

TABLE 1. Acreage Summary, Otero County,
Projected 2014

BUDGET AREA.....	TULAROSA BASIN, OTERO COUNTY		
FARM SIZE.....	50 ACRES		
IRRIGATION TYPE.....	SPRINKLER		
NUMBER OF CROPS....	3		
	WATER USE		
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
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		
	TOTAL		2,002
	ACRE FEET PER ACRE OF WATER RIGHTS		3.34

* DOUBLE-CROPPED

TABLE 2. Basic cost information for Tularosa Basin, Otero County,
Projected 2014

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.50
General & Irrigators	\$/hour	\$7.50
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.50
Seed:		
Alfalfa	\$/pound	\$6.00
Oats for Hay	\$/pound	\$0.64
Natural Gas (Gas NM) (service charge)		
	\$/MCF	\$4.01
	\$/month	\$10.00
Diesel fuel	\$/gallon	\$4.00
Gasoline	\$/gallon	\$3.50
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%
Financial Rates:		
Operating Capital Interest Rate	percent	5.50%
Land Interest Rate	percent	5.00%
Equipment Interest Rate	percent	5.50%
Expected Inflation Rate	percent	3.00%
Land Taxes	\$300.00 /acre (full value)	\$2.66
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$26.58 \$20.68
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 Tularosa Basin, Otero County,
Projected 2014

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

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County,
 Projected 2014
 Planting dates: September 1 - November 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
ALFALFA SEED	\$6.00	30 LBS	\$180.00					\$180.00
PUMP WATER*		8 AC. IN.						
SUBTOTAL			\$180.00					\$180.00
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	50 HP	0.39 HR		\$2.93	\$5.11	\$0.42	\$3.17	\$11.62
PLOW	50 HP	1.05 HR		\$7.88	\$13.74	\$1.46	\$17.31	\$40.39
DISC (2X)	50 HP	0.78 HR		\$5.85	\$10.21	\$1.52	\$12.48	\$30.06
FLOAT (2X)	50 HP	0.64 HR		\$4.80	\$8.38	\$0.70	\$8.18	\$22.06
DRILL	50 HP	0.21 HR		\$1.58	\$2.75	\$0.45	\$34.51	\$39.28
IRRIGATE (4X)		2.00 HR		\$15.00	\$18.81	\$0.00	\$6.52	\$40.34
SUBTOTAL		5.07 HR		\$38.03	\$59.00	\$4.54	\$82.17	\$183.74
OVERHEAD EXPENSES								
DOWNTIME		0.77 HR		\$5.76				\$5.76
EMPLOYEE BENEFITS				\$4.56				\$4.56
FARM INSURANCE			\$0.46					\$0.46
SUPERVISION AND MANAGEMENT				\$18.08				\$18.08
SUBTOTAL		0.77 HR	\$0.46	\$28.40				\$28.86
TOTAL OPERATING EXPENSES		5.84 HR	\$180.46	\$66.43	\$59.00	\$4.54	\$82.17	\$392.60

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2014
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						\$39.26	\$39.26
: Interest								\$10.14	\$10.14
PUMP WATER*		45 AC. IN.							
SUBTOTAL			\$84.13					\$49.40	\$133.54
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (11X)		5.50 HR		\$41.25	\$105.83	\$0.00	\$36.70	\$183.78	
SUBTOTAL		5.50 HR		\$41.25	\$105.83	\$0.00	\$36.70	\$183.78	
HARVEST OPERATIONS									
SWATHER (5X)	14 FT	0.80 HR		\$6.00	\$0.00	\$0.22	\$17.72	\$23.95	
BALER, PTO (5X)	50 HP	1.05 HR		\$7.88	\$13.74	\$1.29	\$18.17	\$41.08	
BALEWAGON, PTO (5X)	50 HP	1.00 HR		\$7.50	\$13.09	\$2.36	\$28.27	\$51.22	
SUBTOTAL		2.85 HR		\$21.38	\$26.83	\$3.88	\$64.16	\$116.25	
OVERHEAD EXPENSES									
DOWNTIME		0.71 HR		\$5.34				\$5.34	
EMPLOYEE BENEFITS				\$7.52				\$7.52	
FARM INSURANCE			\$0.75					\$0.75	
LAND TAXES							\$2.66	\$2.66	
SUPERVISION AND MANAGEMENT				\$65.73				\$65.73	
OTHER EXPENSES			\$289.38					\$289.38	
SUBTOTAL		0.71 HR	\$290.13	\$78.58			\$2.66	\$371.37	
TOTAL OPERATING EXPENSES		9.06 HR	\$374.26	\$141.21	\$132.67	\$3.88	\$152.92	\$804.94	
NET OPERATING PROFIT								\$665.06	
INTEREST ON OPERATING CAPITAL		(\$71.08 @	5.50%)				\$3.91	
INTEREST ON EQUIPMENT INVESTMENT								\$51.61	
RETURN TO LAND AND RISK								\$609.54	

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

BUDGET SUMMARY		
GROSS RETURN		\$1,470.00
VARIABLE OPERATING EXPENSES	\$514.72	
RETURN OVER VARIABLE EXPENSES	\$955.28	(GROSS MARGINS)
FIXED EXPENSES	\$152.92	
NET FARM INCOME	\$802.36	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$141.21	
NET OPERATING PROFIT	\$661.15	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$51.61	
RETURN TO LAND AND RISK		\$609.54

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 2014
 Planting dates: September 1 - November 1
 Harvesting dates: April 15 - May 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
OATS FOR HAY	\$195.00	3.00 TONS (STACKED)							\$585.00
TOTAL									<u>\$585.00</u>
<hr/>									
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST		TOTAL	
OAT SEED	\$0.64	100 LBS	\$64.00					\$64.00	
NITROGEN (N)	\$0.50	100 LBS	\$50.00					\$50.00	
PUMP WATER*		18 AC. IN.							
SUBTOTAL			<u>\$114.00</u>					<u>\$114.00</u>	
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PREHARVEST OPERATIONS		POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	50 HP	0.39 HR			\$2.93	\$5.11	\$0.76	\$6.24	\$15.03
PLOW	50 HP	1.05 HR			\$7.88	\$13.74	\$1.46	\$17.31	\$40.39
DISC (2X)	50 HP	0.78 HR			\$5.85	\$10.21	\$1.52	\$12.48	\$30.06
FLOAT (2X)	50 HP	0.64 HR			\$4.80	\$8.38	\$0.70	\$8.18	\$22.06
DRILL	50 HP	0.21 HR			\$1.58	\$2.75	\$0.45	\$34.51	\$39.28
IRRIGATE (4X)		2.00 HR			\$15.00	\$42.33	\$0.00	\$14.68	\$72.01
SUBTOTAL			5.07 HR		<u>\$38.03</u>	<u>\$82.52</u>	<u>\$4.88</u>	<u>\$93.39</u>	<u>\$218.82</u>
<hr/>									
HARVEST OPERATIONS									
SWATHER	14 FT	0.16 HR			\$1.20	\$0.00	\$0.04	\$3.54	\$4.79
BALER, PTO	50 HP	0.21 HR			\$1.58	\$2.75	\$0.26	\$3.63	\$8.22
BALE WAGON	50 HP	0.20 HR			\$1.50	\$2.62	\$0.47	\$5.65	\$10.24
SUBTOTAL			0.57 HR		<u>\$4.28</u>	<u>\$5.37</u>	<u>\$0.78</u>	<u>\$12.83</u>	<u>\$23.25</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							\$1.33		\$1.33
SUPERVISION AND MANAGEMENT					\$27.22				\$27.22
OTHER EXPENSES				\$144.69					\$144.69
SUBTOTAL			0.91 HR		<u>\$145.20</u>	<u>\$39.12</u>		<u>\$1.33</u>	<u>\$185.65</u>
TOTAL OPERATING EXPENSES			6.55 HR		<u>\$259.20</u>	<u>\$81.42</u>	<u>\$5.66</u>	<u>\$107.55</u>	<u>\$541.71</u>
NET OPERATING PROFIT									\$43.29
INTEREST ON OPERATING CAPITAL (\$79.36 @ 5.50%)									\$4.36
INTEREST ON EQUIPMENT INVESTMENT									\$40.03
RETURN TO LAND AND RISK									<u>(\$1.11)</u>

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

GROSS RETURN		\$585.00	
VARIABLE OPERATING EXPENSES	\$357.10		
RETURN OVER VARIABLE EXPENSES		\$227.90	(GROSS MARGINS)
FIXED EXPENSES	\$107.55		
NET FARM INCOME		\$120.34	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$81.42		
NET OPERATING PROFIT		\$38.92	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$40.03		
RETURN TO LAND AND RISK		<u>(\$1.11)</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 2014
 Planting dates: May 1 - June 1
 Harvesting dates: June 1 - August 1

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
SORGHUM/SUDAN HAY	\$215.00	5.00 TONS (STACKED)	\$1,075.00
TOTAL			\$1,075.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL
SEED	\$1.04	50 LBS	\$52.00		\$52.00
NITROGEN (N)	\$0.50	100 LBS	\$50.00		\$50.00
PUMP WATER*		16 AC. IN.			
SUBTOTAL			\$102.00		\$102.00

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	50 HP	0.39 HR		\$2.93	\$5.11	\$0.76	\$6.24	\$15.03
FLOAT (2X)	50 HP	0.64 HR		\$4.80	\$8.38	\$0.70	\$8.18	\$22.06
DRILL	50 HP	0.21 HR		\$1.58	\$2.75	\$0.45	\$34.51	\$39.28
IRRIGATE (4X)		2.00 HR		\$15.00	\$37.63	\$0.00	\$13.05	\$65.68
SUBTOTAL		3.24 HR		\$24.30	\$53.86	\$1.91	\$61.97	\$142.04

HARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
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	\$5.50	\$0.52	\$7.27	\$16.43
BALE WAGON (2X)	50 HP	0.40 HR		\$3.00	\$5.24	\$0.94	\$11.31	\$20.49
SUBTOTAL		1.14 HR		\$8.55	\$10.73	\$1.55	\$25.67	\$46.50

OVERHEAD EXPENSES	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DOWNTIME	0.60 HR		\$4.46				\$4.46
EMPLOYEE BENEFITS			\$3.94				\$3.94
FARM INSURANCE		\$0.39					\$0.39
LAND TAXES						\$1.33	\$1.33
SUPERVISION AND MANAGEMENT			\$46.19				\$46.19
OTHER EXPENSES		\$144.69					\$144.69
SUBTOTAL	0.60 HR	\$145.08	\$54.59			\$1.33	\$201.01

TOTAL OPERATING EXPENSES	4.98 HR	\$247.08	\$87.44	\$64.60	\$3.46	\$88.97	\$491.55
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NET OPERATING PROFIT							\$583.45
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INTEREST ON OPERATING CAPITAL	(\$65.97	@	5.50%)		\$3.63
INTEREST ON EQUIPMENT INVESTMENT							\$35.84

RETURN TO LAND AND RISK							\$543.99
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* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$1,075.00	
VARIABLE OPERATING EXPENSES	\$318.76		
RETURN OVER VARIABLE EXPENSES	\$756.24		(GROSS MARGINS)
FIXED EXPENSES	\$88.97		
NET FARM INCOME	\$667.27		(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$87.44		
NET OPERATING PROFIT	\$579.83		(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$35.84		
RETURN TO LAND AND RISK	\$543.99		

TABLE 10. Summary of per acre costs and returns, 50-acre part-time farm, Tularosa Basin, Otero County,
Projected 2014

	ALFALFA ESTABLISHMENT	ALFALFA HAY	OATS FOR HAY	SORGHUM 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	\$50.00	\$50.00
CHEMICALS		\$23.97		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$20.16		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$40.19	\$26.83	\$45.55	\$26.97
FUEL-IRRIGATION	\$18.81	\$105.83	\$42.33	\$37.63
REPAIRS	\$4.54	\$3.88	\$5.66	\$3.46
CUSTOM CHARGES				
LAND TAXES		\$2.66	\$1.33	\$1.33
OTHER EXPENSES	\$0.46	\$290.13	\$145.20	\$145.08
TOTAL CASH EXPENSES	\$244.00	\$513.47	\$354.07	\$316.46
RETURN OVER CASH EXPENSES	(\$244.00)	\$956.53	\$230.93	\$758.54
FIXED EXPENSES	\$82.17	\$150.27	\$106.22	\$87.64
TOTAL EXPENSES	\$326.17	\$663.73	\$460.29	\$404.10
NET FARM INCOME	(\$326.17)	\$806.27	\$124.71	\$670.90
LABOR AND MANAGEMENT COSTS	\$66.43	\$141.21	\$81.42	\$87.44
NET OPERATING PROFIT	(\$392.60)	\$665.06	\$43.29	\$583.45
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$3.91	\$4.36	\$3.63
INTEREST ON EQUIPMENT INVESTMENT		\$51.61	\$40.03	\$35.84
TOTAL CAPITAL COSTS	\$0.00	\$55.52	\$44.40	\$39.47
RETURN TO LAND AND RISK	(\$392.60)	\$609.54	(\$1.11)	\$543.99

TABLE 11. Whole farm summary, Tularosa Basin, Otero County,
Projected 2014

GROSS RETURNS		
ALFALFA HAY	40.00 ACRES	
CROP		\$58,800
OATS FOR HAY	5.00 ACRES	
CROP		\$2,925
SORGHUM/SUDAN	5.00 ACRES	
CROP		\$5,375
GROSS RETURN		<u>\$67,100</u>
CASH OPERATING EXPENSES		
SEED		\$1,300
FERTILIZER		\$2,100
CHEMICALS		\$959
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$806
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,597
FUEL-IRRIGATION		\$4,708
REPAIRS		\$219
CUSTOM CHARGES		\$0
LAND TAXES		\$120
OTHER EXPENSES		\$13,058
TOTAL CASH EXPENSES		<u>\$24,867</u>
RETURN OVER CASH EXPENSES		\$42,233
FIXED EXPENSES		\$5,300
TOTAL EXPENSES		\$30,167
NET FARM INCOME		\$36,933
LABOR AND MANAGEMENT COSTS		\$6,758
NET OPERATING PROFIT		\$30,174
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$196
INTEREST ON EQUIPMENT INVESTMENT		\$2,444
TOTAL CAPITAL COSTS		<u>\$2,640</u>
RETURN TO LAND AND RISK		<u>\$27,534</u>

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	\$26,484	45.53%
\$900 /ACRE	\$26,184	39.56%
\$1,100 /ACRE	\$25,884	34.97%
\$1,300 /ACRE	\$25,584	31.34%
\$1,500 /ACRE	\$25,284	28.39%
\$1,700 /ACRE	\$24,984	25.95%
\$1,900 /ACRE	\$24,684	23.90%
\$2,100 /ACRE	\$24,384	22.14%

* 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)