

BUDGET AREA..... HONDO VALLEY, LINCOLN COUNTY Projected 2010.
FARM SIZE..... 35 ACRES
IRRIGATION TYPE..... FLOOD
NUMBER OF CROPS..... 4

TABLE 1. Acreage Summary, Lincoln County,
Projected 2010.

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 RIGI		2.40

*DOUBLE-CROPPED

TABLE 2. Basic cost information for Lincoln County,
Projected 2010.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.20
General & Irrigators		\$/hour	\$7.25
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.58
Phosphorus (P205)		\$/pound	\$0.51
Seed:			
Alfalfa		\$/pound	\$3.75
Pasture		\$/pound	\$5.00
Natural Gas		\$/MCF	\$5.89
Diesel fuel		\$/gallon	\$2.80
Gasoline		\$/gallon	\$2.50
Electricity		cents/kwhr	9.84
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	7.50%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	7.50%
Expected Inflation Rate		percent	3.00%
Land Taxes		\$175.00 /acre (full value)	\$1.27
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value)	\$21.72 \$20.61
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 2010.

Item			
Electricity (Domestic & Shop)		\$53.10 per month	\$637
Telephone		\$41.30 per month	\$496
Accounting & Legal			\$130
Misc. Supplies & Hand Tools			\$248
Pickup and Auto			
miles	4,862	@ \$0.415 per mile	\$2,018
Insurance			
- general liability (non-employee)			\$171
- fire/theft			\$142
Property Taxes			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$207
Dues, fees, publications			\$106
Farmstead Equipment			\$171
		Total	\$10,334
		Total per planted acre	\$344.48

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2010.
Planting dates: August 15 - October 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$3.75	20 LBS	\$75.00					\$75.00
PHOSPHORUS (P2O5)	\$0.51	50 LBS	\$25.50					\$25.50
CANAL WATER		12 AC. IN.						
SUBTOTAL			\$100.50					\$100.50
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC (2X)	30 HP	2.40 HR		\$17.28	\$22.44	\$4.37	\$31.32	\$75.41
HARROW	30 HP	0.30 HR		\$2.16	\$2.81	\$0.33	\$8.31	\$13.60
FLOAT	30 HP	0.60 HR		\$4.32	\$5.61	\$0.65	\$13.10	\$23.68
FERT. SPREADER	30 HP	0.30 HR		\$2.16	\$2.81	\$0.60	\$10.79	\$16.35
DRILL	30 HP	0.30 HR		\$2.16	\$2.81	\$0.47	\$23.09	\$28.52
IRRIGATE (2X)		1.00 HR		\$7.25				\$7.25
SUBTOTAL		4.90 HR		\$35.33	\$36.47	\$6.42	\$86.60	\$164.82
OVERHEAD EXPENSES								
DOWNTIME		0.98 HR		\$7.02				\$7.02
EMPLOYEE BENEFITS				\$4.24				\$4.24
FARM INSURANCE			\$0.42					\$0.42
SUPERVISION AND MANAGEMENT				\$13.56				\$13.56
SUBTOTAL		0.98 HR	\$0.42	\$24.82				\$25.25
TOTAL OPERATING EXPENSES		5.88 HR	\$100.92	\$60.15	\$36.47	\$6.42	\$86.60	\$290.56

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 2010.
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
<u>PURCHASED INPUTS</u>								
PASTURE SEED	\$5.00	20.00 LBS	\$100.00				\$100.00	
NITROGEN (N)	\$0.58	50 LBS	\$29.00				\$29.00	
PHOSPHORUS (P2O5)	\$0.51	20 LBS	\$10.20				\$10.20	
CANAL WATER		12.00 AC. IN.						
SUBTOTAL			\$139.20				\$139.20	
<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	\$22.44	\$4.37	\$31.32	\$75.41
HARROW	30 HP	0.30 HR		\$2.16	\$2.81	\$0.33	\$8.31	\$13.60
FERT. SPREADER	30 HP	0.30 HR		\$2.16	\$2.81	\$0.60	\$10.79	\$16.35
FLOAT	30 HP	0.60 HR		\$4.32	\$5.61	\$0.65	\$13.10	\$23.68
DRILL	30 HP	0.30 HR		\$2.16	\$2.81	\$0.47	\$23.09	\$28.52
IRRIGATE (3X)		1.00 HR		\$7.25				\$7.25
SUBTOTAL		4.90 HR		\$35.33	\$36.47	\$6.42	\$86.60	\$164.82
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.98 HR		\$7.02				\$7.02
EMPLOYEE BENEFITS				\$4.24				\$4.24
FARM INSURANCE			\$0.42					\$0.42
SUPERVISION AND MANAGEMENT				\$15.11				\$15.11
OTHER EXPENSES			\$344.48					\$344.48
SUBTOTAL		0.98 HR	\$344.91	\$26.37				\$371.28
<u>TOTAL OPERATING EXPENSES</u>		5.88 HR	\$484.11	\$61.70	\$36.47	\$6.42	\$86.60	\$675.29

TABLE 9. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2010.

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)	\$0.58	50 LBS	\$29.00					\$29.00	
PHOSPHORUS (P2O5)	\$0.51	20 LBS	\$10.20					\$10.20	
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10 YEARS		\$12.00				\$12.00	
: Interest				\$67.53				\$67.53	
CANAL WATER		24 AC. IN.		\$26.89				\$26.89	
PUMP WATER*		6 AC. IN.							
SUBTOTAL			\$39.20	\$106.42				\$145.62	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
FERT. SPREADER	30 HP	0.30 HR		\$2.18	\$2.81	\$0.60	\$10.79		\$16.37
DITCH MAINTENANCE		0.25 HR		\$1.81					\$1.81
IRRIGATE (5X)		2.50 HR		\$18.13	\$8.66	\$0.00	\$23.26		\$50.04
SUBTOTAL		3.05 HR		\$22.11	\$11.46	\$0.60	\$34.05		\$68.22
OVERHEAD EXPENSES									
DOWNTIME		0.14 HR		\$0.99					\$0.99
EMPLOYEE BENEFITS				\$2.65					\$2.65
FARM INSURANCE			\$0.27						\$0.27
LAND TAXES							\$1.27		\$1.27
SUPERVISION AND MANAGEMENT				\$7.58					\$7.58
OTHER EXPENSES			\$344.48						\$344.48
SUBTOTAL		0.14 HR	\$344.75	\$11.22			\$1.27		\$357.23
TOTAL OPERATING EXPENSES		3.19 HR	\$383.95	\$33.33	\$11.46	\$0.60	\$141.74		\$571.08
NET OPERATING PROFIT									(\$451.08)
INTEREST ON OPERATING CAPITAL		(\$213.85 @	7.50%)					\$6.74
INTEREST ON EQUIPMENT INVESTMENT									\$27.10
RETURN TO LAND AND RISK									(\$484.92)

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

BUDGET SUMMARY

GROSS RETURN		\$120.00	
VARIABLE OPERATING EXPENSES	\$402.75		
RETURN OVER VARIABLE EXPENSES		(\$282.75)	(GROSS MARGINS)
FIXED EXPENSES	\$141.74		
NET FARM INCOME		(\$424.49)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$33.33		
NET OPERATING PROFIT		(\$457.82)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$27.10		
RETURN TO LAND AND RISK		(\$484.92)	

TABLE 10. Summary of per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County, Projected 2010.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE
		TONS		AUMS
PRIMARY YIELD		4.00		10.00
PRIMARY PRICE		\$140.00		\$12.00
GOVERNMENT PAYMENTS		\$0.00		\$0.00
SECOND INCOME		\$15.00		\$0.00
GROSS RETURN		\$575.00		\$120.00
CASH OPERATING EXPENSES				
SEED	\$75.00		\$100.00	
FERTILIZER	\$25.50	\$57.50	\$39.20	\$39.20
CHEMICALS		\$16.00		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$21.35		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$36.47	\$72.93	\$36.47	\$2.81
FUEL-IRRIGATION		\$8.66		\$8.66
REPAIRS	\$6.42	\$10.66	\$6.42	\$0.60
CUSTOM CHARGES				
LAND TAXES		\$1.27		\$1.27
OTHER EXPENSES	\$0.42	\$345.44	\$344.91	\$344.75
TOTAL CASH EXPENSES	\$143.81	\$533.80	\$526.99	\$397.27
RETURN OVER CASH EXPENSES	(\$143.81)	\$41.20	(\$526.99)	(\$277.27)
FIXED EXPENSES	\$86.60	\$205.60	\$86.60	\$140.47
TOTAL EXPENSES	\$230.41	\$739.41	\$613.59	\$537.75
NET FARM INCOME	(\$230.41)	(\$164.41)	(\$613.59)	(\$417.75)
LABOR AND MANAGEMENT COSTS	\$60.15	\$133.79	\$61.70	\$33.33
NET OPERATING PROFIT	(\$290.56)	(\$298.20)	(\$675.29)	(\$451.08)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$8.59		\$6.74
INTEREST ON EQUIPMENT INVESTMENT		\$128.11		\$27.10
TOTAL CAPITAL COSTS	\$0.00	\$136.70	\$0.00	\$33.84
RETURN TO LAND AND RISK	(\$290.56)	(\$434.90)	(\$675.29)	(\$484.92)

TABLE 11. Whole farm summary, Hondo Valley, Lincoln County,
Projected 2010.

GROSS RETURNS		
ALFALFA HAY	10.00 ACRES	
CROP		\$5,600
GRAZING		\$150
PASTURE	20.00 ACRES	
GRAZING		\$2,400
GROSS RETURN		\$8,150
CASH OPERATING EXPENSES		
SEED		\$350
FERTILIZER		\$1,488
CHEMICALS		\$160
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$214
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$931
FUEL-IRRIGATION		\$260
REPAIRS		\$144
CUSTOM CHARGES		\$0
LAND TAXES		\$38
OTHER EXPENSES		\$11,040
TOTAL CASH EXPENSES		\$14,625
RETURN OVER CASH EXPENSES		(\$6,475)
FIXED EXPENSES		\$3,280
TOTAL EXPENSES		\$17,905
NET FARM INCOME		(\$9,755)
LABOR AND MANAGEMENT COSTS		\$2,248
NET OPERATING PROFIT		(\$12,004)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$221
INTEREST ON EQUIPMENT INVESTMENT		\$1,823
TOTAL CAPITAL COSTS		\$2,044
RETURN TO LAND AND RISK		(\$14,047)

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$14,782)	-25.01%
\$900 /ACRE	(\$14,992)	-21.83%
\$1,100 /ACRE	(\$15,202)	-19.36%
\$1,300 /ACRE	(\$15,412)	-17.40%
\$1,500 /ACRE	(\$15,622)	-15.80%
\$1,700 /ACRE	(\$15,832)	-14.46%
\$1,900 /ACRE	(\$16,042)	-13.34%
\$2,100 /ACRE	(\$16,252)	-12.38%

* 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)