

TABLE 1. Basic cost information for Grant and Catron Counties,

Item			
<b>Labor Wage Rate:</b>			
Equipment operators	\$/hour		7.25
General & Irrigators	\$/hour		7.25
<b>Purchased Inputs:</b>			
<b>Seed:</b>			
Alfalfa	\$/pound		3.30
Wheat	\$/pound		0.32
Pasture	\$/pound		14.00
Canal Water (Maintenance)	\$/acre		10.00
Baling Wire	\$/lb		0.61
<b>Energy:</b>			
Butane	\$/MCF		2.55
Diesel fuel	\$/gallon		2.95
Gasoline	\$/gallon		3.05
Electricity	cents/KwHr		8.58
Natural Gas	\$/MCF		3.75
Employee Liability Insurance	\$/(\$1,000 wages)		20.00
Employee Benefits	percent/w ages		18.00%
Labor Downtime	percent		25.00%
<b>Financial Rates:</b>			
Operating Capital Interest Rate	percent		7.50%
Land Interest Rate	percent		7.00%
Equipment Interest Rate	percent		7.50%
Real Interest Rate	percent		4.00%
Land Taxes	390.00 /acre (full value)		2.28
Personal Property Tax Rate - NR	\$/(\$1,000 (Assessed Value)		17.52
- R			17.02
Supervision Factor	\$/labor hour		0.50
Management Rate	percent		7.00%

BUDGET AREA..... GRANT AND CATRON COUNTIES  
 FARM SIZE ..... 40 ACRES Projected 2011.  
 IRRIGATION TYPE..... FLOOD  
 NUMBER OF CROPS... 3

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMENT *	4	0	0
ALFALFA	25	0	0
PASTURE ESTABLISHMENT *	2	0	0
PERMANENT PASTURE	10	0	0
SMALL GRAINS PASTURE	0	0	0
ROADS, HOMESTEAD	5		
TOTAL	40		0
ACRE FEET PER ACRE OF WATER RIGHTS			0.00

Table 1a. Overhead cost information for Grant and Catron Counties

ITEM	CROP ENTERPRISE		ESTOCK 'ERPF	TOTAL
Electricity (Domestic & Shop)	80.00	per month	960 ####	1,056
Telephone	65.00	per month	780 ####	858
Accounting & Legal			350	350
Misc. Supplies & Hand Tools			615	615
Pickup and Auto				
miles	7,000	Crop Ent. Livestock Ent. @		
miles			2,555 ####	3,833
<b>Insurance</b>				
- general liability (non-employee)			5 0.00	5
- fire/theft			260 0.00	260
<b>Property Taxes</b>				
- non-planted land			10 0.00	10
- other than land & machinery			200	200
Building repairs and maintenance			360 ####	396
Dues, fees, publications			200 ####	210
Farmstead Equipment			160 ####	176
Irrigation Well Depreciation and Taxes			1,579	
Total			6,455 ####	7,969
Total per planted acre			184.44	



TABLE 2. Pumping costs and data for irrigation wells, Grant and Catron Counties,

<u>INPUT DATA</u>		
DEPTH CHARACTERISTICS:		
STATIC... ..	40	
DRAW DOWN.....	10	
TOTAL HEAD.....	50	
CASING... ..	70	
GALLONS PER MINUTE (GPM)...	1000	
WORK HORSEPOWER.....	13	
EFFICIENCY FACTOR:		
ELECTRICITY.... ..	0.540	
NATURAL GAS.... ..	0.154	
LP GAS.....	0.154	
DIESEL.....	0.160	
FUEL COST PER UNIT:		
ELECTRICITY.... ..	0.00	CENTS/K wHr
NATURAL GAS.... ..	0.00	\$/MCF
LP GAS.....	0.00	\$/GAL
DIESEL.....	0.00	\$/GAL
<u>FUEL PUMPING COSTS:</u>		
ELECTRIC WELL:		
COST PER HOUR.....\$	0.03	
COST PER ACRE INCH.....\$	0.01	
NATURAL GAS WELL:		
COST PER HOUR.....\$	0.03	
COST PER ACRE INCH.....\$	0.01	
BUTANE WELL:		
COST PER HOUR.....\$	0.03	
COST PER ACRE INCH.....\$	0.01	
DIESEL WELL:		
COST PER HOUR.....\$	0.03	
COST PER ACRE INCH.....\$	0.01	

TABLE 3a. Equipment summary for a 60 acre farm with above average management, Grant and Catron Counties

EQUIPMENT	ANNUAL		VARIABLE COSTS					FIXED COSTS		
	HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	REPAIR	FUEL,LUBE PER HR	REPAIR PER HR	DEPRE-CIATION	TAXES	TOTAL PER HOUR
TRACTOR 65 HP	81	1	2,400	532	31.22	6.56	0.39	138	14	1.87
PICKUP 3/4 TON *	50	1	15,000	425	150.00	8.51	3.00	3,000	78	61.55
CORRUGATER	3	1	250		0.03		0.01	33	1	10.69
BALER, PTO 2-WIRE	27	1	1,500		12.15		0.45	150	8	5.84
LAND PLANE 8 FT.	4	1	1,000		0.17		0.04	133	5	32.06
DISC 8 FT	4	1	700		3.23		0.87	93	4	26.06
PLOW (MOLDBOARD) 2-16 IN	8	1	250		1.97		0.25	33	1	4.41
DRILL 8 FT.	2	1	1,000		1.18		0.48	200	5	83.40
SWATHER, PTO 10 FT.	28	1	5,000		14.00		0.50	500	26	18.78
MOWER 7 FT SICKLE BAR	5	1	1,300		1.64		0.36	130	7	30.38
BUTANE WELL	0	1	11,400		0.00			1,520	59	
			39,800	958	216			5,931	208	

\* 1/4 CHARGED TO FARM.



TABLE 5. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with above average management, Grant and Catron Counties  
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	3.30	30.00 LBS		99.00				99.00
CANAL WATER		18.00 AC. IN.						
SUBTOTAL				99.00				99.00
<u>PREHARVEST OPERATIONS</u>	<u>POWER UNIT</u>	<u>ACCOMPLISHMENT RATE</u>	<u>PURCHASED INPUTS</u>	<u>LABOR</u>	<u>FUEL &amp; LUBE</u>	<u>REPAIRS</u>	<u>FIXED COST</u>	<u>TOTAL</u>
PLOW (MOLDBOARD)	65 HP	1.31 HR		9.50	19.43	0.83	8.28	38.03
DISC (2X)	65 HP	0.62 HR		4.50	9.19	0.78	17.41	31.88
LAND PLANE (2X)	65 HP	0.72 HR		5.22	10.68	0.31	24.56	40.76
CORRUGATE	65 HP	0.54 HR		3.92	8.01	0.21	6.82	18.96
DRILL	65 HP	0.41 HR		2.97	6.08	0.35	35.08	44.49
IRRIGATE (3X)		2.25 HR		16.31				16.31
SUBTOTAL		5.85 HR		42.41	53.38	2.48	92.15	190.43
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.90 HR		6.53				6.53
EMPLOYEE BENEFITS				7.63				7.63
INSURANCE			0.85					0.85
SUPERVISION AND MANAGEMENT				23.19				23.19
SUBTOTAL		0.90 HR	0.85	37.34				38.19
TOTAL OPERATING EXPENSES		6.75 HR	99.85	79.76	53.38	2.48	92.15	327.63

TABLE 6. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with above average average management, Grant and Catron Counties  
Harvesting dates: June 15 - September 15

ITEM	PRICE	YIELD					TOTAL		
<b>GROSS RETURNS</b>									
HAY	165.00	3.00 TONS (STACKED)					495.00		
GRAZING	10.00	1.00 AUM					10.00		
<b>TOTAL</b>							<b>505.00</b>		
<b>PURCHASED INPUTS</b>									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
WIRE	0.61	25.71 LBS	15.68					15.68	
ESTABLISHMENT: Principal		6.00 YEARS					54.60	54.60	
: Interest							10.92	10.92	
CANAL WATER		60.00 AC. IN.	10.00					10.00	
<b>SUBTOTAL</b>			<b>25.68</b>				<b>65.53</b>	<b>91.21</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (8X)		6.00 HR		43.50				43.50	
<b>SUBTOTAL</b>			<b>6.00 HR</b>	<b>43.50</b>				<b>43.50</b>	
<b>HARVEST OPERATIONS</b>									
SWATHER, PTO (4X)	65 HP	1.12 HR		8.12	16.61	0.99	23.29	49.01	
BALER, PTO (4X)	65 HP	1.08 HR		7.83	16.02	0.90	8.40	33.14	
LOAD (4X)	3/4 TON	2.00 HR		14.50	38.43	6.00	123.50	182.43	
<b>SUBTOTAL</b>			<b>4.20 HR</b>	<b>30.45</b>	<b>71.05</b>	<b>7.89</b>	<b>155.19</b>	<b>264.59</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		1.05 HR		7.61				7.61	
EMPLOYEE BENEFITS				13.31				13.31	
INSURANCE			1.48					1.48	
LAND TAXES							2.28	2.28	
SUPERVISION AND MANAGEMENT				40.45				40.45	
OTHER EXPENSES			189.87					189.87	
<b>SUBTOTAL</b>			<b>1.05 HR</b>	<b>191.35</b>	<b>61.37</b>			<b>2.28</b>	<b>255.00</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>11.25 HR</b>	<b>217.03</b>	<b>135.32</b>	<b>71.05</b>	<b>7.89</b>	<b>222.99</b>	<b>654.29</b>	
<b>NET OPERATING PROFIT</b>							<b>-149.29</b>		
INTEREST ON OPERATING CAPITAL	(	19.42	@	0.08			1.46		
INTEREST ON EQUIPMENT INVESTMENT							70.09		
<b>RETURN TO LAND AND RISK</b>							<b>-220.84</b>		

**BUDGET SUMMARY**

GROSS RETURN		505.00	
VARIABLE OPERATING EXPENSES	295.98		
RETURN OVER VARIABLE EXPENSES		209.02	(GROSS MARGIN)
FIXED EXPENSES	222.99		
NET FARM INCOME		-13.97	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	135.32		
NET OPERATING PROFIT		-149.29	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	71.55		
RETURN TO LAND AND RISK		-220.84	

TABLE 7. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm  
average management, Grant and Catron Counties  
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	14.00	20.00 LBS		280.00				280.00
CANAL WATER		18.00 AC. IN.						
SUBTOTAL				280.00				280.00
<u>PREHARVEST OPERATIONS</u>	<u>POWER UNIT</u>	<u>ACCOMPLISHMENT RATE</u>	<u>PURCHASED INPUTS</u>	<u>LABOR</u>	<u>FUEL &amp; LUBE</u>	<u>REPAIRS</u>	<u>FIXED COST</u>	<u>TOTAL</u>
PLOW (MOLDBOARD)	65 HP	1.31 HR		9.50	19.43	0.83	8.28	38.03
DISC (2X)	65 HP	0.62 HR		4.50	9.19	0.78	17.41	31.88
LAND PLANE (2X)	65 HP	0.72 HR		5.22	10.68	0.31	24.56	40.76
CORRUGATE	65 HP	0.54 HR		3.92	8.01	0.21	6.82	18.96
DRILL	65 HP	0.41 HR		2.97	6.08	0.35	35.08	44.49
IRRIGATE (3X)		2.25 HR		16.31				16.31
SUBTOTAL		5.85 HR		42.41	53.38	2.48	92.15	190.43
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.90 HR		6.53				6.53
EMPLOYEE BENEFITS				7.63				7.63
INSURANCE			0.85					0.85
SUPERVISION AND MANAGEMENT				35.86				35.86
SUBTOTAL		0.90 HR	0.85	50.01				50.86
<u>TOTAL OPERATING EXPENSES</u>		6.75 HR	280.85	92.43	53.38	2.48	92.15	521.30

TABLE 8. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with average management, Grant and Catron Counties  
Harvesting dates: March 1 - September 30

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
PASTURE	14.00	12.00	AUMS					168.00
<b>TOTAL</b>								<u>168.00</u>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
ESTABLISHMENT: Principal		15.00	YEARS				34.75	34.75
: Interest							20.01	20.01
CANAL WATER		32.00	AC. IN.	10.00				10.00
<b>SUBTOTAL</b>								<u>64.76</u>
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
MOWER	65 HP	0.45	HR	3.26	6.67	0.34	14.61	24.88
IRRIGATE (8X)		5.25	HR	38.06				38.06
<b>SUBTOTAL</b>								<u>62.95</u>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.11	HR	0.82				0.82
EMPLOYEE BENEFITS				7.44				7.44
INSURANCE				0.83				0.83
LAND TAXES							2.28	2.28
SUPERVISION AND MANAGEMENT				14.39				14.39
OTHER EXPENSES				189.87				189.87
<b>SUBTOTAL</b>								<u>215.61</u>
<b>TOTAL OPERATING EXPENSES</b>								<u>343.32</u>
<b>NET OPERATING PROFIT</b>								<u>-175.32</u>
INTEREST ON OPERATING CAPITAL	(	6.75	@	0.08				0.51
INTEREST ON EQUIPMENT INVESTMENT								10.89
<b>RETURN TO LAND AND RISK</b>								<u>-186.72</u>

**BUDGET SUMMARY**

GROSS RETURN		168.00	
VARIABLE OPERATING EXPENSES	207.71		
RETURN OVER VARIABLE EXPENSES		-39.71	(GROSS MARGIN)
FIXED EXPENSES	71.65		
NET FARM INCOME		-111.35	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	63.96		
NET OPERATING PROFIT		-175.32	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	11.40		
RETURN TO LAND AND RISK		-186.72	



TABLE 9. Small grains pasture, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with above average management, Grant and Catron Counties  
 Planting dates: August 15 - September 30  
 Harvesting dates: December 1 - May 30

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
WHEAT PASTURE	14.00	8.00 AUMS						112.00
<b>TOTAL</b>							<u>112.00</u>	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS				TOTAL
SEED	0.32	90.00 LBS	28.80					28.80
LIVESTOCK FAC & EQUIP				5.00				5.00
CANAL WATER		24.00 ACRE IN.	10.00					10.00
<b>SUBTOTAL</b>			<u>38.80</u>	5.00				<u>43.80</u>
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRE	FIXED COST	TOTAL
PLOW (MOLDBOARD)	65 HP	1.31 HR		9.50	19.43	0.83	8.28	38.03
DISC	65 HP	0.31 HR		2.25	4.60	0.39	8.71	15.94
CORRUGATE	65 HP	0.54 HR		3.92	8.01	0.21	6.82	18.96
DRILL	65 HP	0.41 HR		2.97	6.08	0.35	35.08	44.49
IRRIGATE (5X)		3.00 HR		21.75				21.75
<b>SUBTOTAL</b>			<u>5.57 HR</u>	<u>40.38</u>	<u>38.11</u>	<u>1.79</u>	<u>58.89</u>	<u>139.17</u>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.64 HR		4.66				4.66
EMPLOYEE BENEFITS				7.27				7.27
INSURANCE			0.81					0.81
LAND TAXES							2.28	2.28
SUPERVISION AND MANAGEMENT				10.63				10.63
OTHER EXPENSES				189.87				189.87
<b>SUBTOTAL</b>			<u>0.64 HR</u>	<u>190.68</u>	<u>22.55</u>		<u>2.28</u>	<u>215.51</u>
<b>TOTAL OPERATING EXPENSES</b>			<u>6.21 HR</u>	<u>229.48</u>	<u>62.93</u>	<u>38.11</u>	<u>1.79</u>	<u>398.48</u>
<b>NET OPERATING PROFIT</b>								<b>-286.48</b>
INTEREST ON OPERATING CAPITAL	(	29.37	@	0.08				2.20
INTEREST ON EQUIPMENT INVESTMENT								29.66
<b>RETURN TO LAND AND RISK</b>								<b>-318.34</b>

**BUDGET SUMMARY**

GROSS RETURN		112.00	
VARIABLE OPERATING EXPENSES	269.38		
RETURN OVER VARIABLE EXPENSES		-157.38	(GROSS MARGIN)
FIXED EXPENSES	66.17		
NET FARM INCOME		-223.54	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	62.93		
NET OPERATING PROFIT		-286.48	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	31.86		
RETURN TO LAND AND RISK		-318.34	

TABLE 10. Summary of per acre costs and returns, 60 acre part-time farm with above average management, Grant and Catron Counties

	ALFALFA ESTABLISHMENT	ALFALFA HAY	PERMANENT PASTURE EST.	PERMANENT PASTURE
	-----FLOOD-----			
		TONS		AUMS
PRIMARY YIELD		3.00		12.00
PRIMARY PRICE		165.00		14.00
GOVERNMENT PAYMENTS		0.00		0.00
SECOND INCOME		10.00		0.00
GROSS RETURN		505.00		168.00
CASH OPERATING EXPENSES				
SEED	99.00		280.00	
FERTILIZER				
CHEMICALS				
CROP INSURANCE				
OTHER PURCHASED INPUTS		15.68		
CANAL WATER		10.00		10.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	53.38	71.05	53.38	6.67
FUEL-IRRIGATION				
REPAIRS	2.48	7.89	2.48	0.34
CUSTOM CHARGES				
LAND TAXES		2.28		2.28
OTHER EXPENSES	0.85	191.35	0.85	190.70
TOTAL CASH EXPENSES	155.72	298.26	336.72	209.98
RETURN OVER CASH EXPENSES	-155.72	206.74	-336.72	-41.98
FIXED EXPENSES	92.15	220.71	92.15	69.37
TOTAL EXPENSES	247.87	518.97	428.87	279.35
NET FARM INCOME	-247.87	-13.97	-428.87	-111.35
LABOR AND MANAGEMENT COSTS	79.76	135.32	92.43	63.96
NET OPERATING PROFIT	-327.63	-149.29	-521.30	-175.32
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		1.46		0.51
INTEREST ON EQUIPMENT INVESTMENT		70.09		10.89
TOTAL CAPITAL COSTS	0.00	71.55	0.00	11.40
RETURN TO LAND AND RISK	-327.63	-220.84	-521.30	-186.72

TABLE 11. Whole farm summary, Grant and Catron Counties

GROSS RETURNS		
ALFALFA HAY	25 ACRES	
CROP		12,375.00
GRAZING		250.00
PASTURE	10 ACRES	
GRAZING		1,680.00
WHEAT PASTURE	0 ACRES	
GRAZING		0.00
LIVESTOCK		51,880.60
GROSS RETURN		66,186
CASH OPERATING EXPENSES		
FORAGE		2,331.63
LIVESTOCK		20,680.67
SEED		956.00
FERTILIZER		0.00
CHEMICALS		0.00
CROP INSURANCE		0.00
OTHER PURCHASED INPUTS		392.08
CANAL WATER		350.00
FUEL, OIL & LUBRICANTS-EQUIPMENT		2,163.39
FUEL-IRRIGATION		0.00
REPAIRS		215.59
CUSTOM CHARGES		0.00
LAND TAXES		79.72
OTHER EXPENSES		6,695.73
TOTAL CASH EXPENSES		33,865
RETURN OVER CASH EXPENSES		32,320.80
FIXED EXPENSES		5,051.82
TOTAL EXPENSES		38,916.62
NET FARM INCOME		27,268.98
LABOR AND MANAGEMENT COSTS		4,526.61
NET OPERATING PROFIT		22,742.37
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		41.48
INTEREST ON EQUIPMENT INVESTMENT		1,861.32
TOTAL CAPITAL COSTS		1,903
RETURN TO LAND AND RISK		20,839.57

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
1,000.00 /ACRE	18,439.57	0.23
2,000.00 /ACRE	16,039.57	0.14
3,000.00 /ACRE	13,639.57	0.10
4,000.00 /ACRE	11,239.57	0.08
5,000.00 /ACRE	8,839.57	0.07

\* 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)