RETURN TO LAND AND RISK | \$575.66 | | | | | | | |

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 2014
Planting Dates: May 15 - July 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | | TOTAL | |
|---------------------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|---------|---------|
| PURCHASED INPUTS | | | | | | | | | | |
| GRASS SEED | \$3.12 | 15 LBS | | \$46.80 | | | | | \$46.80 | |
| CANAL WATER | | 18 AC. IN. | | \$5.00 | | | | | \$5.00 | |
| SUBTOTAL | | | | \$51.80 | | | | | \$51.80 | |
| PREHARVEST OPERATIONS | | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | | |
| PLOW | 93 HP | 0.67 HR | | \$5.03 | \$14.28 | \$3.42 | \$10.43 | \$33.15 | | |
| DISC (2X) | 93 HP | 0.14 HR | | \$1.05 | \$2.98 | \$0.65 | \$4.34 | \$9.03 | | |
| FLOAT | 93 HP | 0.24 HR | | \$1.80 | \$5.12 | \$0.23 | \$1.28 | \$8.42 | | |
| DRILL | 65 HP | 0.21 HR | | \$1.58 | \$3.57 | \$0.49 | \$10.72 | \$16.36 | | |
| BORDER DISC | 40 HP | 0.05 HR | | \$0.38 | \$0.65 | \$0.10 | \$2.99 | \$4.12 | | |
| IRRIGATE (3X) | | 1.50 HR | | \$11.25 | | | | | \$11.25 | |
| SUBTOTAL | | 2.81 HR | | \$21.08 | \$26.61 | \$4.89 | \$29.76 | \$82.34 | | |
| OVERHEAD EXPENSES | | | | | | | | | | |
| 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 | | | | \$11.54 | | | | | \$11.54 | |
| SUBTOTAL | | 0.33 HR | \$0.42 | \$17.79 | | | | | \$36.00 | \$54.22 |
| TOTAL OPERATING EXPENSES | | 3.14 HR | \$52.22 | \$38.87 | \$26.61 | \$4.89 | \$65.76 | \$188.36 | | |

TABLE 8. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2014
Harvesting Dates: September 30 - June 30

| ITEM | PRICE | YIELD | TOTAL |
|---------------|---------|-----------|---------|
| GROSS RETURNS | | | |
| PASTURE | \$12.00 | 6.00 AUMS | \$72.00 |
| TOTAL | | | \$72.00 |

| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | FIXED COST | TOTAL |
|--|-------|------------|------------------|------------|---------|
| LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal | | 20 YEARS | | \$3.00 | \$3.00 |
| : Interest | | | | \$9.42 | \$9.42 |
| CANAL WATER | | 30 AC. IN. | \$5.00 | \$4.13 | \$4.13 |
| | | | | \$5.00 | \$5.00 |
| SUBTOTAL | | | \$5.00 | \$16.55 | \$21.55 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|---------|
| IRRIGATE (5X) | | 2.50 HR | | \$18.75 | | | | \$18.75 |
| SUBTOTAL | | 2.50 HR | | \$18.75 | | | | \$18.75 |

| OVERHEAD EXPENSES | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
|----------------------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| 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 |
| SUBTOTAL | 0.00 HR | | \$90.15 | \$10.92 | | \$36.00 | \$137.07 |

| | | | | | | | |
|----------------------------------|---------|---------|---------|--------|--------|---------|------------|
| TOTAL OPERATING EXPENSES | 2.50 HR | \$95.15 | \$29.67 | \$0.00 | \$0.00 | \$52.55 | \$177.37 |
| NET OPERATING PROFIT | | | | | | | (\$105.37) |
| INTEREST ON OPERATING CAPITAL | (| \$2.50 | @ | 5.50% |) | | \$0.14 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$0.00 |
| RETURN TO LAND AND RISK | | | | | | | (\$105.50) |

| BUDGET SUMMARY | | | |
|-------------------------------|---------|------------|---|
| GROSS RETURN | | \$72.00 | |
| VARIABLE OPERATING EXPENSES | \$95.15 | | |
| RETURN OVER VARIABLE EXPENSES | | (\$23.15) | (GROSS MARGIN) |
| FIXED EXPENSES | \$52.55 | | |
| NET FARM INCOME | | (\$75.70) | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$29.67 | | |
| NET OPERATING PROFIT | | (\$105.37) | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$0.14 | | |
| RETURN TO LAND AND RISK | | (\$105.50) | |

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 2014
 Planting Dates: August 1 - September 30
 Harvesting Dates: July 1 - August 15

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|----------------|----------------|---------------|-----------------|-----------------|
| GROSS RETURNS | | | | | | | | |
| GRAIN | \$7.00 | 65.00 BUSHELS | | | | | | \$455.00 |
| GRAZING | \$11.00 | 2.00 AUMS | | | | | | \$22.00 |
| STRAW | \$2.00 | 50.00 BALE | | | | | | \$100.00 |
| TOTAL | | | | | | | \$577.00 | |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| SEED | \$0.45 | 80 LBS | \$36.00 | | | | | \$36.00 |
| BALING WIRE | \$1.32 | 14 LBS | \$18.85 | | | | | \$18.85 |
| CANAL WATER | | 24 ACRE IN. | \$5.00 | | | | | \$5.00 |
| SUBTOTAL | | | | | | | \$59.85 | |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 93 HP | 0.67 HR | | \$5.03 | \$14.28 | \$3.42 | \$10.43 | \$33.15 |
| DISC (2X) | 93 HP | 0.28 HR | | \$2.10 | \$5.97 | \$1.31 | \$8.68 | \$18.05 |
| FLOAT (2X) | 93 HP | 0.48 HR | | \$3.60 | \$10.23 | \$0.46 | \$2.55 | \$16.84 |
| DRILL | 65 HP | 0.21 HR | | \$1.58 | \$3.57 | \$0.49 | \$10.72 | \$16.36 |
| BORDER DISC | 40 HP | 0.05 HR | | \$0.38 | \$0.65 | \$0.10 | \$2.99 | \$4.12 |
| IRRIGATE (4X) | | 2.00 HR | | \$15.00 | | | | \$15.00 |
| SUBTOTAL | | 3.69 HR | | \$27.68 | \$34.71 | \$5.78 | \$35.38 | \$103.54 |
| HARVEST OPERATIONS | | | | | | | | |
| COMBINE (CUSTOM) | | | \$16.57 | | | | | \$16.57 |
| HAUL (CUSTOM) | | | \$12.35 | | | | | \$12.35 |
| BALER, 2-WIRE | 65 HP | 0.21 HR | | \$1.58 | \$3.57 | \$0.30 | \$1.54 | \$7.00 |
| BALE WAGON | 93 HP | 0.20 HR | | \$1.50 | \$4.26 | \$0.91 | \$4.35 | \$11.02 |
| SUBTOTAL | | 0.41 HR | \$28.92 | \$3.08 | \$7.84 | \$1.21 | \$5.89 | \$46.94 |
| OVERHEAD EXPENSES | | | | | | | | |
| 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 | | | | \$43.44 | | | | \$43.44 |
| OTHER EXPENSES | | | \$89.78 | | | | | \$89.78 |
| SUBTOTAL | | 0.53 HR | \$90.39 | \$52.91 | | | \$36.00 | \$179.31 |
| TOTAL OPERATING EXPENSES | | 4.63 HR | \$179.17 | \$83.66 | \$42.54 | \$6.99 | \$77.27 | \$389.63 |
| NET OPERATING PROFIT | | | | | | | \$187.37 | |
| INTEREST ON OPERATING CAPITAL | | (| \$43.21 | @ | 5.50% |) | | \$2.38 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | \$18.38 | |
| RETURN TO LAND AND RISK | | | | | | | \$166.61 | |

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------|---|
| GROSS RETURN | | \$577.00 | |
| VARIABLE OPERATING EXPENSES | \$228.70 | | |
| RETURN OVER VARIABLE EXPENSES | \$348.30 | | (GROSS MARGIN) |
| FIXED EXPENSES | \$77.27 | | |
| NET FARM INCOME | \$271.03 | | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | \$83.66 | | |
| NET OPERATING PROFIT | \$187.37 | | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | \$20.76 | | |
| RETURN TO LAND AND RISK | | \$166.61 | |

TABLE 10. Sweet corn, flood-irrigated, budgeted per acre costs and returns for a 300 acre farm with above average management, Cibola County, Projected 2014
 Planting Dates: May 5 - May 25
 Harvest Dates: August 15 - September 20

| ITEM | PRICE | YIELD | | | | | | TOTAL | |
|----------------------------------|------------|--------------|---|------------------|------------|-------------|----------|------------|--------------|
| GROSS RETURNS | | | | | | | | | |
| 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) | \$0.50 | | 120 LBS | \$60.00 | | | \$60.00 | | |
| PHOSPHATE (P2O5) | \$0.40 | | 45 LBS | \$18.00 | | | \$18.00 | | |
| 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 | | | | \$903.64 | | | \$903.64 | | |
| PREHARVEST OPERATIONS | | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| DISC | 93 HP | | 0.14 HR | | \$1.05 | \$2.98 | \$0.65 | \$4.34 | \$9.03 |
| PLOW | 93 HP | | 0.67 HR | | \$5.03 | \$14.28 | \$3.42 | \$10.43 | \$33.15 |
| SPRAY | 65 HP | | 0.15 HR | | \$1.13 | \$2.55 | \$0.29 | \$8.85 | \$12.82 |
| FERT SPREADER | 93 HP | | 0.05 HR | | \$0.38 | \$1.07 | \$0.09 | \$1.71 | \$3.25 |
| DISC | 93 HP | | 0.14 HR | | \$1.05 | \$2.98 | \$0.65 | \$4.34 | \$9.03 |
| FLOAT | 93 HP | | 0.24 HR | | \$1.80 | \$5.12 | \$0.23 | \$1.28 | \$8.42 |
| LISTER | 65 HP | | 0.18 HR | | \$1.35 | \$3.06 | \$0.59 | \$29.45 | \$34.46 |
| 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 | \$5.11 | \$0.59 | \$17.71 | \$25.65 |
| CULTIVATOR (2X) | 65 HP | | 0.42 HR | | \$3.15 | \$7.15 | \$3.15 | \$91.44 | \$104.89 |
| IRRIGATE (4X) | | | 2.00 HR | | \$15.00 | | | | \$15.00 |
| SUBTOTAL | | | 10.04 HR | | \$75.30 | \$44.30 | \$9.66 | \$169.56 | \$298.81 |
| HARVEST OPERATIONS | | | | | | | | | |
| HAND PICK | | | 25.00 HR | | \$187.50 | | | | \$187.50 |
| HAUL | 3/4 TON | | 6.25 HR | | \$46.88 | \$137.81 | \$5.50 | \$577.89 | \$768.07 |
| SUBTOTAL | | | 31.25 HR | | \$234.38 | \$137.81 | \$5.50 | \$577.89 | \$955.57 |
| 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 | | \$999.61 | \$497.16 | \$182.11 | \$15.16 | \$783.44 |
| NET OPERATING PROFIT | | | | | | | | | (\$1,077.48) |
| INTEREST ON OPERATING CAPITAL | | | (\$477.25 @ | 5.50% |) | | | | \$26.25 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | | \$219.96 |
| RETURN TO LAND AND RISK | | | | | | | | | (\$1,323.69) |
| BUDGET SUMMARY | | | | | | | | | |
| GROSS RETURN | | | | | \$1,400.00 | | | | |
| VARIABLE OPERATING EXPENSES | \$1,196.88 | | | | | | | | |
| RETURN OVER VARIABLE EXPENSES | | \$203.12 | (GROSS MARGIN) | | | | | | |
| FIXED EXPENSES | \$783.44 | | | | | | | | |
| NET FARM INCOME | | (\$580.32) | (RETURN TO CAPITAL, LABOR, LAND & RISK) | | | | | | |
| LABOR AND MANAGEMENT COST | \$497.16 | | | | | | | | |
| NET OPERATING PROFIT | | (\$1,077.48) | (RETURN TO CAPITAL, LAND & RISK) | | | | | | |
| CAPITAL COSTS | \$246.21 | | | | | | | | |
| RETURN TO LAND AND RISK | | (\$1,323.69) | | | | | | | |

TABLE 11. Summary of per acre costs and returns, 300 acre farm with above average management, Cibola County, Projected 2014

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | PERMANENT PASTURE ESTABLISHMENT | PERMANENT PASTURE | WHEAT FOR GRAIN | SWEET 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 | \$7.00 | \$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 | \$577.00 | \$1,400.00 |
| CASH OPERATING EXPENSES | | | | | | |
| SEED | \$145.80 | | \$46.80 | | \$36.00 | \$775.00 |
| FERTILIZER | | \$16.00 | | | | \$78.00 |
| CHEMICALS | | \$1.50 | | | | \$45.64 |
| CROP INSURANCE | | | | | \$0.00 | |
| OTHER PURCHASED INPUTS | | \$45.25 | | | \$18.85 | |
| CANAL WATER | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 | \$5.00 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$39.10 | \$31.54 | \$26.61 | \$0.00 | \$42.54 | \$182.11 |
| 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 | \$323.11 | \$230.16 | \$119.72 | \$131.15 | \$264.70 | \$1,232.88 |
| RETURN OVER CASH EXPENSES | \$359.39 | \$759.84 | (\$119.72) | (\$59.15) | \$312.30 | \$167.12 |
| FIXED EXPENSES | \$46.37 | \$40.64 | \$29.76 | \$16.55 | \$41.27 | \$747.44 |
| TOTAL EXPENSES | \$369.49 | \$270.80 | \$149.49 | \$147.70 | \$305.97 | \$1,980.32 |
| NET FARM INCOME | \$313.01 | \$719.20 | (\$149.49) | (\$75.70) | \$271.03 | (\$580.32) |
| LABOR AND MANAGEMENT COSTS | \$59.56 | \$118.49 | \$38.87 | \$29.67 | \$83.66 | \$497.16 |
| NET OPERATING PROFIT | \$253.45 | \$600.72 | (\$188.36) | (\$105.37) | \$187.37 | (\$1,077.48) |
| CAPITAL COSTS | | | | | | |
| INTEREST ON OPERATING CAPITAL | \$4.68 | \$2.06 | | \$0.14 | \$2.38 | \$26.25 |
| INTEREST ON EQUIPMENT INVESTMENT | \$20.81 | \$23.00 | | \$0.00 | \$18.38 | \$219.96 |
| TOTAL CAPITAL COSTS | \$25.49 | \$25.06 | \$0.00 | \$0.14 | \$20.76 | \$246.21 |
| RETURN TO LAND AND RISK | \$227.96 | \$575.66 | (\$188.36) | (\$105.50) | \$166.61 | (\$1,323.69) |

TABLE 12. Whole farm summary, Cibola County,
Projected 2014

| | | |
|----------------------------------|-----------|------------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 200 ACRES | |
| CROP | | \$196,000 |
| GRAZING | | \$2,000 |
| PASTURE | 40 ACRES | |
| GRAZING | | \$2,880 |
| WHEAT FOR GRAIN | 20 ACRES | |
| CROP | | \$9,100 |
| GRAZING | | \$440 |
| STRAW | | \$2,000 |
| SWEET CORN | 8 ACRES | |
| CROP | | \$11,200 |
| GROSS RETURN | | <u>\$223,620</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$10,659 |
| FERTILIZER | | \$3,824 |
| CHEMICALS | | \$665 |
| CROP INSURANCE | | \$0 |
| OTHER PURCHASED INPUTS | | \$9,427 |
| CANAL WATER | | \$1,475 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$9,647 |
| FUEL-IRRIGATION | | \$0 |
| REPAIRS | | \$1,318 |
| CUSTOM CHARGES | | \$578 |
| LAND TAXES | | \$10,620 |
| OTHER EXPENSES | | \$26,539 |
| TOTAL CASH EXPENSES | | <u>\$74,752</u> |
| RETURN OVER CASH EXPENSES | | \$148,868 |
| FIXED EXPENSES | | \$16,437 |
| TOTAL EXPENSES | | \$91,189 |
| NET FARM INCOME | | \$132,431 |
| LABOR AND MANAGEMENT COSTS | | \$32,101 |
| NET OPERATING PROFIT | | \$100,330 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$792 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$7,247 |
| TOTAL CAPITAL COSTS | | <u>\$8,039</u> |
| RETURN TO LAND AND RISK | | <u><u>\$92,291</u></u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$1,000 /ACRE | \$83,291 | 24.82% |
| \$2,000 /ACRE | \$74,291 | 14.25% |
| \$3,000 /ACRE | \$65,291 | 9.99% |
| \$4,000 /ACRE | \$56,291 | 7.69% |
| \$5,000 /ACRE | \$47,291 | 6.25% |

* 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)