

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

BUDGET AREA..... HONDO VALLEY, LINCOLN COUNTY			
FARM SIZE.....	35 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS....	4		
		WATER USE	
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	2.00 *	12	24
ALFALFA HAY	10.00	36	360
PASTURE ESTABLISHMENT	2.00 *	12	24
PERMANENT PASTURE	20.00	30	600
ROADS, DITCHES, HOMESTEAD	5.00		
	TO		1,008
	ACRE FEET PER ACRE OF WATER RIGHT		2.40

\*DOUBLE-CROPPED

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

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.20
General & Irrigators	\$/hour	\$7.50
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.61
Phosphorus (P205)	\$/pound	\$0.60
Seed:		
Alfalfa	\$/pound	\$6.50
Pasture	\$/pound	\$3.12
Natural Gas	\$/MCF	\$4.00
Diesel fuel	\$/gallon	\$3.00
Gasoline	\$/gallon	\$3.80
Electricity	cents/kwhr	11.21
Employee Liability Insurance	\$/ \$1,000 wages	\$12.00
Employee Benefits	percent/wages	12.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	5.00%
Land Interest Rate	percent	5.00%
Equipment Interest Rate	percent	5.00%
Expected Inflation Rate	percent	3.00%
Land Taxes	\$175.00 /acre (full value)	\$1.23
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$28.34
Supervision Factors		
Field Crop-Irrigation	\$/acre	\$1.00
Field Crop-Equipment & General	\$/acre	\$0.50
Management Rate	percent	4.00%

TABLE 3. Overhead cost information for Lincoln County, Projected 2013.

Item		
Electricity (Domestic & Shop)	\$54.45 per month	\$653
Telephone	\$42.35 per month	\$508
Accounting & Legal		\$133
Misc. Supplies & Hand Tools		\$254
Pickup and Auto		
miles	4,985 @ \$0.500 per mile	\$2,493
Insurance		
- general liability (non-employee)		\$175
- fire/theft		\$145
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$212
Dues, fees, publications		\$109
Farmstead Equipment		\$175
	Total	\$10,868
	Total per planted acre	\$362.27

TABLE 4. Pumping costs and data for irrigation wells, Lincoln County, Projected 2013.

INPUT DATA			
DELIVERY PSI: SPRINKLER	0	DEPTH CHARACTERISTICS:	STATIC..... 50
			DRAW DOWN..... 25
			TOTAL HEAD..... 75
			CASING..... 100
GALLONS PER MINUTE (GPM)	400		
WORK HORSEPOWER	8		
EFFICIENCY FACTOR:			
ELECTRICITY	0.447		
NATURAL GAS	0.125		
LP GAS	0.186		
DIESEL	0.199		
FUEL COST PER HOUR:			
ELECTRICITY	11.21	CENTS/KWH	
NATURAL GAS	\$4.00	\$/MCF	
LP GAS	\$0.67	\$/GAL	
DIESEL	\$3.00	\$/GAL	
PUMPING COSTS			
ELECTRICAL WELL:			
COST PER HOUR	\$1.45		
COST PER ACRE INCH	\$1.64		
NATURAL GAS WELL:			
COST PER HOUR	\$0.71		
COST PER ACRE INCH	\$0.80		
BUTANE WELL:			
COST PER HOUR	\$0.78		
COST PER ACRE INCH	\$0.89		
DIESEL WELL:			
COST PER HOUR	\$2.07		
COST PER ACRE INCH	\$2.34		

TABLE 5. Equipment summary for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2013.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		
				FUEL OIL LUBRICANT	REPAIR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HR
TRACTOR 29 HP	29	1	\$7,000	\$1,416	\$107	\$14.21	\$1.08	\$360	\$83	\$4.24
BALER PTO	2	1	\$1,600	\$2	\$2	\$0.01	\$0.15	\$385	\$27	\$27.47
HARROW 8 FT	1	1	\$200	\$0	\$0	\$0.01	\$27	\$1	\$1	\$23.39
FLOAT 8 FT	2	1	\$400	\$0	\$0	\$0.01	\$40	\$2	\$2	\$17.54
DISC 6 FT	10	1	\$600	\$7	\$7	\$0.74	\$80	\$4	\$4	\$8.77
FERT SPREADER	10	1	\$2,300	\$9	\$9	\$0.92	\$307	\$16	\$16	\$31.65
RAKE 8 FT	15	1	\$1,550	\$7	\$7	\$0.43	\$155	\$11	\$11	\$11.06
DRILL 8 FT	1	1	\$1,000	\$1	\$1	\$0.48	\$80	\$7	\$7	\$72.51
MOWER 7 FT	30	1	\$1,300	\$11	\$11	\$0.36	\$130	\$9	\$9	\$4.64
WELL ELECTRIC	204	1	\$8,000	\$295	\$0	\$1.45	\$0.00	\$640	\$56	\$3.42
			\$23,950	\$1,711	\$144			\$2,203	\$197	

EQUIPMENT LIST ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL LUBE COEF	ACCUM HOURS	AGE	INTEREST EXPENSE	ANNUAL PASTURE EST.				
										ALFALFA EST.	ALFALFA HAY	PASTURE	PER ACRE TOTALS	
TRACTOR 29 HP	17,875	7,000	50	1	800	3.40	1494.00	15	449.38	3.90	7.80	3.90	0.30	15.90
BALER PTO 2 WIRE	7,700	1,600	20	2	500		270.00	18	152.50	0.00	1.50	0.00	0.00	1.50
HARROW 8 FT	400	200	15	4	300		19.20	15	10.00	0.30	0.00	0.30	0.00	0.60
FLOAT 8 FT	800	400	15	4	300		36.00	15	15.00	0.60	0.00	0.60	0.00	1.20
DISC 6 FT	1,200	600	15	3	300		153.60	16	30.00	2.40	0.00	2.40	0.00	4.80
FERT SPREADER	4,600	2,300	15	9	150		153.00	15	115.00	0.30	0.30	0.30	0.30	1.20
RAKE 8 FT	3,100	1,550	20	6	500		225.00	15	77.50	0.00	1.50	0.00	1.50	1.50
DRILL 8 FT	2,000	1,000	25	8	100		15.60	13	50.00	0.30	0.00	0.30	0.00	0.60
MOWER 7 FT	2,600	1,300	20	6	300		450.00	15	65.00	0.00	3.00	0.00	0.00	3.00
WELL ELECTRIC	16,000	8,000	25	0	8,742		3055.05	15	400.00	0.00	6.79	0.00	6.79	13.58

INTEREST PRORATION

ALFALFA HAY	ANNUAL PASTURE
-dollars per acre-	
35.19	1.35
19.25	0.00
0.00	0.00
0.00	0.00
0.00	0.00
3.38	3.38
7.75	0.00
0.00	0.00
6.50	0.00
13.33	13.33
85.41	18.07

USAGE LIST

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT			
			RATE	TOTAL	CUSTOM	
ALFALFA ESTABLISHMENT ACRES: 2 PUMP WATER:						
DISC (2X) 30 HP 2.00 1.20 2.40						
HARROW 30 HP 1.00 0.30 0.30						
FERT SPREADER 30 HP 1 0.30 0.30						
DRILL 30 HP 1.00 0.30 0.30						
IRRIGATE (2X) 2 1.50 3.00						
ALFALFA HAY ACRES: 10 PUMP WATER: 6						
FERT SPREADER 30 HP 1 0.30 0.30						
DITCH MAINTENANCE 1 0.25 0.25						
IRRIGATE (6X) 6 1.13 6.79						
MOWER (3X) 30 HP 3 1.00 3.00						
RAKE (3X) 30 HP 3 0.50 1.50						
BALER PTO (3X) 30 HP 3 0.50 1.50						
HAUL (3X) 30 HP 3 0.50 1.50						

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT			
			RATE	TOTAL	CUSTOM	
PERMANENT PASTURE EST. ACRES: 2 PUMP WATER:						
DISC (2X) 30 HP 2 1.20 2.40						
HARROW 30 HP 1 0.30 0.30						
FERT SPREADER 30 HP 1 0.30 0.30						
FLOAT 30 HP 1 0.60 0.60						
DRILL 30 HP 1 0.30 0.30						
IRRIGATE (3X) 2 1.50 3.00						

MACHINE	POWER UNIT	TIMES OVER	ACCOMPLISHMENT			
			RATE	TOTAL	CUSTOM	
ANNUAL PERMANENT PASTURE ACRES: 20 PUMP WATER: 6						
FERT SPREADER 30 HP 1 0.30 0.30						
DITCH MAINTENANCE 1 0.25 0.25						
IRRIGATE (5X) 5 1.13 6.79						

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	Percent of New Value								
	1	2	3	4	5	6	7	8	9
0	0.000060	0.000020	0.000620	0.000200	0.000880	0.001400	0.000640	0.002440	0.000200
50	0.000060	0.000020	0.000620	0.000200	0.000880	0.001400	0.000640	0.002440	0.000200
100	0.000060	0.000020	0.000620	0.000200	0.000880	0.001400	0.000640	0.002440	0.000200
200	0.000030	0.000010	0.000310	0.000100	0.000440	0.000700	0.000320	0.001220	0.000100
300	0.000030	0.000010	0.000310	0.000100	0.000440	0.000700	0.000320	0.001220	0.000100
400	0.000030	0.000010	0.000310	0.000100	0.000440	0.000700	0.000320	0.001220	0.000100
500	0.000030	0.000010	0.000310	0.000100	0.000440	0.000700	0.000320	0.001220	0.000100
600	0.000030	0.000010	0.000310	0.000100	0.000440	0.000700	0.000320	0.001220	0.000100
700	0.000030	0.000010	0.000310	0.000100	0.000440	0.000700	0.000320	0.001220	0.000100
800	0.000030	0.000010	0.000310	0.000100	0.000440	0.000700	0.000320	0.001220	0.000100
900	0.000030	0.000010	0.000310	0.000100	0.000440	0.000700	0.000320	0.001220	0.000100
1000	0.000015	0.000005	0.000150	0.000050	0.000220	0.000350	0.000170	0.000610	0.000050
1200	0.000045	0.000145	0.000305	0.000205	0.000405	0.000480	0.000245	0.001135	0.000710
1400	0.000045	0.000110	0.000300	0.000230	0.000435	0.000510	0.000410	0.001280	0.000765
1600	0.000150	0.000170	0.000300	0.000230	0.000435	0.000510	0.000410	0.001280	0.000765
1800	0.000150	0.000190	0.000285	0.000255	0.000465	0.000525	0.000415	0.001235	0.000805
2000	0.000110	0.000285	0.000280	0.000305	0.000505	0.000565	0.000310		
2500	0.000056								
3000	0.000070								
3500	0.000082								
4000	0.000096								
4500	0.000108								
5000	0.000122								
5500	0.000136								
6000	0.000148								
6500	0.000162								
7000	0.000176								
7500	0.000188								
8000	0.000204								

\* Based on unpublished data of D. R. Hunt, Department of Agricultural Engineering, University of Illinois.

\*\* Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1963.

- Codes
- 1 tractor
  - 2 balers, combines, forage harvesters, windrowers, pickups
  - 3 rotary hoe, disks, moldboard plows, chisels, field cultivators
  - 4 harrows, wagons, flails, roto buck, drag, roller, water furrow, bed shaper
  - 5 baler-wagons, cotton pickers, cotton strippers, corn pickers
  - 6 rakes, cultipack mowers
  - 7 baler w/ engine, manure spreader
  - 8 planters, drills, seeding equipment, mounted sprayers
  - 9 fertilizer distributing equipment

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2013.  
Planting dates: August 15 - October 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
ALFALFA SEED	\$6.50	20 LBS	\$130.00					\$130.00
PHOSPHORUS (P2O5)	\$0.60	50 LBS	\$30.00					\$30.00
CANAL WATER		12 AC. IN.						
SUBTOTAL			\$160.00					\$160.00
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$17.28	\$34.11	\$4.37	\$31.23	\$87.00
HARROW	30 HP	0.30 HR		\$2.16	\$4.26	\$0.33	\$8.29	\$15.04
FLOAT	30 HP	0.60 HR		\$4.32	\$8.53	\$0.65	\$13.07	\$26.57
FERT. SPREADER	30 HP	0.30 HR		\$2.16	\$4.26	\$0.60	\$10.77	\$17.79
DRILL	30 HP	0.30 HR		\$2.16	\$4.26	\$0.47	\$23.03	\$29.92
IRRIGATE (2X)		1.00 HR		\$7.50				\$7.50
SUBTOTAL		4.90 HR		\$35.58	\$55.43	\$6.42	\$86.39	\$183.82
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.98 HR		\$7.02				\$7.02
EMPLOYEE BENEFITS				\$4.27				\$4.27
FARM INSURANCE			\$0.43					\$0.43
SUPERVISION AND MANAGEMENT				\$16.70				\$16.70
SUBTOTAL		0.98 HR	\$0.43	\$27.99				\$28.42
<u>TOTAL OPERATING EXPENSES</u>		5.88 HR	\$160.43	\$63.57	\$55.43	\$6.42	\$86.39	\$372.23

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln 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	\$15.00	1.00 ACRE					\$15.00		
<b>TOTAL</b>							<b>\$995.00</b>		
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS			FIXED COST	TOTAL	
NITROGEN (N)	\$0.61	20 LBS	\$12.20					\$12.20	
PHOSPHORUS (P2O5)	\$0.60	90 LBS	\$54.00					\$54.00	
INSECTICIDE	\$16.00	1 ACRE	\$16.00					\$16.00	
WIRE	\$0.91	35 LBS	\$31.85					\$31.85	
ESTABLISHMENT: Principal		5 YEARS				\$74.45		\$74.45	
: Interest						\$8.85		\$8.85	
CANAL WATER		30 AC. IN.							
PUMP WATER*		6 AC. IN.							
<b>SUBTOTAL</b>			<b>\$114.05</b>			<b>\$83.30</b>		<b>\$197.35</b>	
PREHARVEST OPERATIONS		POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR			\$2.16	\$4.26	\$0.60	\$10.77	\$17.79
DITCH MAINTENANCE		0.25 HR			\$1.80				\$1.80
IRRIGATE (6X)		3.00 HR			\$22.50	\$9.83	\$0.00	\$23.20	\$55.53
<b>SUBTOTAL</b>		<b>3.55 HR</b>			<b>\$26.46</b>	<b>\$14.10</b>	<b>\$0.60</b>	<b>\$33.97</b>	<b>\$75.12</b>
HARVEST OPERATIONS		POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
MOWER (3X)	30 HP	3.00 HR			\$21.60	\$42.64	\$4.33	\$26.64	\$95.20
RAKE (3X)	30 HP	1.50 HR			\$10.80	\$21.32	\$2.27	\$22.95	\$57.34
BALER, PTO (3X)	30 HP	1.50 HR			\$10.80	\$21.32	\$1.85	\$47.56	\$81.53
HAUL (3X)	30 HP	1.50 HR			\$10.80	\$21.32	\$1.62	\$6.36	\$40.10
<b>SUBTOTAL</b>		<b>7.50 HR</b>			<b>\$54.00</b>	<b>\$106.59</b>	<b>\$10.06</b>	<b>\$103.52</b>	<b>\$274.17</b>
OVERHEAD EXPENSES		POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME			2.01 HR		\$14.49				\$14.49
EMPLOYEE BENEFITS					\$9.66				\$9.66
FARM INSURANCE				\$0.97					\$0.97
LAND TAXES							\$1.23		\$1.23
SUPERVISION AND MANAGEMENT					\$46.83				\$46.83
OTHER EXPENSES				\$362.27					\$362.27
<b>SUBTOTAL</b>			<b>2.01 HR</b>		<b>\$363.24</b>	<b>\$70.97</b>		<b>\$1.23</b>	<b>\$435.43</b>
<b>TOTAL OPERATING EXPENSES</b>			<b>13.06 HR</b>		<b>\$477.29</b>	<b>\$151.43</b>	<b>\$10.66</b>	<b>\$222.01</b>	<b>\$982.08</b>
<b>NET OPERATING PROFIT</b>									<b>\$12.92</b>
INTEREST ON OPERATING CAPITAL			( \$494.72 @ 5.00% )						\$6.77
INTEREST ON EQUIPMENT INVESTMENT									\$85.41
<b>RETURN TO LAND AND RISK</b>									<b>(\$79.26)</b>

\* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$995.00	
VARIABLE OPERATING EXPENSES	\$615.41		
RETURN OVER VARIABLE EXPENSES		\$379.59	(GROSS MARGINS)
FIXED EXPENSES	\$222.01		
NET FARM INCOME		\$157.58	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$151.43		
NET OPERATING PROFIT		\$6.15	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$85.41		
RETURN TO LAND AND RISK		(\$79.26)	

TABLE 8. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2013.  
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
PASTURE SEED	\$3.12	20.00 LBS	\$62.40					\$62.40
NITROGEN (N)	\$0.61	50 LBS	\$30.50					\$30.50
PHOSPHORUS (P2O5)	\$0.60	20 LBS	\$12.00					\$12.00
CANAL WATER		12.00 AC. IN.						
SUBTOTAL			\$104.90					\$104.90
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$17.28	\$34.11	\$4.37	\$31.23	\$87.00
HARROW	30 HP	0.30 HR		\$2.16	\$4.26	\$0.33	\$8.29	\$15.04
FERT. SPREADER	30 HP	0.30 HR		\$2.16	\$4.26	\$0.60	\$10.77	\$17.79
FLOAT	30 HP	0.60 HR		\$4.32	\$8.53	\$0.65	\$13.07	\$26.57
DRILL	30 HP	0.30 HR		\$2.16	\$4.26	\$0.47	\$23.03	\$29.92
IRRIGATE (3X)		1.00 HR		\$7.50				\$7.50
SUBTOTAL		4.90 HR		\$35.58	\$55.43	\$6.42	\$86.39	\$183.82
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.98 HR		\$7.02				\$7.02
EMPLOYEE BENEFITS				\$4.27				\$4.27
FARM INSURANCE			\$0.43					\$0.43
SUPERVISION AND MANAGEMENT				\$14.50				\$14.50
OTHER EXPENSES			\$362.27					\$362.27
SUBTOTAL		0.98 HR	\$362.70	\$25.79				\$388.49
<u>TOTAL OPERATING EXPENSES</u>		5.88 HR	\$467.60	\$61.37	\$55.43	\$6.42	\$86.39	\$677.20

TABLE 9. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2013.  
Harvesting dates: March 1 - September 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
PASTURE	\$12.00	10.00	AUMS					\$120.00
TOTAL								\$120.00

  

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
NITROGEN (N)	\$0.61	50 LBS	\$30.50					\$30.50
PHOSPHORUS (P2O5)	\$0.60	20 LBS	\$12.00					\$12.00
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10 YEARS				\$12.00	\$67.72	\$12.00
: Interest						\$17.43	\$17.43	\$17.43
CANAL WATER		24 AC. IN.						
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$42.50			\$97.15	\$139.65	\$139.65

  

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERT. SPREADER	30 HP	0.30 HR		\$2.25	\$4.26	\$0.60	\$10.77	\$17.88
DITCH MAINTENANCE		0.25 HR		\$1.88				\$1.88
IRRIGATE (5X)		2.50 HR		\$18.75	\$9.83	\$0.00	\$23.20	\$51.78
SUBTOTAL		3.05 HR		\$22.88	\$14.10	\$0.60	\$33.97	\$71.54

  

OVERHEAD EXPENSES								
DOWNTIME		0.14 HR		\$0.99				\$0.99
EMPLOYEE BENEFITS				\$2.75				\$2.75
FARM INSURANCE			\$0.27					\$0.27
LAND TAXES						\$1.23		\$1.23
SUPERVISION AND MANAGEMENT				\$7.58				\$7.58
OTHER EXPENSES			\$362.27					\$362.27
SUBTOTAL		0.14 HR	\$362.55	\$11.31			\$1.23	\$375.08

  

TOTAL OPERATING EXPENSES		3.19 HR	\$405.05	\$34.19	\$14.10	\$0.60	\$132.35	\$586.27
NET OPERATING PROFIT								(\$466.27)
INTEREST ON OPERATING CAPITAL		( \$211.19 @	5.00%	)				\$4.39
INTEREST ON EQUIPMENT INVESTMENT								\$18.07
RETURN TO LAND AND RISK								(\$488.73)

\* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$120.00	
VARIABLE OPERATING EXPENSES	\$424.13		
RETURN OVER VARIABLE EXPENSES		(\$304.13)	(GROSS MARGINS)
FIXED EXPENSES	\$132.35		
NET FARM INCOME		(\$436.47)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$34.19		
NET OPERATING PROFIT		(\$470.66)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$18.07		
RETURN TO LAND AND RISK		(\$488.73)	

TABLE 10. Summary of per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2013.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE
		TONS		AUMS
PRIMARY YIELD		4.00		10.00
PRIMARY PRICE		\$245.00		\$12.00
GOVERNMENT PAYMENTS		\$0.00		\$0.00
SECOND INCOME		\$15.00		\$0.00
GROSS RETURN		\$995.00		\$120.00
CASH OPERATING EXPENSES				
SEED	\$130.00		\$62.40	
FERTILIZER	\$30.00	\$66.20	\$42.50	\$42.50
CHEMICALS		\$16.00		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$31.85		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$55.43	\$110.85	\$55.43	\$4.26
FUEL-IRRIGATION		\$9.83		\$9.83
REPAIRS	\$6.42	\$10.66	\$6.42	\$0.60
CUSTOM CHARGES				
LAND TAXES		\$1.23		\$1.23
OTHER EXPENSES	\$0.43	\$363.24	\$362.70	\$362.55
TOTAL CASH EXPENSES	\$222.28	\$609.86	\$529.45	\$420.97
RETURN OVER CASH EXPENSES	(\$222.28)	\$385.14	(\$529.45)	(\$300.97)
FIXED EXPENSES	\$86.39	\$220.79	\$86.39	\$131.12
TOTAL EXPENSES	\$308.66	\$830.65	\$615.83	\$552.09
NET FARM INCOME	(\$308.66)	\$164.35	(\$615.83)	(\$432.09)
LABOR AND MANAGEMENT COSTS	\$63.57	\$151.43	\$61.37	\$34.19
NET OPERATING PROFIT	(\$372.23)	\$12.92	(\$677.20)	(\$466.27)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$6.77		\$4.39
INTEREST ON EQUIPMENT INVESTMENT		\$85.41		\$18.07
TOTAL CAPITAL COSTS	\$0.00	\$92.18	\$0.00	\$22.45
RETURN TO LAND AND RISK	(\$372.23)	(\$79.26)	(\$677.20)	(\$488.73)

TABLE 11. Whole farm summary, Hondo Valley, Lincoln County,  
Projected 2013.

GROSS RETURNS		
ALFALFA HAY CROP	10.00 ACRES	\$9,800
GRAZING PASTURE	20.00 ACRES	\$150
GRAZING		\$2,400
GROSS RETURN		<u>\$12,350</u>
CASH OPERATING EXPENSES		
SEED		\$385
FERTILIZER		\$1,657
CHEMICALS		\$160
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$319
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,416
FUEL-IRRIGATION		\$295
REPAIRS		\$144
CUSTOM CHARGES		\$0
LAND TAXES		\$37
OTHER EXPENSES		\$11,610
TOTAL CASH EXPENSES		<u>\$16,021</u>
RETURN OVER CASH EXPENSES		(\$3,671)
FIXED EXPENSES		\$3,077
TOTAL EXPENSES		\$19,098
NET FARM INCOME		(\$6,748)
LABOR AND MANAGEMENT COSTS		\$2,448
NET OPERATING PROFIT		(\$9,196)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$155
INTEREST ON EQUIPMENT INVESTMENT		\$1,215
TOTAL CAPITAL COSTS		<u>\$1,371</u>
RETURN TO LAND AND RISK		<u>(\$10,567)</u>

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$11,302)	-18.98%
\$900 /ACRE	(\$11,512)	-16.58%
\$1,100 /ACRE	(\$11,722)	-14.73%
\$1,300 /ACRE	(\$11,932)	-13.24%
\$1,500 /ACRE	(\$12,142)	-12.03%
\$1,700 /ACRE	(\$12,352)	-11.02%
\$1,900 /ACRE	(\$12,562)	-10.17%
\$2,100 /ACRE	(\$12,772)	-9.44%

\* 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)