

TABLE 1. Acreage Summary, Otero County,  
Projected 2012.

BUDGET AREA.....	TULAROSA BASIN, OTERO COUNTY		
FARM SIZE.....	50 ACRES		
IRRIGATION TYPE.....	SPRINKLER		
NUMBER OF CROPS....	3		
	WATER USE		
<b>ACREAGE SUMMARY:</b>	<b>LAND USE (ACRES)</b>	<b>AC.IN. PER AC.</b>	<b>TOTAL AC.IN.</b>
ALFALFA ESTABLISHMENT	4.00 *	8	32
ALFALFA HAY	40.00	45	1,800
OAT HAY	5.00	18	90
SORGHUM/SUDAN	5.00 *	16	80
ROADS, DITCHES, HOMESTEAD	5.00		
	<b>TOTAL</b>		<b>2,002</b>
	<b>ACRE FEET PER ACRE OF WATER RIGHTS</b>		<b>3.34</b>

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for Tularosa Basin, Otero County,  
Projected 2012.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$7.50
General & Irrigators	\$/hour	\$7.50
<b>Purchased Inputs:</b>		
<b>Fertilizer:</b>		
Nitrogen (N)	\$/pound	\$0.89
<b>Seed:</b>		
Alfalfa	\$/pound	\$6.50
Oats for Hay	\$/pound	\$0.46
<b>Natural Gas (Gas NM) (service charge)</b>		
	\$/MCF	\$4.01
	\$/month	\$10.00
Diesel fuel	\$/gallon	\$3.00
Gasoline	\$/gallon	\$3.80
Electricity (Otero Coop)	cents/KwHr	7.34
Employee Liability Insurance	\$/ \$1,000 wages	\$12.00
Employee Benefits	percent/wages	12.00%
Labor Downtime	percent	25.00%
<b>Financial Rates:</b>		
Operating Capital Interest Rate	percent	7.00%
Land Interest Rate	percent	6.00%
Equipment Interest Rate	percent	7.00%
Expected Inflation Rate	percent	3.00%
Land Taxes	\$300.00 /acre (full value)	\$2.67
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$26.73 \$21.49
<b>Supervision Factors</b>		
Field Crop-Irrigation	\$/acre	\$1.00
Field Crop-Equipment & General	\$/acre	\$0.50
Management Rate	percent	4.00%

TABLE 3. Overhead cost information for Tularosa Basin, Otero County,  
Projected 2012.

Item			
Electricity (Domestic & Shop)			\$78.65 per month \$944
Telephone			\$84.70 per month \$1,016
Accounting & Legal			\$182
Misc. Supplies & Hand Tools			\$629
Pickup and Auto			
miles	6,232	@	\$0.500 per mile \$3,116
<b>Insurance</b>			
- general liability (non-employee)			\$290
- fire/theft			\$194
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$290
Dues, fees, publications			\$157
Farmstead Equipment			\$194
		<b>Total</b>	<b>\$13,022</b>
<b>Total per planted acre</b>			<b>\$289.38</b>

TABLE 4. Pumping costs and data for irrigation wells, Tularosa Basin, Otero County, Proposed 2012

INPUT DATA	
DELIVERY PIP: SPRINKLER	40
DEPTH CHARACTERISTICS	
STATUS	145
DRAW DOWN	35
TOTAL HEAD	180
CASING	275
GALLONS PER MINUTE (GPM)	300
WORK HORSEPOWER	21
EFFICIENCY FACTOR	
ELECTRICITY	0.290
NATURAL GAS	0.151
LP GAS	0.151
DIESEL	0.180
FUEL COST PER HOUR	
ELECTRICITY	7.34 CENTS/KWH
NATURAL GAS	14.41 \$/GAL
LP GAS	8.62 \$/GAL
DIESEL	13.00 \$/GAL
PUMPING COSTS	
ELECTRICAL WELL	
COST PER HOUR	\$3.93
COST PER ACRE INCH	\$5.93
NATURAL GAS WELL	
COST PER HOUR	\$1.56
COST PER ACRE INCH	\$2.35
BUTANE WELL	
COST PER HOUR	\$2.38
COST PER ACRE INCH	\$3.59
DIESEL WELL	
COST PER HOUR	\$6.20
COST PER ACRE INCH	\$9.30

TABLE 5. Equipment summary for a 50 acre work-time farm, Tularosa Basin, Otero County, Proposed 2012

EQUIPMENT	ITEM #	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS			TOTAL PER HR
					FUEL OIL LBS/GAL	REPAIR PER HR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL	
TRACTOR	50 HP	122	1	\$6,011	\$1.74	\$132	\$14.21	\$1.28	\$699	\$80	\$8.02	
BALEWAGON PTO		43	1	\$1,000		\$55		\$1.28	\$600	\$71	\$20.26	
BALER PTO	2 WIRE	45	1	\$1,000		\$7		\$0.35	\$385	\$34	\$9.20	
FLOW	2 BTM	4	1	\$200		\$1		\$0.31	\$31	\$2	\$6.47	
FLDAT	8 FT	9	1	\$400		\$0		\$0.01	\$40	\$3	\$4.76	
DISC	12 FT	12	1	\$700		\$11		\$0.97	\$97	\$6	\$7.68	
SPRINKLER	3,020			\$2,000		\$0		\$0.00	\$333	\$22	\$5.12	
DRILL	12 FT	1	1	\$2,000		\$3		\$1.08	\$440	\$20	\$16.23	
SWATHER	14 FT	34	1	\$2,100		\$0		\$0.28	\$700	\$62	\$22.10	
NATURAL GAS WELL	3,020			\$13,025		\$4,700	\$0	\$1.56	\$1,042	\$116	\$9.42	
				531,186	\$6,442	\$219			\$4,766	\$417		

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL LBS/HR	LIBSE CODE	ACCLM HOURS	INTEREST EXPENSE
TRACTOR	17975.00	9611.00	20.00	1.00	800.00	3.40	0.10	1626.70	15.00
BALEWAGON PTO	16000.00	1800.00	20.00	5.00	800.00			258.00	6.00
BALEWAGON PTO	1000.00	1000.00	20.00	2.00	500.00			872.70	16.00
BALEWAGON PTO	1000.00	1000.00	20.00	2.00	500.00			258.00	6.00
FLOW	200.00	250.00	15.00	3.00	300.00			67.20	16.00
FLDAT	400.00	400.00	15.00	4.00	300.00			134.40	15.00
DISC	1400.00	700.00	15.00	3.00	300.00			199.08	16.00
SPRINKLER	5000.00	2000.00	15.00	0.00	8740.00			43036.26	15.00
DRILL	4400.00	2000.00	10.00	8.00	100.00			38.22	13.00
SWATHER	14000.00	2100.00	20.00	2.00	800.00			447.20	13.00
NATURAL GAS WELL	20600.00	13025.00	25.00	0.00	8742.00			43036.26	15.00

USAGE LIST

ALFALFA EST	ALFALFA HAY	OATS FOR HAY	SORGHAM HAY	FOR HAY	SUDAN HAY	PER ACRE TOTALS
3.07	2.05	3.48	2.08	10.66		
0.00	1.00	0.20	0.4	1.60		
0.00	1.00	0.21	0.42	1.68		
1.06	0.00	0.00	0.00	1.06		
0.44	0.00	0.64	0.64	1.92		
1.17	0.00	1.17	0.39	2.73		
12.07	67.89	27.15	24.19889	131.24		
0.21	0.00	0.21	0.21	0.83		
0.00	0.00	0.16	0.32	1.28		
12.07	67.89	27.15	24.19889	131.24		

INTEREST PROPORTION

ALFALFA HAY	FOR HAY	SUDAN HAY
10.57	17.95	10.82
13.02	2.60	5.21
6.27	1.25	2.51
0.00	0.00	0.00
0.00	1.50	1.50
0.00	4.56	1.53
3.93	1.57	1.40
0.00	11.00	11.00
11.40	2.28	4.36
20.49	8.25	7.29
65.68	50.95	45.62

ALFALFA ESTABLISHMENT ACRES: 4 PUMP WATER: 8.00

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
DISC	50 HP	1.00	0.39	0.39	
FLOW	50 HP	1.00	1.50	1.50	
DISC (2X)	50 HP	2.00	0.39	0.78	
FLDAT (2X)	50 HP	2.00	0.32	0.64	
DRILL	50 HP	1.00	0.21	0.21	
IRRIGATE (4X)	4.00	1.51	12.07		

ALFALFA HAY ACRES: 40 PUMP WATER: 45.00

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
IRRIGATE (113X)	11.00	1.51	67.89		
SWATHER (5X)	14 FT	5.00	0.16	0.80	
BALEWAGON PTO (5X)	50 HP	1.00	0.21	1.05	
BALEWAGON PTO (5X)	50 HP	5.00	0.20	1.00	

OATS FOR HAY ACRES: 5 PUMP WATER: 18.00

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
DISC	50 HP	1.00	0.39	0.39	
FLOW	50 HP	1.00	1.50	1.50	
DISC (2X)	50 HP	2.00	0.39	0.78	
FLDAT (2X)	50 HP	2.00	0.32	0.64	
DRILL	50 HP	1.00	0.21	0.21	
IRRIGATE (4X)	4.00	1.51	27.15		
SWATHER	14 FT	1.00	0.16	0.16	
BALEWAGON PTO	50 HP	1.00	0.21	0.21	
BALE WAGON	50 HP	1.00	0.20	0.20	

SUDAN HAY ACRES: 5 PUMP WATER: 18.00

MACHINE	POWER UNIT	TIMES OVER	RATE	TOTAL	CUSTOM
DISC	50 HP	1.00	0.39	0.39	
FLDAT (2X)	50 HP	2.00	0.32	0.64	
DRILL	50 HP	1.00	0.21	0.21	
IRRIGATE (4X)	4.00	1.51	24.14		
SWATHER	14 FT	2.00	0.16	0.32	
BALEWAGON PTO	50 HP	2.00	0.21	0.42	
BALE WAGON	50 HP	2.00	0.20	0.40	

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hour of Use	1	2	3	4	5	6	7	8	9
0	0.000000	0.000020	0.000020	0.000020	0.000080	0.001040	0.000640	0.002040	0.000200
50	0.000000	0.000020	0.000020	0.000020	0.000080	0.001040	0.000640	0.002040	0.000200
100	0.000000	0.000020	0.000020	0.000020	0.000080	0.001040	0.000640	0.002040	0.000200
150	0.000000	0.000020	0.000020	0.000020	0.000080	0.001040	0.000640	0.002040	0.000200
200	0.000030	0.000050	0.000050	0.000050	0.000200	0.000300	0.000110	0.000930	0.000400
300	0.000030	0.000050	0.000050	0.000050	0.000200	0.000300	0.000110	0.000930	0.000400
400	0.000030	0.000050	0.000050	0.000050	0.000200	0.000300	0.000110	0.000930	0.000400
500	0.000030	0.000050	0.000050	0.000050	0.000200	0.000300	0.000110	0.000930	0.000400
600	0.000030	0.000050	0.000050	0.000050	0.000200	0.000300	0.000110	0.000930	0.000400
700	0.000030	0.000050	0.000050	0.000050	0.000200	0.000300	0.000110	0.000930	0.000400
800	0.000030	0.000050	0.000050	0.000050	0.000200	0.000300	0.000110	0.000930	0.000400
900	0.000030	0.000050	0.000050	0.000050	0.000200	0.000300	0.000110	0.000930	0.000400
1000	0.000090	0.000130	0.000130	0.000130	0.000460	0.000620	0.000220	0.001700	0.000560
1200	0.000045	0.000140	0.000140	0.000140	0.000460	0.000620	0.000220	0.001700	0.000560
1400	0.000045	0.000140	0.000140	0.000140	0.000460	0.000620	0.000220	0.001700	0.000560
1600	0.000150	0.000170	0.000170	0.000170	0.000560	0.000760	0.000260	0.002120	0.000660
1800	0.000150	0.000170	0.000170	0.000170	0.000560	0.000760	0.000260	0.002120	0.000660
2000	0.000170	0.000190	0.000190	0.000190	0.000640	0.000860	0.000280	0.002320	0.000720
2500	0.000190	0.000220	0.000220	0.000220	0.000720	0.000960	0.000300	0.002520	0.000780
3000	0.000190	0.000220	0.000220	0.000220	0.000720	0.000960	0.000300	0.002520	0.000780
3500	0.000200	0.000230	0.000230	0.000230	0.000760	0.001000	0.000310	0.002560	0.000790
4000	0.000108	0.000108	0.000108	0.000108	0.000108	0.000108	0.000108	0.000108	0.000108
4500	0.001108	0.001108	0.001108	0.001108	0.001108	0.001108	0.001108	0.001108	0.001108
5000	0.001122	0.001122	0.001122	0.001122	0.001122	0.001122	0.001122	0.001122	0.001122
5500	0.001148	0.001148	0.001148	0.001148	0.001148	0.001148	0.001148	0.001148	0.001148
6000	0.001162	0.001162	0.001162	0.001162	0.001162	0.001162	0.001162	0.001162	0.001162
6500	0.001178	0.001178	0.001178	0.001178	0.001178	0.001178	0.001178	0.001178	0.001178
7000	0.001188	0.001188	0.001188	0.001188	0.001188	0.001188	0.001188	0.001188	0.001188
7500	0.001198	0.001198	0.001198	0.001198	0.001198	0.001198	0.001198	0.001198	0.001198
8000	0.002024	0.002024	0.002024	0.002024	0.002024	0.002024	0.002024	0.002024	0.002024

\* Based on unpublished data of D. R. Hunt, Department of Agricultural Engineers, University of Illinois.  
 \*\* Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1983.

Codes

- 1 tractors
- 2 balers, combines, forage harvesters, windrowers, discus
- 3 rotary hoes, disks, moldboard plows, chisels, field cultivators, row cultivators, laser disks
- 4 harrows, weathers, flails, rips, back, disc, roller, water/furrow
- 5 belt drives
- 6 cotton pickers, cotton pickers, cotton blowers, corn pickers
- 7 corn heads, forage equipment, rotary mowers, disk choppers, feed wagons, farm trucks
- 8 other, custom harvest
- 9 baler w/ engine, manure spreader
- 10 plow, disc, leveling equipment, mounted systems
- 11 fertilizer distribution equipment

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2012.  
Planting dates: September 1 - November 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<b>PURCHASED INPUTS</b>								
ALFALFA SEED	\$6.50	30 LBS	\$195.00					\$195.00
PUMP WATER*		8 AC. IN.						
SUBTOTAL			\$195.00					\$195.00
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	50 HP	0.39 HR		\$2.93	\$5.54	\$0.42	\$3.18	\$12.06
PLOW	50 HP	1.05 HR		\$7.88	\$14.92	\$1.46	\$17.32	\$41.57
DISC (2X)	50 HP	0.78 HR		\$5.85	\$11.09	\$1.52	\$12.48	\$30.94
FLOAT (2X)	50 HP	0.64 HR		\$4.80	\$9.10	\$0.70	\$8.18	\$22.78
DRILL	50 HP	0.21 HR		\$1.58	\$2.98	\$0.45	\$34.51	\$39.52
IRRIGATE (4X)		2.00 HR		\$15.00	\$18.81	\$0.00	\$6.53	\$40.34
SUBTOTAL		5.07 HR		\$38.03	\$62.45	\$4.54	\$82.20	\$187.21
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.77 HR		\$5.76				\$5.76
EMPLOYEE BENEFITS				\$4.56				\$4.56
FARM INSURANCE			\$0.46					\$0.46
SUPERVISION AND MANAGEMENT				\$18.82				\$18.82
SUBTOTAL		0.77 HR	\$0.46	\$29.14				\$29.60
<b>TOTAL OPERATING EXPENSES</b>		5.84 HR	\$195.46	\$67.17	\$62.45	\$4.54	\$82.20	\$411.81

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2012.  
Harvesting dates: May 10 - October 15

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$265.00	6.00 TONS (STACKED)						\$1,590.00	
<b>TOTAL</b>								<b>\$1,590.00</b>	
<b>PURCHASED INPUTS</b>									
	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						\$41.18	\$41.18
: Interest								\$13.97	\$13.97
PUMP WATER*		45 AC. IN.							
<b>SUBTOTAL</b>			<b>\$84.13</b>					<b>\$55.15</b>	<b>\$139.28</b>
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (11X)		5.50 HR		\$41.25	\$105.83	\$0.00	\$36.72	\$183.80	
<b>SUBTOTAL</b>			<b>5.50 HR</b>	<b>\$41.25</b>	<b>\$105.83</b>	<b>\$0.00</b>	<b>\$36.72</b>	<b>\$183.80</b>	
<b>HARVEST OPERATIONS</b>									
SWATHER (5X)	14 FT	0.80 HR		\$6.00	\$0.00	\$0.22	\$17.73	\$23.95	
BALER, PTO (5X)	50 HP	1.05 HR		\$7.88	\$14.92	\$1.29	\$18.18	\$42.27	
BALEWAGON, PTO (5X)	50 HP	1.00 HR		\$7.50	\$14.21	\$2.36	\$28.29	\$52.36	
<b>SUBTOTAL</b>			<b>2.85 HR</b>	<b>\$21.38</b>	<b>\$29.13</b>	<b>\$3.88</b>	<b>\$64.19</b>	<b>\$118.58</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.71 HR		\$5.34				\$5.34	
EMPLOYEE BENEFITS				\$7.52				\$7.52	
FARM INSURANCE			\$0.75					\$0.75	
LAND TAXES							\$2.67	\$2.67	
SUPERVISION AND MANAGEMENT				\$70.53				\$70.53	
OTHER EXPENSES			\$289.38					\$289.38	
<b>SUBTOTAL</b>			<b>0.71 HR</b>	<b>\$290.13</b>	<b>\$83.38</b>		<b>\$2.67</b>	<b>\$376.18</b>	
<b>TOTAL OPERATING EXPENSES</b>		<b>9.06 HR</b>		<b>\$374.26</b>	<b>\$146.01</b>	<b>\$134.97</b>	<b>\$3.88</b>	<b>\$817.85</b>	
<b>NET OPERATING PROFIT</b>								<b>\$772.15</b>	
INTEREST ON OPERATING CAPITAL		(	\$71.28	@	7.00%	)		\$4.99	
INTEREST ON EQUIPMENT INVESTMENT								\$65.68	
<b>RETURN TO LAND AND RISK</b>								<b>\$701.48</b>	

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,590.00	
VARIABLE OPERATING EXPENSES	\$518.10		
RETURN OVER VARIABLE EXPENSES	\$1,071.90		(GROSS MARGINS)
FIXED EXPENSES	\$158.73		
NET FARM INCOME		\$913.17	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$146.01		
NET OPERATING PROFIT		\$767.16	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$65.68		
RETURN TO LAND AND RISK		\$701.48	

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 2012.  
Planting dates: September 1 - November 1  
Harvesting dates: April 15 - May 15

ITEM	PRICE	YIELD							TOTAL
<b>GROSS RETURNS</b>									
OATS FOR HAY	\$225.00	3.00 TONS (STACKED)							\$675.00
<b>TOTAL</b>									<u>\$675.00</u>
<hr/>									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
OAT SEED	\$0.46	100 LBS	\$46.00						\$46.00
NITROGEN (N)	\$0.89	100 LBS	\$89.00						\$89.00
PUMP WATER*		18 AC. IN.							
<b>SUBTOTAL</b>									<u>\$135.00</u>
<hr/>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	50 HP	0.39 HR		\$2.93	\$5.54	\$0.76	\$6.24	\$15.47	
PLOW	50 HP	1.05 HR		\$7.88	\$14.92	\$1.46	\$17.32	\$41.57	
DISC (2X)	50 HP	0.78 HR		\$5.85	\$11.09	\$1.52	\$12.48	\$30.94	
FLOAT (2X)	50 HP	0.64 HR		\$4.80	\$9.10	\$0.70	\$8.18	\$22.78	
DRILL	50 HP	0.21 HR		\$1.58	\$2.98	\$0.45	\$34.51	\$39.52	
IRRIGATE (4X)		2.00 HR		\$15.00	\$42.33	\$0.00	\$14.69	\$72.02	
<b>SUBTOTAL</b>									<u>\$222.29</u>
<hr/>									
HARVEST OPERATIONS									
SWATHER	14 FT	0.16 HR		\$1.20	\$0.00	\$0.04	\$3.55	\$4.79	
BALER, PTO	50 HP	0.21 HR		\$1.58	\$2.98	\$0.26	\$3.64	\$8.45	
BALE WAGON	50 HP	0.20 HR		\$1.50	\$2.84	\$0.47	\$5.66	\$10.47	
<b>SUBTOTAL</b>									<u>\$23.72</u>
<hr/>									
OVERHEAD EXPENSES									
DOWNTIME		0.91 HR		\$6.83				\$6.83	
EMPLOYEE BENEFITS				\$5.08				\$5.08	
FARM INSURANCE			\$0.51					\$0.51	
LAND TAXES							\$1.34	\$1.34	
SUPERVISION AND MANAGEMENT				\$30.82				\$30.82	
OTHER EXPENSES			\$144.69					\$144.69	
<b>SUBTOTAL</b>									<u>\$189.25</u>
<hr/>									
<b>TOTAL OPERATING EXPENSES</b>		6.55 HR	\$280.20	\$85.02	\$91.79	\$5.66	\$107.60	<u>\$570.26</u>	
<b>NET OPERATING PROFIT</b>									\$104.74
<b>INTEREST ON OPERATING CAPITAL</b>									\$6.35
<b>INTEREST ON EQUIPMENT INVESTMENT</b>									\$50.95
<b>RETURN TO LAND AND RISK</b>									<u>\$47.43</u>

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

GROSS RETURN		\$675.00	
VARIABLE OPERATING EXPENSES	\$384.00		
RETURN OVER VARIABLE EXPENSES		\$291.00	(GROSS MARGINS)
FIXED EXPENSES	\$107.60		
NET FARM INCOME		\$183.40	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$85.02		
NET OPERATING PROFIT		\$98.38	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$50.95		
RETURN TO LAND AND RISK		<u>\$47.43</u>	

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 2012.  
 Planting dates: May 1 - June 1  
 Harvesting dates: June 1 - August 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
SORGHUM/SUDAN HAY	\$245.00	5.00 TONS (STACKED)						\$1,225.00
<b>TOTAL</b>								<b>\$1,225.00</b>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$1.04	50 LBS	\$52.00					\$52.00
NITROGEN (N)	\$0.89	100 LBS	\$89.00					\$89.00
PUMP WATER*		16 AC. IN.						
<b>SUBTOTAL</b>			<b>\$141.00</b>					<b>\$141.00</b>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	50 HP	0.39 HR		\$2.93	\$5.54	\$0.76	\$6.24	\$15.47
FLOAT (2X)	50 HP	0.64 HR		\$4.80	\$9.10	\$0.70	\$8.18	\$22.78
DRILL	50 HP	0.21 HR		\$1.58	\$2.98	\$0.45	\$34.51	\$39.52
IRRIGATE (4X)		2.00 HR		\$15.00	\$37.63	\$0.00	\$13.06	\$65.68
<b>SUBTOTAL</b>		<b>3.24 HR</b>		<b>\$24.30</b>	<b>\$55.25</b>	<b>\$1.91</b>	<b>\$61.99</b>	<b>\$143.45</b>
<b>HARVEST OPERATIONS</b>								
SWATHER (2X)	14 FT	0.32 HR		\$2.40	\$0.00	\$0.09	\$7.09	\$9.58
BALER, PTO (2X)	50 HP	0.42 HR		\$3.15	\$5.97	\$0.52	\$7.27	\$16.91
BALE WAGON (2X)	50 HP	0.40 HR		\$3.00	\$5.68	\$0.94	\$11.31	\$20.94
<b>SUBTOTAL</b>		<b>1.14 HR</b>		<b>\$8.55</b>	<b>\$11.65</b>	<b>\$1.55</b>	<b>\$25.68</b>	<b>\$47.43</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.60 HR		\$4.46				\$4.46
EMPLOYEE BENEFITS				\$3.94				\$3.94
FARM INSURANCE			\$0.39					\$0.39
LAND TAXES							\$1.34	\$1.34
SUPERVISION AND MANAGEMENT				\$52.19				\$52.19
OTHER EXPENSES			\$144.69					\$144.69
<b>SUBTOTAL</b>		<b>0.60 HR</b>		<b>\$145.08</b>	<b>\$60.59</b>		<b>\$1.34</b>	<b>\$207.01</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.98 HR</b>		<b>\$286.08</b>	<b>\$93.44</b>	<b>\$3.46</b>	<b>\$89.01</b>	<b>\$538.90</b>
<b>NET OPERATING PROFIT</b>								<b>\$686.10</b>
INTEREST ON OPERATING CAPITAL		( \$85.89 @	7.00%	)				\$6.01
INTEREST ON EQUIPMENT INVESTMENT								\$45.62
<b>RETURN TO LAND AND RISK</b>								<b>\$634.48</b>

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,225.00	
VARIABLE OPERATING EXPENSES	\$362.46		
RETURN OVER VARIABLE EXPENSES	\$862.54	(GROSS MARGINS)	
FIXED EXPENSES	\$89.01		
NET FARM INCOME	\$773.54	(RETURNS TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$93.44		
NET OPERATING PROFIT	\$680.09	(RETURNS TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$45.62		
RETURN TO LAND AND RISK	\$634.48		

TABLE 10. Summary of per acre costs and returns, 50-acre part-time farm, Tularosa Basin, Otero County, Projected 2012.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	OATS FOR HAY	SORGHUM SUDAY HAY
		TONS	TONS	TONS
PRIMARY YIELD		6.00	3.00	5.00
PRIMARY PRICE		\$265.00	\$225.00	\$245.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$0.00	\$0.00	\$0.00
GROSS RETURN		\$1,590.00	\$675.00	\$1,225.00
CASH OPERATING EXPENSES				
SEED	\$195.00		\$46.00	\$52.00
FERTILIZER		\$40.00	\$89.00	\$89.00
CHEMICALS		\$23.97		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$20.16		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$43.63	\$29.13	\$49.46	\$29.28
FUEL-IRRIGATION	\$18.81	\$105.83	\$42.33	\$37.63
REPAIRS	\$4.54	\$3.88	\$5.66	\$3.46
CUSTOM CHARGES				
LAND TAXES		\$2.67	\$1.34	\$1.34
OTHER EXPENSES	\$0.46	\$290.13	\$145.20	\$145.08
TOTAL CASH EXPENSES	\$262.44	\$515.78	\$378.98	\$357.78
RETURN OVER CASH EXPENSES	(\$262.44)	\$1,074.22	\$296.02	\$867.22
FIXED EXPENSES	\$82.20	\$156.06	\$106.26	\$87.67
TOTAL EXPENSES	\$344.64	\$671.84	\$485.24	\$445.45
NET FARM INCOME	(\$344.64)	\$918.16	\$189.76	\$779.55
LABOR AND MANAGEMENT COSTS	\$67.17	\$146.01	\$85.02	\$93.44
NET OPERATING PROFIT	(\$411.81)	\$772.15	\$104.74	\$686.10
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$4.99	\$6.35	\$6.01
INTEREST ON EQUIPMENT INVESTMENT		\$65.68	\$50.95	\$45.62
TOTAL CAPITAL COSTS	\$0.00	\$70.67	\$57.30	\$51.63
RETURN TO LAND AND RISK	(\$411.81)	\$701.48	\$47.43	\$634.48

TABLE 11. Whole farm summary, Tularosa Basin, Otero County,  
Projected 2012.

GROSS RETURNS		
ALFALFA HAY	40.00 ACRES	
CROP		\$63,600
OATS FOR HAY	5.00 ACRES	
CROP		\$3,375
SORGHUM/SUDAN	5.00 ACRES	
CROP		\$6,125
GROSS RETURN		<u>\$73,100</u>
CASH OPERATING EXPENSES		
SEED		\$1,270
FERTILIZER		\$2,490
CHEMICALS		\$959
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$806
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,734
FUEL-IRRIGATION		\$4,708
REPAIRS		\$219
CUSTOM CHARGES		\$0
LAND TAXES		\$120
OTHER EXPENSES		\$13,058
TOTAL CASH EXPENSES		<u>\$25,365</u>
RETURN OVER CASH EXPENSES		\$47,735
FIXED EXPENSES		\$5,455
TOTAL EXPENSES		\$30,820
NET FARM INCOME		\$42,280
LABOR AND MANAGEMENT COSTS		\$7,001
NET OPERATING PROFIT		\$35,279
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$261
INTEREST ON EQUIPMENT INVESTMENT		\$3,110
TOTAL CAPITAL COSTS		<u>\$3,372</u>
RETURN TO LAND AND RISK		<u>\$31,907</u>

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	\$30,857	53.30%
\$900 /ACRE	\$30,557	46.31%
\$1,100 /ACRE	\$30,257	40.93%
\$1,300 /ACRE	\$29,957	36.68%
\$1,500 /ACRE	\$29,657	33.22%
\$1,700 /ACRE	\$29,357	30.36%
\$1,900 /ACRE	\$29,057	27.96%
\$2,100 /ACRE	\$28,757	25.90%

\* 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)