

| Projected 2012. | | | |
|---------------------------------|---------------------------|--|--------|
| Item | | | |
| Labor Wage Rate: | \$/hour | | 7.25 |
| Purchased Inputs: | | | |
| Fertilizer: | | | |
| Nitrogen (N) | \$/pound | | 0.89 |
| Phosphate (P205) | \$/pound | | 0.75 |
| Baling wire | \$/pound | | 0.84 |
| Canal water | \$/acre | | 30.00 |
| Energy: | | | |
| Butane | \$/MCF | | 0.00 |
| Diesel fuel | \$/gallon | | 3.00 |
| Gasoline | \$/gallon | | 3.80 |
| Electricity | cents/KwHr | | 8.36 |
| Natural Gas | \$/MCF | | 10.00 |
| Employee Liability Insurance | \$/1,000 wages | | 20.00 |
| Employee Benefits | percent/w ages | | 18.00% |
| Labor Downtime | percent | | 25.00% |
| Financial Rates: | | | |
| Operating Capital Interest Rate | percent | | 7.00% |
| Land Interest Rate | percent | | 6.00% |
| Equipment Interest Rate | percent | | 7.00% |
| Real Interest Rate | percent | | 3.00% |
| Land Taxes | 430.00 /acre (full value) | | |
| Personal Property Tax Rate - NR | \$/1,000 (Assessed Value) | | 24.98 |
| - R | | | 19.57 |
| Supervision Factors | | | |
| Field Crop-Irrigation | \$/labor hour | | 1.00 |
| Field Crop-Equipment & General | \$/labor hour | | 0.50 |
| Vegetable Crop-Irrigation | \$/labor hour | | 2.90 |
| Vegetable Crop-Equip & General | \$/labor hour | | 1.00 |
| Management Rate | | | |
| Field Crops | percent/GR | | 7.00% |
| Vegetable Crops | percent/TOE | | 10.00% |

BUDGET AREA..... EASTERN SLOPE, Projected 2012.
 FARM SIZE..... 200 ACRES
 IRRIGATION TYPE... FLOOD
 NUMBER OF CROPS... 3

| ACREAGE SUMMARY: | LAND USE (ACRES) | WATER USE | |
|------------------------------------|------------------|----------------|--------------|
| | | AC.IN. PER AC. | TOTAL AC.IN. |
| ALFALFA ESTABLISHMENT | 7.0 * | 12 | 84 |
| ALFALFA | 40.0 | 36 | 1,440 |
| GRASS HAY ESTABLISHMENT | 8.0 * | 18 | 144 |
| GRASS HAY | 160.0 | 36 | 5,760 |
| OAT HAY | 0.0 | 0 | 0 |
| | 0.0 * | 1.31 | 0 |
| | 0.0 | 30 | 0 |
| CORN SILAGE | 0.0 | 0 | 0 |
| WHEAT | 0.0 | 0 | 0 |
| ARP | 0.0 | | |
| FLEX IN SUDAN HAY | 0.0 | 30 | 0 |
| BARLEY | 0.0 | 0 | 0 |
| ARP | 0.0 | | |
| FLEX IN SUDAN HAY | 0.0 | 30 | 0 |
| CORN | 0.0 | 0 | 0 |
| ARP | 0.0 | | |
| FLEX IN SUDAN HAY | 0.0 | 30 | 0 |
| GREEN CHILE | 0.0 | 0 | 0 |
| ROADS & DITCHES | 0.0 | | |
| TOTAL | 200.0 | | 7,428 |
| ACRE FEET PER ACRE OF WATER RIGHTS | | | 3.10 |

* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for the Eastern Slope, 2005.

| ITEM | CROP ENTERPRISE | | LIVESTOCK ENTERPRISE | | TOTAL |
|------------------------------------|-----------------|----------------|----------------------|----------------|----------|
| | | | | | |
| Electricity (Domestic & Shop) | 66.55 | per month | 720 | 72.00 | 798.60 |
| Telephone | 54.45 | per month | 600 | 60.00 | 653.40 |
| Accounting & Legal | | | 160 | | 175.45 |
| Misc. Supplies & Hand Tools | | | 370 | | 411.40 |
| Pickup and Auto | Crop Ent. | Livestock Ent. | | | |
| miles | 4000 | 2000 | @ | 0.500 per mile | |
| Insurance | | | | | |
| - general liability (non-employee) | | | 170 | 0.00 | 186.95 |
| - fire/theft | | | 170 | 0.00 | 186.95 |
| Property Taxes | | | | | |
| - non-planted land | | | 0 | 0.00 | 0.00 |
| - other than land & machinery | | | 115 | | 6,010.00 |
| Building repairs and maintenance | | | 185 | 18.54 | 225.74 |
| Dues, fees, publications | | | 125 | 6.25 | 139.76 |
| Farmstead Equipment | | | 165 | 16.48 | 199.65 |
| Total | | | 4,240 | 903 | 16,248 |
| Total Per Planted Acre | | | 21.20 | | |

Table 2 Pumping Costs and Data For Irrigation Wells, Eastern Slope, Projected 2012

| | |
|-------------------------------|------------------|
| INPUT DATA | |
| DELIVERY PSI SPRINKLER..... | 0 |
| DEPTH CHARACTERISTICS: | |
| STATIC..... | 15 |
| DRAW DOWN..... | 85 |
| TOTAL HEAD..... | 70 |
| CASING..... | 125 |
| GALLONS PER MINUTE (GPM)..... | 1500 |
| WORK HORSEPOWER..... | 27 |
| EFFICIENCY FACTOR: | |
| ELECTRICITY..... | 0.447 |
| NATURAL GAS..... | 0.125 |
| BUTANE..... | 0.188 |
| DIESEL..... | 0.199 |
| FUEL COST PER UNIT: | |
| ELECTRICITY..... | 10.46 CENTS/K wH |
| NATURAL GAS..... | 3.50 \$/MCF |
| BUTANE..... | 1.21 \$/GAL |
| DIESEL..... | 1.30 \$/GAL |
| FUEL PUMPING COSTS: | |
| ELECTRICAL WELL: | |
| COST PER HOUR.....\$ | 4.66 |
| COST PER ACRE INCH.....\$ | 1.41 |
| NATURAL GAS WELL: | |
| COST PER HOUR.....\$ | 2.10 |
| COST PER ACRE INCH.....\$ | 0.63 |
| BUTANE WELL: | |
| COST PER HOUR.....\$ | 4.81 |
| COST PER ACRE INCH.....\$ | 1.45 |
| DIESEL WELL: | |
| COST PER HOUR.....\$ | 3.14 |
| COST PER ACRE INCH.....\$ | 0.95 |

TABLE 2a. Equipment summary for a 200 acre farm with above average management, Eastern Slope, 2005.

| EQUIPMENT ITEM & SIZE | ANNUAL HOURS OF USE | NUMBER | VARIABLE COSTS | | | | | FIXED COSTS | | |
|--------------------------|---------------------------|--------|--------------------------------------|------------------------------|------------------|-------------------|----------|-------------------|----|--------|
| | | | TOTAL FUEL AND VALUE LUBRICANT | FUELLUBE REPAIR PER HR | REPAIR PER HR | DEPRE- CIATION | TAXES | TOTAL PER HOUR | | |
| TRACTOR 40 HP | 36 | 1 | 1,600 | 144 | 14 | 4.04 | 0.41 | 63 | 10 | 2.04 |
| DISC 12 FT | 17 | 1 | 2,250 | | 0 | | 0.00 | 300 | 18 | 18.71 |
| PLOW 3-BOTTOM (FLP) | 20 | 1 | 3,750 | | 0 | | 0.00 | 447 | 27 | 24.10 |
| BORDER DISC 6-DISC | 0 | 1 | 750 | | 0 | | 0.00 | 100 | 6 | 302.98 |
| FLOAT | 3 | 1 | 200 | | 0 | | 2,400.00 | 27 | 2 | 9.85 |
| | | | | | | | 0.00 | | | |
| | | | 8,350 | 144 | 14 | | | 909 | 61 | |

Table 3a. Livestock Production Parameters

| | |
|----------------------------------|------|
| NUMBER OF COWS | 100 |
| COWS PER BULL | 25 |
| NUMBER OF HORSES | 1 |
| REPLACEMENT RATE (%) | 0.1 |
| CALF DEATH LOSS (%) | 0.03 |
| YEARLING DEATH LOSS (%) | 0 |
| COW DEATH LOSS (%) | 0.02 |
| BULL DEATH LOSS (%) | 0 |
| CALF CROP (%) | 0.92 |
| PRODUCTIVE LIFE OF BULLS (YEARS) | 4 |
| PERCENT SOLD AS YEARLINGS: | |
| HEIFERS | 0 |
| STEEERS | 0 |

Table 3b. Forage Sources for Livestock

| | ALUMS/ | | ALUMS PROVIDED |
|------------------|--------|-------|----------------|
| | ACRES | ACRE | |
| ALFALFA | 40.00 | 1.00 | 40.00 |
| GRASS HAY | 100 | 1 | 100 |
| LEASED RANGELAND | | | 796.95 |
| RALED HAY (TONS) | | 160.5 | 401.25 |
| TOTAL | 200.00 | | 1308.20 |

Table 3c. STOCK COUNT CHART

| SEASON | CALVES WERE BORN IN: | | | | | | | | | | |
|-----------|----------------------|------|---------|----------|---------|----------|--------|---------|--------|---------|-------------|
| | REPLACEMENT | | | YEARLING | | YEARLING | | STEEERS | | HEIFER | |
| | BULLS | COWS | HEIFERS | STEEERS | HEIFERS | CALVES | CALVES | CALVES | CALVES | HORSES | TOTAL ALUMS |
| JANUARY | 4 | 100 | 1 | 0.7 | 0.7 | 0.7 | 0.5 | 0.5 | 1.25 | SECURED | 111.85 |
| FEBRUARY | 4 | 100 | | | | | | | | | 111.85 |
| MARCH | 4 | 100 | 10 | | | | | | | | 113.85 |
| APRIL | 4 | 100 | 10 | | | | | | | | 113.85 |
| MAY | 4 | 100 | 10 | | | | | | | | 113.85 |
| JUNE | 4 | 100 | 10 | | | | | | | | 113.85 |
| JULY | 4 | 100 | 10 | | | | | | | | 113.85 |
| AUGUST | 4 | 100 | 10 | | | | | | | | 113.85 |
| SEPTEMBER | 4 | 100 | 10 | | | | | | | | 113.85 |
| OCTOBER | 4 | 100 | | | | 47 | 47 | 1 | | | 153.85 |
| NOVEMBER | 4 | 100 | | | | 0 | 10 | 1 | | | 111.85 |
| DECEMBER | 4 | 100 | | | | 0 | 10 | 1 | | | 111.85 |
| | | | | | | | | | | | 1,308 |

Table 3d. FORAGE BALANCE CHART

| SEASON | TOTAL ALUMS | | PASTURE/ NATIVE | | TOTAL ALUMS | | 480 |
|-------------|-------------|---------|-----------------|--------------------|-------------|--------|-----|
| | REQUIRE | ALFALFA | GRASS HAY | RANGELAND SUPPLIED | ALUMS | HAY | |
| JANUARY | 111.85 | 8 | 32 | 0 | 40 | 71.85 | |
| FEBRUARY | 111.85 | 8 | 32 | 0 | 40 | 71.85 | |
| MARCH | 113.85 | 0 | 32 | 0 | 32 | 81.85 | 304 |
| APRIL | 113.85 | 0 | 0 | 113.85 | 113.85 | 0 | |
| MAY | 113.85 | 0 | 0 | 113.85 | 113.85 | 0 | |
| JUNE | 113.85 | 0 | 0 | 113.85 | 113.85 | 0 | |
| JULY | 113.85 | 0 | 0 | 113.85 | 113.85 | 0 | |
| AUGUST | 113.85 | 0 | 0 | 113.85 | 113.85 | 0 | |
| SEPTEMBER | 113.85 | 0 | 0 | 113.85 | 113.85 | 0 | |
| OCTOBER | 153.85 | 8 | 0 | 113.85 | 121.85 | 32 | |
| NOVEMBER | 111.85 | 8 | 32 | 0 | 40 | 71.85 | |
| DECEMBER | 111.85 | 8 | 32 | 0 | 40 | 71.85 | |
| Total ALUMS | 1308.2 | 40 | 160 | 796.95 | 696.95 | 401.25 | |

TABLE 4. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Eastern Slope Projected 2012.
Planting dates: August 15 - October 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | TOTAL | | | | |
|---------------------------------|------------|---------------------|------------------|----------|-------------|---------|------------|----------|--------|
| <u>PURCHASED INPUTS</u> | | | | | | | | | |
| ALFALFA SEED | 2.95 | 20 LBS | 59 | | 59 | | | | |
| NITROGEN (N) | 0.29 | 16 LBS | 4.64 | | 4.64 | | | | |
| PHOSPHATE (P2O5) | 0.2 | 20 LBS | 4 | | 4 | | | | |
| CANAL WATER | | 12 AC. IN. | | | | | | | |
| OAT SEED | 0.28 | 60 LBS | 16.8 | | 16.8 | | | | |
| SUBTOTAL | | | 84.44 | | 84.44 | | | | |
| <u>PREHARVEST OPERATIONS</u> | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| DISC | 40 HP | 0.63 HR | | 3.2445 | 2.544696 | 1.4553 | 13.07297 | 20.31746 | |
| PLOW | 40 HP | 1.31 HR | | 6.7465 | 5.291352 | 3.91428 | 15.57632 | 31.52846 | |
| DISC (1X) | 40 HP | 0.53 HR | | 2.7295 | 0 | 0.19875 | 6.301872 | 9.230122 | |
| FLOAT | 40 HP | 0.32 HR | | 1.648 | 0 | 0.6192 | 0 | | |
| BORDER DISC | 40 HP | 0.05 HR | | 0.2575 | 0.20196 | 0.06525 | 15.2508 | 15.77551 | |
| DRILL | CUSTOM | | 12.73 | 0 | 0 | 0 | 0 | 12.73 | |
| IRRIGATE (2X) | | 2.25 HR | | 11.5875 | | | | 11.5875 | |
| CORRUGATE | 40 HP | 0.54 HR | | 2.781 | 2.181168 | 1.2474 | 2.037362 | 8.24693 | |
| SUBTOTAL | | 5.63 HR | 12.73 | 28.99 | 10.22 | 7.50 | 52.24 | 111.68 | |
| <u>OVERHEAD EXPENSES</u> | | | | | | | | | |
| DOWNTIME | | 2.105 HR | | 10.84075 | | | | 10.84075 | |
| EMPLOYEE BENEFITS | | | | 3.47934 | | | | 3.47934 | |
| INSURANCE | | | 0.57989 | | | | | 0.57989 | |
| SUPERVISION AND MANAGEMENT | | | | 17.39862 | | | | 17.39862 | |
| SUBTOTAL | | 2.11 HR | 0.58 | 31.72 | | | | 32.30 | |
| <u>TOTAL OPERATING EXPENSES</u> | | | 7.74 HR | 97.75 | 60.71 | 10.22 | 7.50 | 52.24 | 228.42 |

TABLE 5. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Eastern Slope, Projected 2012.
Harvest dates: June 10 - October 15

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|---------------------|------------------|---------------|----------------|----------------|-----------------|-----------------|
| GROSS RETURNS | | | | | | | | |
| ALFALFA HAY | 140 | 2.5 TONS (STACKED) | | | | | | 350 |
| GRAZING | 10 | 1 AUM | | | | | | 10 |
| TOTAL | | | | | | | 360.00 | |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| NITROGEN (N) | 0.29 | 40 LBS | 11.6 | | | | | 11.6 |
| PHOSPHATE (P2O5) | 0.2 | 30 LBS | 6 | | | | | 6 |
| INSECTICIDE (CUSTOM) | 0 | 0 ACRE | 0 | | | | | 0 |
| WIRE | 0.39 | 21.425 LBS | 8.35575 | | | | | 8.35575 |
| ESTABLISHMENT: Principal | | 6 YEARS | | | | | 38.0703 | 38.0703 |
| : Interest | | | | | | | 8.747233 | 8.747233 |
| CANAL WATER | | 36 AC. IN. | | | | | 4 | 4 |
| SUBTOTAL | | | 25.96 | | | | 50.82 | 76.77 |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| CLEAN DITCHES | CUSTOM | | 10 | | | | | |
| IRRIGATE (6X) | | 2.25 HR | | 11.5875 | | | | 11.5875 |
| FERTILIZE | 40HP | 0.05 X/ACRE | | 0.2575 | 0.20196 | 0.01875 | 0.101868 | 0.580078 |
| SUBTOTAL | | | 10 | 11.845 | 0.20196 | 0.01875 | 0.101868 | 22.16758 |
| HARVEST OPERATIONS | | | | | | | | |
| MOWER | CUSTOM | | 30 | | | | | 30 |
| BALER | CUSTOM | | 4.15 | | | | | 4.15 |
| RAKE | CUSTOM | | 104 | | | | | 104 |
| LOAD AND STACK | CUSTOM | | 78.4 | | | | | 78.4 |
| SUBTOTAL | | | 216.55 | | | | | 216.55 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | | | 0 | | | | 0 |
| EMPLOYEE BENEFITS | | | | 1.4214 | | | | 1.4214 |
| INSURANCE | | | 0.2369 | | | | | 0.2369 |
| LAND TAXES | | | | | | | 1.912089 | 1.912089 |
| SUPERVISION AND MANAGEMENT | | | | 27.45 | | | | 27.45 |
| OTHER EXPENSES | | | 22.016 | | | | | 22.016 |
| SUBTOTAL | | | 22.25 | 28.87 | | | 1.91 | 53.04 |
| TOTAL OPERATING EXPENSES | | 2.25 HR | 320.91 | 40.72 | 0.20 | 0.02 | 52.83 | 368.53 |
| NET OPERATING PROFIT | | | | | | | -8.52725 | |
| INTEREST ON OPERATING CAPITAL | (| 12.97788 | @ | 0.08 | | | 1.03823 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | 2.274003 | |
| | | | | | | | 0 | |
| RETURN TO LAND AND RISK | | | | | | | 0 | |
| | | | | | | | -11.8395 | |

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|-----|---|
| GROSS RETURN | | 360 | |
| VARIABLE OPERATING EXPENSES | 321.1265 | | |
| RETURN OVER VARIABLE EXPENSES | 38.87354 | | (GROSS MARGIN) |
| FIXED EXPENSES | 52.83149 | | |
| NET FARM INCOME | -13.9579 | | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | 40.7164 | | |
| NET OPERATING PROFIT | -54.6743 | | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | 3.312233 | | |
| RETURN TO LAND AND RISK | -57.9866 | | |

TABLE 6. Grass hay establishment, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Eastern Slope, Projected 2012.
Planting dates: August 15 - October 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL | |
|---------------------------------|------------|---------------------|------------------|----------|-------------|---------|------------|----------|--------|
| PURCHASED INPUTS | | | | | | | | | |
| FESCUE SEED | 2.85 | 17 LBS | | 48.45 | | | | 48.45 | |
| PHOSPHATE | 0.2 | 30 LBS | | 6 | | | | 6 | |
| NITROGEN | 0.29 | 70 LBS | | 20.3 | | | | 20.3 | |
| CANAL WATER | | 18 AC. IN. | | | | | | | |
| TIMOTHY SEED | 1.32 | 15 | | 19.8 | | | | 19.8 | |
| SUBTOTAL | | | | 94.55 | | | | 94.55 | |
| PREHARVEST OPERATIONS | | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| DISC | 40 HP | 1.06 HR | | 5.459 | 4.281552 | 2.4486 | 21.99579 | 34.18494 | |
| PLOW | 40 HP | 1.31 HR | | 6.7465 | 5.291352 | 3.91428 | 34.24604 | 50.19818 | |
| FERTILIZE | 40 HP | 0.05 HR | | 0.2575 | 0.20196 | 0.1155 | 1.037537 | 1.612497 | |
| FLOAT | 40 HP | 0.32 HR | | 1.648 | 1.292544 | 0.12 | 0.651956 | 3.7125 | |
| BORDER DISC | 40 HP | 0.1 HR | | 0.515 | 0.40392 | 0.1305 | 30.50159 | 31.55101 | |
| DRILL | CUSTOM | | 13.67 | | | | | 13.67 | |
| IRRIGATE (3X) | | 2.25 HR | | 11.5875 | | | | 11.5875 | |
| CORRUGATE | | 0.54 | | 2.781 | 2.181168 | 0.2025 | 1.100175 | 6.264843 | |
| SUBTOTAL | | 5.63 HR | 13.67 | 28.9945 | 13.6525 | 6.93138 | 89.5331 | 152.7815 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.71 HR | | 3.6565 | | | | 3.6565 | |
| EMPLOYEE BENEFITS | | | | 7.248625 | | | | 7.248625 | |
| INSURANCE | | | 0.57989 | | | | | 0.57989 | |
| SUPERVISION AND MANAGEMENT | | | | 20.9832 | | | | 20.9832 | |
| SUBTOTAL | | 0.71 HR | 0.58 | 31.89 | | | | 32.47 | |
| TOTAL OPERATING EXPENSES | | | 6.34 HR | 108.80 | 60.88 | 13.65 | 6.93 | 89.53 | 279.80 |

TABLE 7. Grass hay pasture, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Eastern Slope, Projected 2012.
Harvest dates: May 1 - November 30

| ITEM | PRICE | YIELD | | | | | TOTAL | |
|----------------------------------|------------|---------------------|------------------|--------|-------------|------------|------------|----------|
| GROSS RETURNS | | | | | | | | |
| GRASS HAY | 10 | 2 TONS | | | | | 20 | |
| PASTURE | 10 | 1 AUMS | | | | | 10 | |
| TOTAL | | | | | | | 30 | |
| PURCHASED INPUTS | | | | | | | | |
| | PRICE | QUANTITY | PURCHASED INPUTS | | | FIXED COST | TOTAL | |
| PHOSPHATE | 0.20 | 34 | 6.80 | | | | 6.80 | |
| NITROGEN | 0.29 | 70 LBS | 20.3 | | | | 20.3 | |
| ESTABLISHMENT: Principal | | 20 YEARS | | | | 13.98998 | 13.98998 | |
| : Interest | | | | | | 9.865743 | 9.865743 | |
| CANAL WATER | | 36 AC. IN. | | | | 4 | 4 | |
| SUBTOTAL | | | 27.10 | | | 27.86 | 54.96 | |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| FERTILIZE | 40HP | 0.05 | | 0.26 | 0.20 | 0.02 | 0.10 | 0.58 |
| IRRIGATE (3X) | | 5 HR | | 25.75 | | | | 25.75 |
| CLEAN DITCHES | CUSTOM | | 5 | | | | | 5 |
| SUBTOTAL | | 5.00 HR | 5.00 | 26.01 | 0.20 | 0.02 | 0.10 | 31.33 |
| HARVEST OPERATIONS | | | | | | | | |
| MOWER | CUSTOM | | 30 | | | | | 30 |
| BALER | CUSTOM | | 4.15 | | | | | 4.15 |
| RAKE | CUSTOM | | 104 | | | | | 104 |
| LOAD AND STACK | CUSTOM | | 78.4 | | | | | 78.4 |
| OVERHEAD EXPENSES | | | 216.55 | | | | | 216.55 |
| DOWNTIME | | | | 0 | | | | 0 |
| EMPLOYEE BENEFITS | | | | 3.1209 | | | | 3.1209 |
| INSURANCE | | | 0.52015 | | | | | 0.52015 |
| LAND TAXES | | | | | | | 1.912089 | 1.912089 |
| SUPERVISION AND MANAGEMENT | | | | 4.6 | | | | 4.6 |
| OTHER EXPENSES | | | 22.016 | | | | | 22.016 |
| SUBTOTAL | | | 22.54 | 7.72 | | | 1.91 | 32.17 |
| TOTAL OPERATING EXPENSES | | 5.00 HR | 271.19 | 33.73 | 0.20 | 0.02 | 29.87 | 389.64 |
| NET OPERATING PROFIT | | | | | | | | -359.641 |
| INTEREST ON OPERATING CAPITAL | (| 54.95573 | @ | 0.08 |) | | | 2.713229 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | 2.713229 |
| RETURN TO LAND AND RISK | | | | | | | | -365.068 |

BUDGET SUMMARY

| | | | |
|-------------------------------|----------|----------------------------------|----------|
| GROSS RETURN | | 30 | |
| VARIABLE OPERATING EXPENSES | 271.4069 | | |
| RETURN OVER VARIABLE EXPENSES | -241.407 | (GROSS MARGIN) | |
| FIXED EXPENSES | 29.86968 | | 0 |
| NET FARM INCOME | -271.277 | (RETURN TO CAPITAL, LABC | -3255.32 |
| LABOR AND MANAGEMENT COST | 33.7284 | | |
| NET OPERATING PROFIT | -305.005 | (RETURN TO CAPITAL, LAND & RISK) | |
| CAPITAL COSTS | 5.426458 | | |
| RETURN TO LAND AND RISK | -310.431 | | |

TABLE 8. Grass hay establishment, flood irrigated, budgeted per acre costs and returns for a 200 acre part-time farm, with above average management, Eastern Slope, Projected 2012.
Planting dates: May 15 - July 1

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | TOTAL | |
|---------------------------------|-------------------|----------------------------|-------------------------|--------------|-----------------------|----------------|-------------------|--------------|
| <u>PURCHASED INPUTS</u> | | | | | | | | |
| GRASS HAY SEED | 0.36 | 15 LBS | | 5.4 | | | 5.4 | |
| NITROGEN (N) | 0.29 | 70 LBS | | 20.3 | | | 20.3 | |
| PHOSPHATE (P205) | 0.2 | 35 LBS | | 7 | | | 7 | |
| CANAL WATER (MAINTENANCE) | | 18 AC. IN. | | | | | 0 | |
| SUBTOTAL | | | | 32.70 | | | 32.70 | |
| <u>PREHARVEST OPERATIONS</u> | <u>POWER UNIT</u> | <u>ACCOMPLISHMENT RATE</u> | <u>PURCHASED INPUTS</u> | <u>LABOR</u> | <u>FUEL & OIL</u> | <u>REPAIRS</u> | <u>FIXED COST</u> | <u>TOTAL</u> |
| PLOW | 40 HP | 1.31 HR | | 6.7465 | 5.291352 | 3.91428 | 34.24604 | 50.19818 |
| DISC (2X) | 40 HP | 0.62 HR | | 3.193 | 2.504304 | 1.4322 | 12.86546 | 19.99497 |
| FERTILIZE | 40 HP | 0.05 HR | | 0.2575 | 0.20196 | 0.01875 | 0.101868 | 0.580078 |
| DRAG | 40 HP | 0.32 HR | | 1.648 | 1.292544 | 0.12 | 0.651956 | 3.7125 |
| BROADCAST SEEDER | 40 HP | 0.05 HR | | 0.2575 | 0.20196 | 0.01875 | 0.101868 | 0.580078 |
| IRRIGATE (3X) | | 2.25 HR | | 11.5875 | | | | 11.5875 |
| SUBTOTAL | | 4.60 HR | | 23.69 | 9.49 | 5.50 | 47.97 | 86.65 |
| <u>OVERHEAD EXPENSES</u> | | | | | | | | |
| DOWNTIME | | 1.805 HR | | 9.29575 | | | | 9.29575 |
| EMPLOYEE BENEFITS | | | | 2.8428 | | | | 2.8428 |
| INSURANCE | | | 0.4738 | | | | | 0.4738 |
| LAND TAXES | | | | | | | 1.912089 | 1.912089 |
| SUPERVISION AND MANAGEMENT | | | | 123.9033 | | | | 123.9033 |
| OTHER EXPENSES | | | 22.016 | | | | | 22.016 |
| SUBTOTAL | | 1.81 HR | 22.49 | 136.04 | | | 1.91 | 160.44 |
| <u>TOTAL OPERATING EXPENSES</u> | | 6.41 HR | 55.19 | 159.73 | 9.49 | 5.50 | 49.88 | 279.80 |

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TABLE 9. Grass Hay, flood-irrigated, budgeted per acre costs and returns for a 200 acre farm with above average management, Eastern Slope, Projected 2012.
Harvest dates: August 15 - September 30

| ITEM | PRICE | YIELD | | | | | TOTAL | | |
|----------------------------------|------------|---------------------|------------------|--------|-------------|---------|---------------|--------------|--------|
| GROSS RETURNS | | | | | | | | | |
| GRASS HAY | 130.00 | 2.50 | TONS (STACKED) | | | | 325.00 | | |
| GRAZING | 10.00 | 1.00 | ACRE | | | | 10.00 | | |
| TOTAL | | | | | | | 335.00 | | |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL | |
| SEED | 0.34 | 70.00 | LBS | 23.80 | | | | 23.80 | |
| PHOSPHATE | 0.20 | 35.00 | LBS | 7.00 | | | | 7.00 | |
| NITROGEN | 0.29 | 70.00 | ACRE | 20.30 | | | | 20.30 | |
| WIRE | 0.39 | 21.43 | LBS | 8.36 | | | | 8.36 | |
| CANAL WATER | | 30.00 | AC. IN. | | | | 25.00 | 25.00 | |
| SUBTOTAL | | | | 59.46 | | | 25.00 | 84.46 | |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| FERTILIZE | 40HP | 0.05 | | 0.26 | 0.10 | 0.23 | 1.31 | 1.90 | |
| IRRIGATE (5X) | | 3.75 | HR | 19.31 | 0.00 | 0.00 | 0.00 | 19.31 | |
| CLEAN DITCHES | CUSTOM | | | 5.00 | | | | 5.00 | |
| SUBTOTAL | | 3.80 | HR | 5.00 | 19.57 | 0.10 | 0.23 | 1.31 | 26.21 |
| HARVEST OPERATIONS | | | | | | | | | |
| SWATHER | CUSTOM | | | 30.00 | | | | 30.00 | |
| BALER (2X) | CUSTOM | | | 4.15 | | | | 4.15 | |
| BALEWAGON (2X) | CUSTOM | | | 104.00 | | | | 104.00 | |
| SUBTOTAL | | 0.00 | HR | 138.15 | | | | 138.15 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.00 | HR | 0.00 | | | | 0.00 | |
| EMPLOYEE BENEFITS | | | | 2.35 | | | | 2.35 | |
| INSURANCE | | | | 0.39 | | | | 0.39 | |
| LAND TAXES | | | | | | | 1.91 | 1.91 | |
| SUPERVISION AND MANAGEMENT | | | | 17.57 | | | | 17.57 | |
| OTHER EXPENSES | | | | 22.02 | | | | 22.02 | |
| SUBTOTAL | | 0.00 | HR | 22.41 | 19.92 | | | 1.91 | 44.24 |
| TOTAL OPERATING EXPENSES | | 3.80 | HR | 225.01 | 39.49 | 0.10 | 0.23 | 28.22 | 293.06 |
| NET OPERATING PROFIT | | | | | | | | 41.94 | |
| INTEREST ON OPERATING CAPITAL | (| 29.81 | @ | 0.08 | | | | 2.38 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | 23.33 | |
| RETURN TO LAND AND RISK | | | | | | | | 16.23 | |

BUDGET SUMMARY

| | | | |
|-------------------------------|--------|--------|---|
| GROSS RETURN | | 335.00 | |
| VARIABLE OPERATING EXPENSES | 225.35 | | |
| RETURN OVER VARIABLE EXPENSES | | 109.65 | (GROSS MARGIN) |
| FIXED EXPENSES | 28.22 | | |
| NET FARM INCOME | | 81.43 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | 39.49 | | |
| NET OPERATING PROFIT | | 41.94 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | 25.72 | | |
| RETURN TO LAND AND RISK | | 16.23 | |

TABLE 10. Summary of per acre costs and returns, 200 acre farm with above average management, Eastern Sic Projected 2012.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | GRASS EST. | GRASS PASTURE | HAY FLOOD |
|----------------------------------|--------------------------|----------------|---------------|------------------|--------------|
| | TONS | | TONS/AUMS | | |
| PRIMARY PRICE | | | | | 20 |
| PRIMARY YIELD | | 2.5 | | | 1 |
| PRIMARY PRICE | | 140 | | | 0 |
| GOVERNMENT PAYMENTS | | 0 | | | 0 |
| SECOND INCOME | | 10 | | | 10 |
| GROSS RETURN | | 360 | | | 30 |
| CASH OPERATING EXPENSES | | | | | |
| SEED | | 59 | | 48.45 | |
| FERTILIZER | 8.64 | 17.6 | 20.3 | 20.3 | |
| CHEMICALS | | 0 | | | |
| CROP INSURANCE | | | | | |
| OTHER PURCHASED INPUTS | | 8.35575 | | | |
| CANAL WATER | | 4 | | | 4 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | 10.21918 | 0.20196 | 13.6525 | 0.20196 | |
| FUEL-IRRIGATION | | | | | |
| REPAIRS | 7.50018 | 0.01875 | 6.93138 | 0.01875 | |
| CUSTOM CHARGES | 12.73 | 216.55 | | | |
| LAND TAXES | | 1.912089 | | 1.912089 | |
| OTHER EXPENSES | 0.57989 | 22.2529 | 0.57989 | 22.53615 | |
| TOTAL CASH EXPENSES | 98.67 | 270.89 | 89.91 | 389.64 | |
| RETURN OVER CASH EXPENSES | -98.6692 | 89.10855 | -89.9138 | -359.641 | |
| FIXED EXPENSES | 52.23932 | 46.9194 | 89.5331 | 23.9576 | |
| TOTAL EXPENSES | 150.9086 | 317.8108 | 179.4469 | 413.5987 | |
| NET FARM INCOME | -150.909 | 42.18915 | -179.447 | -383.599 | |
| LABOR AND MANAGEMENT COSTS | 60.71321 | 40.7164 | 60.88283 | 33.7284 | |
| NET OPERATING PROFIT | -211.622 | 1.472753 | -240.33 | -417.327 | |
| CAPITAL COSTS | | | | | |
| INTEREST ON OPERATING CAPITAL | | 1.03823 | | 2.713229 | |
| INTEREST ON EQUIPMENT INVESTMENT | | 2.274003 | | 2.713229 | |
| TOTAL CAPITAL COSTS | 0.00 | 3.31 | 0.00 | 5.43 | |
| RETURN TO LAND AND RISK | -211.622 | -1.83948 | -240.33 | 16.22928 | |

TABLE 11. Whole farm budget summary, Eastern Slope Projected 2012.

| | | |
|----------------------------------|-----------|------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 40 ACRES | |
| CROP | | 14000 |
| GRAZING | | 400 |
| GRASS HAY | 160 ACRES | |
| CROP | | 52000 |
| GRAZING | | 1600 |
| SUDAN HAY (AOH) | 0 ACRES | |
| CROP | | 0 |
| GRAZING | | 0 |
| | 0 ACRES | |
| | | 0 |
| | | 0 |
| LIVESTOCK | | 46956.4 |
| GROSS RETURN | | <u>114,956</u> |
| CASH OPERATING EXPENSES | | |
| FORAGE | | 3075.88 |
| LIVESTOCK FEED | | 25034.56 |
| SEED | | 800.60 |
| FERTILIZER | | 4174.88 |
| CHEMICALS | | 0.00 |
| CROP INSURANCE | | 0.00 |
| OTHER PURCHASED INPUTS | | 334.23 |
| CANAL WATER | | 800.00 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | 221.15 |
| FUEL-IRRIGATION | | 0.00 |
| REPAIRS | | 111.70 |
| CUSTOM CHARGES | | 8751.11 |
| LAND TAXES | | 382.42 |
| OTHER EXPENSES | | 4504.60 |
| | | <u>48,191</u> |
| RETURN OVER CASH EXPENSES | | 66765.27 |
| FIXED EXPENSES | | 3,030.72 |
| | | <u>51,221.85</u> |
| NET FARM INCOME | | 63,734.55 |
| LABOR AND MANAGEMENT COSTS | | 7,937.26 |
| NET OPERATING PROFIT | | 55,797.29 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | 475.65 |
| INTEREST ON EQUIPMENT INVESTMENT | | 525.08 |
| | | <u>1,000.72</u> |
| RETURN TO LAND AND RISK | | <u>54,796.57</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|-------------|-----------------|------------------------|
| 1,000 /ACRE | 46796.57 | 0.267806 |
| 2,000 /ACRE | 38796.57 | 0.136641 |
| 3,000 /ACRE | 30796.57 | 0.091719 |
| 4,000 /ACRE | 22796.57 | 0.069026 |
| 5,000 /ACRE | 14796.57 | 0.055335 |
| 6,000 /ACRE | 6796.569 | 0.046176 |
| 7,000 /ACRE | -1203.43 | 0.039619 |

* 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)