

TABLE 1. Acreage Summary, San Juan County, Projected 2013.

BUDGET AREA..... SAN JUAN COUNTY, 2002.	
FARM SIZE.....	80 ACRES
IRRIGATION TYPE.....	SPRINKLER
NUMBER OF CROPS...	1

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	11.00	39	429
ALFALFA	69.00	46	3,174
TOTAL	80.00		3,603
ACRE FEET PER ACRE OF WATER RIGHTS			3.75

TABLE 2. Basic cost information for San Juan County, Projected 2013.

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$7.80
General & Irrigators	\$/hour	\$7.50
Purchased Inputs:		
Fertilizer:		
Phosphate (P205)	\$/pound	\$0.60
Seed:		
Alfalfa	\$/pound	\$6.50
Oats	\$/pound	\$0.61
Wire	\$/pound	\$0.91
Canal Water	\$/acre foot	\$30.50
Energy:		
Diesel fuel	\$/gallon	\$3.00
Gasoline	\$/gallon	\$3.80
Electricity	cents/KwHr	12.31
LP Gas	\$/gallon	\$2.80
Natural Gas	\$/MCF	\$4.00
(service charge)	\$/month	\$10.00
Employee Liability Insurance	\$/1,000 wages	\$20.00
Employee Benefits	percent/wages	18.00%
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%
Real Interest Rate	percent	3.00%
Land Taxes	\$253.00 /acre (full value)	\$1.94
Personal Property Tax Rate	- NR - R	\$/1,000 (Assessed Value)
		\$22.95 \$27.96
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$1.00
Field Crop-Equipment & General	\$/labor hour	\$0.50
Management Rate	percent	7.00%

TABLE 3. Overhead cost information for San Juan County, Projected 2013.

Item		
Electricity (Domestic & Shop)	\$127.05 per month	\$1,525
Telephone	\$90.75 per month	\$1,089
Accounting & Legal		\$538
Misc. Supplies & Hand Tools		\$908
Pickup and Auto		
miles	12,463 @	\$0.500 per mile
		\$6,232
Insurance		
- general liability (non-employee)		\$1,125
- fire/theft		\$732
Property Taxes		
- non-farm land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$563
Dues, fees, publications		\$278
Farmstead Equipment		\$182
	Total	\$19,181
	Total per planted acre	\$277.98

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for an 80 acre farm, San Juan County, Projected 2013.
 Planting dates: April 15 - June 1
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
OAT HAY	\$225.00	2.25 TONS (STACKED)						\$506.25	
GRAZING	\$10.00	1.00 AUM						\$10.00	
TOTAL								\$516.25	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
ALFALFA SEED	\$6.50	20 LBS	\$130.00					\$130.00	
OAT SEED	\$0.61	45 LBS	\$27.45					\$27.45	
PHOSPHATE (P2O5)	\$0.60	45 LBS	\$27.00					\$27.00	
WIRE	\$0.91	19 LBS	\$17.55					\$17.55	
CANAL WATER		39 AC. IN.					\$99.13	\$99.13	
CANAL WATER (MAINTENANCE)		1 ACRE					\$8.00	\$8.00	
SUBTOTAL			\$202.00				\$107.13	\$309.12	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	96 HP	0.67 HR		\$5.23	\$12.24	\$3.42	\$48.92	\$69.81	
DISC (2X)	96 HP	0.34 HR		\$2.65	\$6.21	\$1.27	\$31.88	\$42.01	
HARROW	96 HP	0.19 HR		\$1.48	\$3.47	\$0.18	\$5.54	\$10.68	
FERTILIZE	96 HP	0.05 HR		\$0.39	\$0.91	\$0.05	\$0.45	\$1.80	
DRILL	96 HP	0.21 HR		\$1.64	\$3.84	\$0.42	\$43.41	\$49.30	
DITCHER (2X)	40 HP	0.10 HR		\$0.78	\$1.42	\$0.11	\$3.03	\$5.35	
IRRIGATE (9X)		2.25 HR		\$16.88	\$52.89	\$0.00	\$8.93	\$78.69	
SUBTOTAL		3.81 HR		\$29.04	\$80.98	\$5.45	\$142.16	\$257.64	
HARVEST OPERATIONS									
SWATHER	14 FT	0.16 HR		\$1.25	\$1.80	\$0.09	\$7.16	\$10.30	
BALER	96 HP	0.21 HR		\$1.64	\$3.84	\$0.23	\$3.78	\$9.48	
BALE WAGON	96 HP	0.20 HR		\$1.56	\$3.65	\$0.44	\$5.74	\$11.40	
SUBTOTAL		0.57 HR		\$4.45	\$9.29	\$0.77	\$16.68	\$31.18	
OVERHEAD EXPENSES									
DOWNTIME		1.74 HR		\$13.53				\$13.53	
EMPLOYEE BENEFITS				\$6.03				\$6.03	
INSURANCE			\$0.67					\$0.67	
LAND TAXES							\$1.94	\$1.94	
SUPERVISION AND MANAGEMENT				\$42.99				\$42.99	
SUBTOTAL		1.74 HR	\$0.67	\$62.55				\$1.94	\$65.15
TOTAL OPERATING EXPENSES		6.12 HR	\$202.67	\$96.04	\$90.27	\$6.22	\$267.90	\$663.09	
NET OPERATING PROFIT								(\$146.84)	
INTEREST ON OPERATING CAPITAL		(\$123.44 @	5.00%)				\$6.17	
INTEREST ON EQUIPMENT INVESTMENT								\$58.47	
RETURN TO LAND AND RISK								(\$211.48)	

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for an 80 acre farm, San Juan County, Projected 2013.
Harvesting dates: June 1 - October 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$245.00	5.00 TONS (STACKED)						\$1,225.00
GRAZING	\$10.00	2.00 AUM						\$20.00
TOTAL								\$1,245.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
PHOSPHATE (P2O5)	\$0.60	40.00 LBS	\$24.00					\$24.00
INSECTICIDE (AERIAL)	\$19.20	1.00 ACRE	\$19.20					\$19.20
WIRE	\$0.91	43.00 LBS	\$39.13					\$39.13
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		6.00 YEARS					\$5.00	\$5.00
: Interest							\$35.25	\$35.25
							\$14.55	\$14.55
CANAL WATER		46.00 AC. IN.					\$116.92	\$116.92
CANAL WATER (MAINTENANCE)		1 ACRE					\$8.00	\$8.00
SUBTOTAL			\$82.33				\$179.71	\$262.04
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
FERTILIZE	96 HP	0.05 HR		\$0.39	\$0.91	\$0.05	\$0.45	\$1.80
DITCHER (2X)	40 HP	0.10 HR		\$0.78	\$1.42	\$0.11	\$3.03	\$5.35
IRRIGATE (13X)		3.25 HR		\$24.38	\$62.38	\$0.00	\$10.53	\$97.29
SUBTOTAL		3.40 HR		\$25.55	\$64.72	\$0.16	\$14.01	\$104.44
HARVEST OPERATIONS								
SWATHER (3X)	14 FT	0.48 HR		\$3.74	\$5.39	\$0.28	\$21.48	\$30.89
BALER (3X)	40 HP	0.63 HR		\$4.91	\$8.95	\$0.78	\$10.95	\$25.59
BALE WAGON (3X)	96 HP	0.60 HR		\$4.68	\$10.96	\$1.33	\$17.21	\$34.19
SUBTOTAL		1.71 HR		\$13.34	\$25.31	\$2.39	\$49.64	\$90.67
OVERHEAD EXPENSES								
DOWNTIME		0.44 HR		\$3.43				\$3.43
EMPLOYEE BENEFITS				\$7.00				\$7.00
INSURANCE			\$0.78					\$0.78
LAND TAXES							\$1.94	\$1.94
SUPERVISION AND MANAGEMENT				\$91.28				\$91.28
OTHER EXPENSES			\$277.98					\$277.98
SUBTOTAL		0.44 HR		\$278.76	\$101.71		\$1.94	\$382.41
TOTAL OPERATING EXPENSES		5.55 HR		\$361.09	\$140.59	\$90.02	\$245.30	\$839.56
NET OPERATING PROFIT								\$405.44
INTEREST ON OPERATING CAPITAL		(\$59.69 @ 5.00%)						\$2.98
INTEREST ON EQUIPMENT INVESTMENT								\$32.39
RETURN TO LAND AND RISK								\$370.07

BUDGET SUMMARY		
GROSS RETURN		\$1,245.00
VARIABLE OPERATING EXPENSES	\$453.66	
RETURN OVER VARIABLE EXPENSES	\$791.34	(GROSS MARGIN)
FIXED EXPENSES	\$245.30	
NET FARM INCOME	\$546.03	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$140.59	
NET OPERATING PROFIT	\$405.44	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$35.37	
RETURN TO LAND AND RISK		\$370.07

TABLE 8. Summary of per acre costs and returns for an 80 acre farm, San Juan County,
Projected 2013.

	ALFALFA ESTABLISHMENT	ALFALFA HAY
	TONS	TONS
PRIMARY YIELD	2.25	5.00
PRIMARY PRICE	\$225.00	\$245.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$10.00	\$20.00
GROSS RETURN	\$516.25	\$1,245.00
CASH OPERATING EXPENSES		
SEED	\$157.45	
FERTILIZER	\$27.00	\$24.00
CHEMICALS		\$19.20
CROP INSURANCE		
OTHER PURCHASED INPUTS	\$17.55	\$39.13
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$37.38	\$27.64
FUEL-IRRIGATION	\$52.89	\$62.38
REPAIRS	\$6.22	\$2.55
CUSTOM CHARGES		
LAND TAXES	\$1.94	\$1.94
OTHER EXPENSES	\$0.67	\$278.76
TOTAL CASH EXPENSES	\$301.09	\$455.60
RETURN OVER CASH EXPENSES	\$215.16	\$789.40
FIXED EXPENSES	\$265.96	\$243.37
TOTAL EXPENSES	\$567.05	\$698.97
NET FARM INCOME	(\$50.80)	\$546.03
LABOR AND MANAGEMENT COSTS	\$96.04	\$140.59
NET OPERATING PROFIT	(\$146.84)	\$405.44
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$6.17	\$2.98
INTEREST ON EQUIPMENT INVESTMENT	\$58.47	\$32.39
TOTAL CAPITAL COSTS	\$64.64	\$35.37
RETURN TO LAND AND RISK	(\$211.48)	\$370.07

TABLE 9. Whole farm summary, San Juan County,
Projected 2013.

GROSS RETURNS		
OAT HAY	11.00 ACRES	
CROP		\$5,679
ALFALFA HAY	69.00 ACRES	
CROP		\$84,525
GRAZING		\$1,380
GROSS RETURN		<u>\$91,584</u>
CASH OPERATING EXPENSES		
SEED		\$1,732
FERTILIZER		\$1,953
CHEMICALS		\$1,325
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$2,893
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$2,318
FUEL-IRRIGATION		\$4,886
REPAIRS		\$244
CUSTOM CHARGES		\$0
LAND TAXES		\$155
OTHER EXPENSES		\$19,242
TOTAL CASH EXPENSES		<u>\$34,748</u>
RETURN OVER CASH EXPENSES		\$56,835
FIXED EXPENSES		\$17,286
TOTAL EXPENSES		\$52,034
NET FARM INCOME		\$39,550
LABOR AND MANAGEMENT COSTS		\$10,757
NET OPERATING PROFIT		\$28,792
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$274
INTEREST ON EQUIPMENT INVESTMENT		\$2,878
TOTAL CAPITAL COSTS		<u>\$3,152</u>
RETURN TO LAND AND RISK		<u>\$25,641</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$23,241	22.91%
\$2,500 /ACRE	\$19,641	11.72%
\$4,000 /ACRE	\$16,041	7.87%
\$5,500 /ACRE	\$12,441	5.93%
\$7,000 /ACRE	\$8,841	4.75%
\$8,500 /ACRE	\$5,241	3.97%

* 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)