

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2015  
Planting dates: September 1 - November 1

| ITEM                            | PRICE         | QUANTITY               | PURCHASED<br>INPUTS |         |                |         |               | TOTAL    |
|---------------------------------|---------------|------------------------|---------------------|---------|----------------|---------|---------------|----------|
| <b>PURCHASED INPUTS</b>         |               |                        |                     |         |                |         |               |          |
| ALFALFA SEED                    | \$6.00        | 30 LBS                 | \$180.00            |         |                |         |               | \$180.00 |
| PUMP WATER*                     |               | 8 AC. IN.              |                     |         |                |         |               |          |
| SUBTOTAL                        |               |                        | \$180.00            |         |                |         |               | \$180.00 |
| <b>PREHARVEST OPERATIONS</b>    |               |                        |                     |         |                |         |               |          |
|                                 | POWER<br>UNIT | ACCOMPLISHMENT<br>RATE | PURCHASED<br>INPUTS | LABOR   | FUEL &<br>LUBE | REPAIRS | FIXED<br>COST | TOTAL    |
| DISC                            | 50 HP         | 0.39 HR                |                     | \$3.12  | \$3.65         | \$0.42  | \$3.17        | \$10.36  |
| PLOW                            | 50 HP         | 1.05 HR                |                     | \$8.40  | \$9.82         | \$1.46  | \$17.31       | \$36.98  |
| DISC (2X)                       | 50 HP         | 0.78 HR                |                     | \$6.24  | \$7.29         | \$1.52  | \$12.48       | \$27.53  |
| FLOAT (2X)                      | 50 HP         | 0.64 HR                |                     | \$5.12  | \$5.98         | \$0.70  | \$8.18        | \$19.98  |
| DRILL                           | 50 HP         | 0.21 HR                |                     | \$1.68  | \$1.96         | \$0.45  | \$34.51       | \$38.60  |
| IRRIGATE (4X)                   |               | 2.00 HR                |                     | \$15.00 | \$14.21        | \$0.00  | \$6.52        | \$35.74  |
| SUBTOTAL                        |               | 5.07 HR                |                     | \$39.56 | \$42.92        | \$4.54  | \$82.17       | \$169.19 |
| <b>OVERHEAD EXPENSES</b>        |               |                        |                     |         |                |         |               |          |
| DOWNTIME                        |               | 0.77 HR                |                     | \$6.14  |                |         |               | \$6.14   |
| EMPLOYEE BENEFITS               |               |                        |                     | \$4.75  |                |         |               | \$4.75   |
| FARM INSURANCE                  |               |                        | \$0.47              |         |                |         |               | \$0.47   |
| SUPERVISION AND MANAGEMENT      |               |                        |                     | \$17.50 |                |         |               | \$17.50  |
| SUBTOTAL                        |               | 0.77 HR                | \$0.47              | \$28.39 |                |         |               | \$28.86  |
| <b>TOTAL OPERATING EXPENSES</b> |               | 5.84 HR                | \$180.47            | \$67.95 | \$42.92        | \$4.54  | \$82.17       | \$378.06 |

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2015  
Harvesting dates: May 10 - October 15

| ITEM          | PRICE    | YIELD               | TOTAL      |
|---------------|----------|---------------------|------------|
| GROSS RETURNS |          |                     |            |
| ALFALFA HAY   | \$245.00 | 6.00 TONS (STACKED) | \$1,470.00 |
| TOTAL         |          |                     | \$1,470.00 |

| PURCHASED INPUTS         | PRICE   | QUANTITY   | PURCHASED INPUTS | FIXED COST | TOTAL    |
|--------------------------|---------|------------|------------------|------------|----------|
| FERT. (ALFALFA MIX)      | \$0.16  | 250 LBS    | \$40.00          |            | \$40.00  |
| INSECTICIDE              | \$23.97 | 1 ACRE     | \$23.97          |            | \$23.97  |
| WIRE                     | \$0.36  | 56 LBS     | \$20.16          |            | \$20.16  |
| ESTABLISHMENT: Principal |         | 10 YEARS   |                  | \$37.81    | \$37.81  |
| : Interest               |         |            |                  | \$9.67     | \$9.67   |
| PUMP WATER*              |         | 45 AC. IN. |                  |            |          |
| SUBTOTAL                 |         |            | \$84.13          | \$47.47    | \$131.61 |

| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
|-----------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| IRRIGATE (11X)        |            | 5.50 HR             |                  | \$41.25 | \$79.95     | \$0.00  | \$36.70    | \$157.90 |
| SUBTOTAL              |            | 5.50 HR             |                  | \$41.25 | \$79.95     | \$0.00  | \$36.70    | \$157.90 |

| HARVEST OPERATIONS  | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
|---------------------|------------|---------------------|------------------|---------|-------------|---------|------------|----------|
| SWATHER (5X)        | 14 FT      | 0.80 HR             |                  | \$6.40  | \$0.00      | \$0.22  | \$17.72    | \$24.35  |
| BALER, PTO (5X)     | 50 HP      | 1.05 HR             |                  | \$8.40  | \$9.82      | \$1.29  | \$18.17    | \$37.68  |
| BALEWAGON, PTO (5X) | 50 HP      | 1.00 HR             |                  | \$8.00  | \$9.35      | \$2.36  | \$28.27    | \$47.98  |
| SUBTOTAL            |            | 2.85 HR             |                  | \$22.80 | \$19.17     | \$3.88  | \$64.16    | \$110.01 |

| OVERHEAD EXPENSES          | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR    | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL    |
|----------------------------|---------------------|------------------|----------|-------------|---------|------------|----------|
| DOWNTIME                   | 0.71 HR             |                  | \$5.70   |             |         |            | \$5.70   |
| EMPLOYEE BENEFITS          |                     |                  | \$7.69   |             |         |            | \$7.69   |
| FARM INSURANCE             |                     |                  | \$0.77   |             |         |            | \$0.77   |
| LAND TAXES                 |                     |                  |          |             |         | \$2.66     | \$2.66   |
| SUPERVISION AND MANAGEMENT |                     |                  | \$65.73  |             |         |            | \$65.73  |
| OTHER EXPENSES             |                     |                  | \$294.53 |             |         |            | \$294.53 |
| SUBTOTAL                   | 0.71 HR             |                  | \$295.30 | \$79.11     |         | \$2.66     | \$377.07 |

|                          |         |  |          |          |         |        |          |          |
|--------------------------|---------|--|----------|----------|---------|--------|----------|----------|
| TOTAL OPERATING EXPENSES | 9.06 HR |  | \$379.43 | \$143.16 | \$99.12 | \$3.88 | \$150.99 | \$776.58 |
|--------------------------|---------|--|----------|----------|---------|--------|----------|----------|

|                      |  |  |  |  |  |  |  |          |
|----------------------|--|--|--|--|--|--|--|----------|
| NET OPERATING PROFIT |  |  |  |  |  |  |  | \$693.42 |
|----------------------|--|--|--|--|--|--|--|----------|

|                                  |   |         |   |       |   |  |  |         |
|----------------------------------|---|---------|---|-------|---|--|--|---------|
| INTEREST ON OPERATING CAPITAL    | ( | \$63.97 | @ | 5.50% | ) |  |  | \$3.52  |
| INTEREST ON EQUIPMENT INVESTMENT |   |         |   |       |   |  |  | \$51.61 |

|                         |  |  |  |  |  |  |  |          |
|-------------------------|--|--|--|--|--|--|--|----------|
| RETURN TO LAND AND RISK |  |  |  |  |  |  |  | \$638.29 |
|-------------------------|--|--|--|--|--|--|--|----------|

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

BUDGET SUMMARY

|                               |          |            |  |
|-------------------------------|----------|------------|--|
| GROSS RETURN                  |          | \$1,470.00 |  |
| VARIABLE OPERATING EXPENSES   | \$485.94 |            |  |
| RETURN OVER VARIABLE EXPENSES |          | \$984.06   | (GROSS MARGINS)                          |
| FIXED EXPENSES                | \$150.99 |            |  |
| NET FARM INCOME               |          | \$833.06   | (RETURNS TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$143.16 |            |  |
| NET OPERATING PROFIT          |          | \$689.90   | (RETURNS TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$51.61  |            |  |
| RETURN TO LAND AND RISK       |          | \$638.29   |  |

TABLE 8. Oats for hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2015  
 Planting dates: September 1 - November 1  
 Harvesting dates: April 15 - May 15

| ITEM  | PRICE      | YIELD               |                  |         |             |         |            |            | TOTAL    |
|---|------------|---------------------|------------------|---------|-------------|---------|------------|------------|----------|
| <b>GROSS RETURNS</b>                              |            |                     |                  |         |             |         |            |            |          |
| OATS FOR HAY                                      | \$195.00   | 3.00 TONS (STACKED) |                  |         |             |         |            |            | \$585.00 |
| <b>TOTAL</b>                                      |            |                     |                  |         |             |         |            |            | \$585.00 |
| <hr/>   |            |                     |                  |         |             |         |            |            |          |
| PURCHASED INPUTS                                  | PRICE      | QUANTITY            | PURCHASED INPUTS |         |             |         |            | FIXED COST | TOTAL    |
| OAT SEED  | \$0.64     | 100 LBS             | \$64.00          |         |             |         |            |            | \$64.00  |
| NITROGEN (N)                                      | \$0.45     | 100 LBS             | \$45.00          |         |             |         |            |            | \$45.00  |
| PUMP WATER*                                       |            | 18 AC. IN.          |                  |         |             |         |            |            |          |
| <b>SUBTOTAL</b>                                   |            |                     |                  |         |             |         |            |            | \$109.00 |
| <hr/>   |            |                     |                  |         |             |         |            |            |          |
| PREHARVEST OPERATIONS                             | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR   | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL      |          |
| DISC  | 50 HP      | 0.39 HR             |                  | \$3.12  | \$3.65      | \$0.76  | \$6.24     | \$13.76    |          |
| PLOW  | 50 HP      | 1.05 HR             |                  | \$8.40  | \$9.82      | \$1.46  | \$17.31    | \$36.98    |          |
| DISC (2X)   | 50 HP      | 0.78 HR             |                  | \$6.24  | \$7.29      | \$1.52  | \$12.48    | \$27.53    |          |
| FLOAT (2X)  | 50 HP      | 0.64 HR             |                  | \$5.12  | \$5.98      | \$0.70  | \$8.18     | \$19.98    |          |
| DRILL   | 50 HP      | 0.21 HR             |                  | \$1.68  | \$1.96      | \$0.45  | \$34.51    | \$38.60    |          |
| IRRIGATE (4X)                                     |            | 2.00 HR             |                  | \$15.00 | \$31.98     | \$0.00  | \$14.68    | \$61.66    |          |
| <b>SUBTOTAL</b>                                   |            |                     |                  |         |             |         |            |            | \$198.52 |
| <hr/>   |            |                     |                  |         |             |         |            |            |          |
| <b>HARVEST OPERATIONS</b>                         |            |                     |                  |         |             |         |            |            |          |
| SWATHER   | 14 FT      | 0.16 HR             |                  | \$1.28  | \$0.00      | \$0.04  | \$3.54     | \$4.87     |          |
| BALER, PTO  | 50 HP      | 0.21 HR             |                  | \$1.68  | \$1.96      | \$0.26  | \$3.63     | \$7.54     |          |
| BALE WAGON  | 50 HP      | 0.20 HR             |                  | \$1.60  | \$1.87      | \$0.47  | \$5.65     | \$9.60     |          |
| <b>SUBTOTAL</b>                                   |            |                     |                  |         |             |         |            |            | \$22.00  |
| <hr/>   |            |                     |                  |         |             |         |            |            |          |
| <b>OVERHEAD EXPENSES</b>                          |            |                     |                  |         |             |         |            |            |          |
| DOWNTIME  |            | 0.91 HR             |                  | \$7.28  |             |         |            | \$7.28     |          |
| EMPLOYEE BENEFITS                                 |            |                     |                  | \$5.29  |             |         |            | \$5.29     |          |
| FARM INSURANCE                                    |            |                     | \$0.53           |         |             |         |            | \$0.53     |          |
| LAND TAXES  |            |                     |                  |         |             |         | \$1.33     | \$1.33     |          |
| SUPERVISION AND MANAGEMENT                        |            |                     |                  | \$27.22 |             |         |            | \$27.22    |          |
| OTHER EXPENSES                                    |            |                     | \$147.26         |         |             |         |            | \$147.26   |          |
| <b>SUBTOTAL</b>                                   |            |                     |                  |         |             |         |            |            | \$188.92 |
| <hr/>   |            |                     |                  |         |             |         |            |            |          |
| <b>TOTAL OPERATING EXPENSES</b>                   |            | 6.55 HR             | \$256.79         | \$83.91 | \$64.52     | \$5.66  | \$107.55   | \$518.43   |          |
| <b>NET OPERATING PROFIT</b>                       |            |                     |                  |         |             |         |            |            | \$66.57  |
| INTEREST ON OPERATING CAPITAL ( \$71.28 @ 5.50% ) |            |                     |                  |         |             |         |            |            | \$3.92   |
| INTEREST ON EQUIPMENT INVESTMENT                  |            |                     |                  |         |             |         |            |            | \$40.03  |
| <b>RETURN TO LAND AND RISK</b>                    |            |                     |                  |         |             |         |            |            | \$22.61  |

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

**BUDGET SUMMARY**

|                               |          |          |  |
|-------------------------------|----------|----------|--|
| GROSS RETURN                  |          | \$585.00 |  |
| VARIABLE OPERATING EXPENSES   | \$330.89 |          |  |
| RETURN OVER VARIABLE EXPENSES | \$254.11 |          | (GROSS MARGINS)                          |
| FIXED EXPENSES                | \$107.55 |          |  |
| NET FARM INCOME               |          | \$146.56 | (RETURNS TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$83.91  |          |  |
| NET OPERATING PROFIT          |          | \$62.65  | (RETURNS TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$40.03  |          |  |
| RETURN TO LAND AND RISK       |          | \$22.61  |  |

TABLE 9. Sorghum-sudan hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2015  
 Planting dates: May 1 - June 1  
 Harvesting dates: June 1 - August 1

| ITEM                             | PRICE      | YIELD               |                  |                |                |               |                   | TOTAL           |
|----------------------------------|------------|---------------------|------------------|----------------|----------------|---------------|-------------------|-----------------|
| <b>GROSS RETURNS</b>             |            |                     |                  |                |                |               |                   |                 |
| SORGHUM/SUDAN HAY                | \$215.00   | 5.00 TONS (STACKED) |                  |                |                |               |                   | \$1,075.00      |
| <b>TOTAL</b>                     |            |                     |                  |                |                |               | <b>\$1,075.00</b> |                 |
| <b>PURCHASED INPUTS</b>          |            |                     |                  |                |                |               |                   |                 |
|                                  | PRICE      | QUANTITY            | PURCHASED INPUTS |                |                |               | FIXED COST        | TOTAL           |
| SEED                             | \$1.04     | 50 LBS              | \$52.00          |                |                |               |                   | \$52.00         |
| NITROGEN (N)                     | \$0.45     | 100 LBS             | \$45.00          |                |                |               |                   | \$45.00         |
| PUMP WATER*                      |            | 16 AC. IN.          |                  |                |                |               |                   |                 |
| <b>SUBTOTAL</b>                  |            |                     | <b>\$97.00</b>   |                |                |               |                   | <b>\$97.00</b>  |
| <b>PREHARVEST OPERATIONS</b>     |            |                     |                  |                |                |               |                   |                 |
|                                  | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR          | FUEL & LUBE    | REPAIRS       | FIXED COST        | TOTAL           |
| DISC                             | 50 HP      | 0.39 HR             |                  | \$3.12         | \$3.65         | \$0.76        | \$6.24            | \$13.76         |
| FLOAT (2X)                       | 50 HP      | 0.64 HR             |                  | \$5.12         | \$5.98         | \$0.70        | \$8.18            | \$19.98         |
| DRILL                            | 50 HP      | 0.21 HR             |                  | \$1.68         | \$1.96         | \$0.45        | \$34.51           | \$38.60         |
| IRRIGATE (4X)                    |            | 2.00 HR             |                  | \$15.00        | \$28.43        | \$0.00        | \$13.05           | \$56.48         |
| <b>SUBTOTAL</b>                  |            | <b>3.24 HR</b>      |                  | <b>\$24.92</b> | <b>\$40.02</b> | <b>\$1.91</b> | <b>\$61.97</b>    | <b>\$128.82</b> |
| <b>HARVEST OPERATIONS</b>        |            |                     |                  |                |                |               |                   |                 |
| SWATHER (2X)                     | 14 FT      | 0.32 HR             |                  | \$2.56         | \$0.00         | \$0.09        | \$7.09            | \$9.74          |
| BALER, PTO (2X)                  | 50 HP      | 0.42 HR             |                  | \$3.36         | \$3.93         | \$0.52        | \$7.27            | \$15.07         |
| BALE WAGON (2X)                  | 50 HP      | 0.40 HR             |                  | \$3.20         | \$3.74         | \$0.94        | \$11.31           | \$19.19         |
| <b>SUBTOTAL</b>                  |            | <b>1.14 HR</b>      |                  | <b>\$9.12</b>  | <b>\$7.67</b>  | <b>\$1.55</b> | <b>\$25.67</b>    | <b>\$44.00</b>  |
| <b>OVERHEAD EXPENSES</b>         |            |                     |                  |                |                |               |                   |                 |
| DOWNTIME                         |            | 0.60 HR             |                  | \$4.76         |                |               |                   | \$4.76          |
| EMPLOYEE BENEFITS                |            |                     |                  | \$4.08         |                |               |                   | \$4.08          |
| FARM INSURANCE                   |            |                     | \$0.41           |                |                |               |                   | \$0.41          |
| LAND TAXES                       |            |                     |                  |                |                |               | \$1.33            | \$1.33          |
| SUPERVISION AND MANAGEMENT       |            |                     |                  | \$46.19        |                |               |                   | \$46.19         |
| OTHER EXPENSES                   |            |                     | \$147.26         |                |                |               |                   | \$147.26        |
| <b>SUBTOTAL</b>                  |            | <b>0.60 HR</b>      | <b>\$147.67</b>  | <b>\$55.03</b> |                |               | <b>\$1.33</b>     | <b>\$204.04</b> |
| <b>TOTAL OPERATING EXPENSES</b>  |            | <b>4.98 HR</b>      | <b>\$244.67</b>  | <b>\$89.07</b> | <b>\$47.69</b> | <b>\$3.46</b> | <b>\$88.97</b>    | <b>\$473.86</b> |
| <b>NET OPERATING PROFIT</b>      |            |                     |                  |                |                |               | <b>\$601.14</b>   |                 |
| INTEREST ON OPERATING CAPITAL    |            | (                   | \$59.75          | @              | 5.50%          | )             | \$3.29            |                 |
| INTEREST ON EQUIPMENT INVESTMENT |            |                     |                  |                |                |               | \$35.84           |                 |
| <b>RETURN TO LAND AND RISK</b>   |            |                     |                  |                |                |               | <b>\$562.02</b>   |                 |

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

**BUDGET SUMMARY**

|                               |          |            |  |
|-------------------------------|----------|------------|--|
| GROSS RETURN                  |          | \$1,075.00 |  |
| VARIABLE OPERATING EXPENSES   | \$299.10 |            |  |
| RETURN OVER VARIABLE EXPENSES |          | \$775.90   | (GROSS MARGINS)                          |
| FIXED EXPENSES                | \$88.97  |            |  |
| NET FARM INCOME               |          | \$686.93   | (RETURNS TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST     | \$89.07  |            |  |
| NET OPERATING PROFIT          |          | \$597.86   | (RETURNS TO CAPITAL, LAND & RISK)        |
| CAPITAL COSTS                 | \$35.84  |            |  |
| RETURN TO LAND AND RISK       |          | \$562.02   |  |

TABLE 10. Summary of per acre costs and returns, 50-acre part-time farm, Tularosa Basin, Otero County,  
Projected 2015

|                                  | ALFALFA<br>ESTABLISHMENT | ALFALFA<br>HAY | OATS FOR<br>HAY | SORGHUM<br>SUDAY HAY |
|----------------------------------|--------------------------|----------------|-----------------|----------------------|
|                                  |                          | TONS           | TONS            | TONS                 |
| PRIMARY YIELD                    |                          | 6.00           | 3.00            | 5.00                 |
| PRIMARY PRICE                    |                          | \$245.00       | \$195.00        | \$215.00             |
| GOVERNMENT PAYMENTS              |                          | \$0.00         | \$0.00          | \$0.00               |
| SECOND INCOME                    |                          | \$0.00         | \$0.00          | \$0.00               |
| GROSS RETURN                     |                          | \$1,470.00     | \$585.00        | \$1,075.00           |
| CASH OPERATING EXPENSES          |                          |                |                 |                      |
| SEED                             | \$180.00                 |                | \$64.00         | \$52.00              |
| FERTILIZER                       |                          | \$40.00        | \$45.00         | \$45.00              |
| CHEMICALS                        |                          | \$23.97        |                 |                      |
| CROP INSURANCE                   |                          |                |                 |                      |
| OTHER PURCHASED INPUTS           |                          | \$20.16        |                 |                      |
| CANAL WATER                      |                          |                |                 |                      |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$28.70                  | \$19.17        | \$32.54         | \$19.26              |
| FUEL-IRRIGATION                  | \$14.21                  | \$79.95        | \$31.98         | \$28.43              |
| REPAIRS                          | \$4.54                   | \$3.88         | \$5.66          | \$3.46               |
| CUSTOM CHARGES                   |                          |                |                 |                      |
| LAND TAXES                       |                          | \$2.66         | \$1.33          | \$1.33               |
| OTHER EXPENSES                   | \$0.47                   | \$295.30       | \$147.79        | \$147.67             |
| TOTAL CASH EXPENSES              | \$227.94                 | \$485.08       | \$328.30        | \$297.14             |
| RETURN OVER CASH EXPENSES        | (\$227.94)               | \$984.92       | \$256.70        | \$777.86             |
| FIXED EXPENSES                   | \$82.17                  | \$148.34       | \$106.22        | \$87.64              |
| TOTAL EXPENSES                   | \$310.11                 | \$633.42       | \$434.52        | \$384.78             |
| NET FARM INCOME                  | (\$310.11)               | \$836.58       | \$150.48        | \$690.22             |
| LABOR AND MANAGEMENT COSTS       | \$67.95                  | \$143.16       | \$83.91         | \$89.07              |
| NET OPERATING PROFIT             | (\$378.06)               | \$693.42       | \$66.57         | \$601.14             |
| CAPITAL COSTS                    |                          |                |                 |                      |
| INTEREST ON OPERATING CAPITAL    |                          | \$3.52         | \$3.92          | \$3.29               |
| INTEREST ON EQUIPMENT INVESTMENT |                          | \$51.61        | \$40.03         | \$35.84              |
| TOTAL CAPITAL COSTS              | \$0.00                   | \$55.13        | \$43.95         | \$39.13              |
| RETURN TO LAND AND RISK          | (\$378.06)               | \$638.29       | \$22.61         | \$562.02             |

TABLE 11. Whole farm summary, Tularosa Basin, Otero County,  
Projected 2015

|                                  |             |                 |
|----------------------------------|-------------|-----------------|
| GROSS RETURNS                    |             |                 |
| ALFALFA HAY CROP                 | 40.00 ACRES | \$58,800        |
| OATS FOR HAY CROP                | 5.00 ACRES  | \$2,925         |
| SORGHUM/SUDAN CROP               | 5.00 ACRES  | \$5,375         |
| GROSS RETURN                     |             | <u>\$67,100</u> |
| CASH OPERATING EXPENSES          |             |                 |
| SEED                             |             | \$1,300         |
| FERTILIZER                       |             | \$2,050         |
| CHEMICALS                        |             | \$959           |
| CROP INSURANCE                   |             | \$0             |
| OTHER PURCHASED INPUTS           |             | \$806           |
| CANAL WATER                      |             | \$0             |
| FUEL, OIL & LUBRICANTS-EQUIPMENT |             | \$1,141         |
| FUEL-IRRIGATION                  |             | \$3,557         |
| REPAIRS                          |             | \$219           |
| CUSTOM CHARGES                   |             | \$0             |
| LAND TAXES                       |             | \$120           |
| OTHER EXPENSES                   |             | \$13,291        |
| TOTAL CASH EXPENSES              |             | <u>\$23,442</u> |
| RETURN OVER CASH EXPENSES        |             | \$43,658        |
| FIXED EXPENSES                   |             | \$5,281         |
| TOTAL EXPENSES                   |             | \$28,723        |
| NET FARM INCOME                  |             | \$38,377        |
| LABOR AND MANAGEMENT COSTS       |             | \$6,863         |
| NET OPERATING PROFIT             |             | \$31,514        |
| CAPITAL COSTS                    |             |                 |
| INTEREST ON OPERATING CAPITAL    |             | \$177           |
| INTEREST ON EQUIPMENT INVESTMENT |             | \$2,444         |
| TOTAL CAPITAL COSTS              |             | <u>\$2,621</u>  |
| RETURN TO LAND AND RISK          |             | <u>\$28,893</u> |

| LAND VALUE    | RETURNS TO RISK* | RETURN ON INVESTMENT** |
|---------------|------------------|------------------------|
| \$700 /ACRE   | \$27,843         | 45.78%                 |
| \$900 /ACRE   | \$27,543         | 39.98%                 |
| \$1,100 /ACRE | \$27,243         | 35.48%                 |
| \$1,300 /ACRE | \$26,943         | 31.89%                 |
| \$1,500 /ACRE | \$26,643         | 28.96%                 |
| \$1,700 /ACRE | \$26,343         | 26.52%                 |
| \$1,900 /ACRE | \$26,043         | 24.46%                 |
| \$2,100 /ACRE | \$25,743         | 22.70%                 |

\* 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)