

TABLE 1. Acreage Summary, Otero County,  
Actual 2025

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	50.00		2,002
ACRE FEET PER ACRE OF WATER RIGHTS			3.34

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for Tularosa Basin, Otero County,  
Actual 2025

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$20.00
General & Irrigators	\$/hour	\$16.90
<b>Purchased Inputs:</b>		
<b>Fertilizer:</b>		
Nitrogen (N)	\$/pound	\$0.92
<b>Seed:</b>		
Alfalfa	\$/pound	\$4.60
Oats for Hay	\$/pound	\$0.56
Natural Gas (Gas NM) (service charge)	\$/TCF \$/month	\$6.27 \$10.00
Diesel fuel	\$/gallon	\$3.33
Gasoline	\$/gallon	\$2.68
Electricity (Otero Coop)	cents/KwHr	5.90
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	8.75%
Land Interest Rate	percent	7.95%
Equipment Interest Rate	percent	6.45%
Expected Inflation Rate	percent	1.72%
Land Taxes	\$300.00 /acre (full value)	\$3.22
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$32.21 \$24.53
<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,  
Actual 2025

Item			
Electricity (Domestic & Shop)		\$83.20 per month	\$998
Telephone		\$89.60 per month	\$1,075
Accounting & Legal			\$192
Misc. Supplies & Hand Tools			\$666
Pickup and Auto			
miles	6,592	@ \$0.700 per mile	\$4,614
<b>Insurance</b>			
- general liability (non-employee)			\$307
- fire/theft			\$205
<b>Property Taxes</b>			
- non-planted land			\$0
- other than land & machinery			\$6,010
Building repairs and maintenance			\$307
Dues, fees, publications			\$166
Farmstead Equipment			\$205
		Total	\$14,746
Total per planted acre			\$327.69

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Actual 2025  
Planting dates: September 1 - November 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<b>PURCHASED INPUTS</b>									
ALFALFA SEED	\$4.60	30 LBS	\$138.00						\$138.00
PUMP WATER*		8 AC. IN.							
SUBTOTAL			\$138.00						\$138.00
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	50 HP	0.39 HR		\$7.80	\$3.91	\$0.39	\$3.03	\$15.14	
PLOW	50 HP	1.05 HR		\$21.00	\$10.54	\$1.39	\$17.05	\$49.97	
DISC (2X)	50 HP	0.78 HR		\$15.60	\$7.83	\$1.47	\$12.28	\$37.17	
FLOAT (2X)	50 HP	0.64 HR		\$12.80	\$6.42	\$0.66	\$7.99	\$27.87	
DRILL	50 HP	0.21 HR		\$4.20	\$2.11	\$0.43	\$34.72	\$41.47	
IRRIGATE (4X)		2.00 HR		\$33.80	\$29.21	\$0.00	\$6.64	\$69.66	
SUBTOTAL		5.07 HR		\$95.20	\$60.02	\$4.34	\$81.72	\$241.28	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.77 HR		\$15.35				\$15.35	
EMPLOYEE BENEFITS				\$11.42				\$11.42	
FARM INSURANCE			\$1.14					\$1.14	
SUPERVISION AND MANAGEMENT				\$18.71				\$18.71	
SUBTOTAL		0.77 HR	\$1.14	\$45.48				\$46.62	
<b>TOTAL OPERATING EXPENSES</b>		5.84 HR	\$139.14	\$140.68	\$60.02	\$4.34	\$81.72	\$425.90	

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Actual 2025  
Harvesting dates: May 10 - October 15

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$245.00	6.00 TONS (STACKED)						\$1,470.00	
<b>TOTAL</b>								\$1,470.00	
<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						\$42.59	\$42.59
: Interest								\$18.62	\$18.62
PUMP WATER*		45 AC. IN.							
<b>SUBTOTAL</b>			<b>\$84.13</b>					<b>\$61.21</b>	<b>\$145.35</b>
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (11X)		5.50 HR		\$92.95	\$164.33	\$0.00	\$37.36	\$294.64	
<b>SUBTOTAL</b>		5.50 HR		\$92.95	\$164.33	\$0.00	\$37.36	\$294.64	
<b>HARVEST OPERATIONS</b>									
SWATHER (5X)	14 FT	0.80 HR		\$16.00	\$0.00	\$0.20	\$16.10	\$32.30	
BALER, PTO (5X)	50 HP	1.05 HR		\$21.00	\$10.54	\$1.23	\$17.96	\$50.72	
BALEWAGON, PTO (5X)	50 HP	1.00 HR		\$20.00	\$10.03	\$2.29	\$28.26	\$60.59	
<b>SUBTOTAL</b>		2.85 HR		\$57.00	\$20.57	\$3.72	\$62.32	\$143.61	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.71 HR		\$14.25				\$14.25	
EMPLOYEE BENEFITS				\$17.99				\$17.99	
FARM INSURANCE			\$1.80				\$1.80		
LAND TAXES							\$3.22		
SUPERVISION AND MANAGEMENT				\$65.73				\$65.73	
OTHER EXPENSES			\$327.69				\$327.69		
<b>SUBTOTAL</b>		0.71 HR	\$329.49	\$97.97				\$3.22	\$430.68
<b>TOTAL OPERATING EXPENSES</b>		9.06 HR	\$413.62	\$247.92	\$184.90	\$3.72	\$164.11	\$1,014.27	
<b>NET OPERATING PROFIT</b>								\$455.73	
INTEREST ON OPERATING CAPITAL		(	\$85.17	@	8.75%	)			
INTEREST ON EQUIPMENT INVESTMENT								\$7.45	
								\$58.81	
<b>RETURN TO LAND AND RISK</b>								\$389.47	

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

**BUDGET SUMMARY**

GROSS RETURN		\$1,470.00	
VARIABLE OPERATING EXPENSES	\$609.70		
RETURN OVER VARIABLE EXPENSES		\$860.30	(GROSS MARGINS)
FIXED EXPENSES	\$164.11		
NET FARM INCOME		\$696.19	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$247.92		
NET OPERATING PROFIT		\$448.27	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$58.81		
RETURN TO LAND AND RISK		\$389.47	

TABLE 8. Oats for hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Actual 2025  
 Planting dates: September 1 - November 1  
 Harvesting dates: April 15 - May 15

ITEM	PRICE	YIELD							TOTAL	
<b>GROSS RETURNS</b>										
OATS FOR HAY	\$184.00	3.00 TONS (STACKED)							\$552.00	
<b>TOTAL</b>									\$552.00	
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PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS				FIXED COST	TOTAL	
OAT SEED	\$0.56	100 LBS		\$56.00					\$56.00	
NITROGEN (N)	\$0.92	100 LBS		\$92.39					\$92.39	
PUMP WATER*		18 AC. IN.								
<b>SUBTOTAL</b>				\$148.39					\$148.39	
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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			\$7.80	\$3.91	\$0.73	\$6.14	\$18.59	
FLOW	50 HP	1.05 HR			\$21.00	\$10.54	\$1.39	\$17.05	\$49.97	
DISC (2X)	50 HP	0.78 HR			\$15.60	\$7.83	\$1.47	\$12.28	\$37.17	
FLOAT (2X)	50 HP	0.64 HR			\$12.80	\$6.42	\$0.66	\$7.99	\$27.87	
DRILL	50 HP	0.21 HR			\$4.20	\$2.11	\$0.43	\$34.72	\$41.47	
IRRIGATE (4X)	50 HP	2.00 HR			\$33.80	\$65.73	\$0.00	\$14.94	\$114.48	
<b>SUBTOTAL</b>		5.07 HR			\$95.20	\$96.54	\$4.68	\$93.13	\$289.55	
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HARVEST OPERATIONS										
SWATHER	14 FT	0.16 HR			\$3.20	\$0.00	\$0.04	\$3.22	\$6.46	
BALER, PTO	50 HP	0.21 HR			\$4.20	\$2.11	\$0.25	\$3.59	\$10.14	
BALE WAGON	50 HP	0.20 HR			\$4.00	\$2.01	\$0.46	\$5.65	\$12.12	
<b>SUBTOTAL</b>		0.57 HR			\$11.40	\$4.11	\$0.74	\$12.46	\$28.72	
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OVERHEAD EXPENSES										
DOWNTIME		0.91 HR			\$18.20				\$18.20	
EMPLOYEE BENEFITS					\$12.79				\$12.79	
FARM INSURANCE				\$1.28					\$1.28	
LAND TAXES								\$1.61	\$1.61	
SUPERVISION AND MANAGEMENT					\$25.90				\$25.90	
OTHER EXPENSES				\$163.84					\$163.84	
<b>SUBTOTAL</b>		0.91 HR			\$165.12	\$56.89		\$1.61	\$223.63	
<b>TOTAL OPERATING EXPENSES</b>		6.55 HR			\$313.51	\$163.49	\$100.65	\$5.42	\$107.20	\$690.28
<b>NET OPERATING PROFIT</b>									(\$138.28)	
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INTEREST ON OPERATING CAPITAL		(	\$99.90	@	8.75%	)			\$8.74	
INTEREST ON EQUIPMENT INVESTMENT									\$45.71	
<b>RETURN TO LAND AND RISK</b>									(\$192.74)	

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

BUDGET SUMMARY

GROSS RETURN		\$552.00	
VARIABLE OPERATING EXPENSES	\$428.33		
RETURN OVER VARIABLE EXPENSES		\$123.67	(GROSS MARGINS)
FIXED EXPENSES	\$107.20		
NET FARM INCOME		\$16.47	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$163.49		
NET OPERATING PROFIT		(\$147.02)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$45.71		
RETURN TO LAND AND RISK		(\$192.74)	

TABLE 9. Sorghum-sudan hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Actual 2025  
 Planting dates: May 1 - June 1  
 Harvesting dates: June 1 - August 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
SORGHUM/SUDAN HAY	\$184.00	5.00 TONS (STACKED)						\$920.00
<b>TOTAL</b>								<u>\$920.00</u>
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
SEED	\$1.04	50 LBS	\$52.00					\$52.00
NITROGEN (N)	\$0.92	100 LBS	\$92.39					\$92.39
PUMP WATER*		16 AC. IN.						
<b>SUBTOTAL</b>			<u>\$144.39</u>					<u>\$144.39</u>
<b>PREHARVEST OPERATIONS</b>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	50 HP	0.39 HR		\$7.80	\$3.91	\$0.73	\$6.14	\$18.59
FLOAT (2X)	50 HP	0.64 HR		\$12.80	\$6.42	\$0.66	\$7.99	\$27.87
DRILL	50 HP	0.21 HR		\$4.20	\$2.11	\$0.43	\$34.72	\$41.47
IRRIGATE (4X)		2.00 HR		\$33.80	\$58.43	\$0.00	\$13.28	\$105.51
<b>SUBTOTAL</b>		<u>3.24 HR</u>		<u>\$58.60</u>	<u>\$70.87</u>	<u>\$1.82</u>	<u>\$62.14</u>	<u>\$193.43</u>
<b>HARVEST OPERATIONS</b>								
SWATHER (2X)	14 FT	0.32 HR		\$6.40	\$0.00	\$0.08	\$6.44	\$12.92
BALER, PTO (2X)	50 HP	0.42 HR		\$8.40	\$4.21	\$0.49	\$7.18	\$20.29
BALE WAGON (2X)	50 HP	0.40 HR		\$8.00	\$4.01	\$0.92	\$11.31	\$24.24
<b>SUBTOTAL</b>		<u>1.14 HR</u>		<u>\$22.80</u>	<u>\$8.23</u>	<u>\$1.49</u>	<u>\$24.93</u>	<u>\$57.44</u>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.60 HR		\$11.90				\$11.90
EMPLOYEE BENEFITS				\$9.77				\$9.77
FARM INSURANCE			\$0.98					\$0.98
LAND TAXES							\$1.61	\$1.61
SUPERVISION AND MANAGEMENT				\$39.99				\$39.99
OTHER EXPENSES			\$163.84					\$163.84
<b>SUBTOTAL</b>		<u>0.60 HR</u>	<u>\$164.82</u>	<u>\$61.66</u>			<u>\$1.61</u>	<u>\$228.09</u>
<b>TOTAL OPERATING EXPENSES</b>		<u>4.98 HR</u>	<u>\$309.21</u>	<u>\$143.06</u>	<u>\$79.10</u>	<u>\$3.31</u>	<u>\$88.68</u>	<u>\$623.36</u>
<b>NET OPERATING PROFIT</b>								\$296.64
INTEREST ON OPERATING CAPITAL		( \$91.18 @	8.75%	)				\$7.98
INTEREST ON EQUIPMENT INVESTMENT								\$40.98
<b>RETURN TO LAND AND RISK</b>								<u>\$247.68</u>

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

**BUDGET SUMMARY**

GROSS RETURN		\$920.00	
VARIABLE OPERATING EXPENSES	\$399.60		
RETURN OVER VARIABLE EXPENSES	\$520.40		(GROSS MARGINS)
FIXED EXPENSES	\$88.68		
NET FARM INCOME	\$431.72		(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$143.06		
NET OPERATING PROFIT	\$288.67		(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$40.98		
RETURN TO LAND AND RISK		\$247.68	

TABLE 10. Summary of per acre costs and returns, 50-acre part-time farm, Tularosa Basin, Otero County,  
Actual 2025

	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	\$184.00	\$184.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$0.00	\$0.00	\$0.00
GROSS RETURN		\$1,470.00	\$552.00	\$920.00
CASH OPERATING EXPENSES				
SEED	\$138.00		\$56.00	\$52.00
FERTILIZER		\$40.00	\$92.39	\$92.39
CHEMICALS		\$23.97		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$20.16		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$30.81	\$20.57	\$34.92	\$20.67
FUEL-IRRIGATION	\$29.21	\$164.33	\$65.73	\$58.43
REPAIRS	\$4.34	\$3.72	\$5.42	\$3.31
CUSTOM CHARGES				
LAND TAXES		\$3.22	\$1.61	\$1.61
OTHER EXPENSES	\$1.14	\$329.49	\$165.12	\$164.82
TOTAL CASH EXPENSES	\$203.50	\$605.46	\$421.20	\$393.23
RETURN OVER CASH EXPENSES	(\$203.50)	\$864.54	\$130.80	\$526.77
FIXED EXPENSES	\$81.72	\$160.89	\$105.59	\$87.07
TOTAL EXPENSES	\$285.22	\$766.35	\$526.79	\$480.30
NET FARM INCOME	(\$285.22)	\$703.65	\$25.21	\$439.70
LABOR AND MANAGEMENT COSTS	\$140.68	\$247.92	\$163.49	\$143.06
NET OPERATING PROFIT	(\$425.90)	\$455.73	(\$138.28)	\$296.64
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$7.45	\$8.74	\$7.98
INTEREST ON EQUIPMENT INVESTMENT		\$58.81	\$45.71	\$40.98
TOTAL CAPITAL COSTS	\$0.00	\$66.26	\$54.46	\$48.96
RETURN TO LAND AND RISK	(\$425.90)	\$389.47	(\$192.74)	\$247.68

TABLE 11. Whole farm summary, Tularosa Basin, Otero County,  
Actual 2025

GROSS RETURNS		
ALFALFA HAY	40.00 ACRES	
CROP		\$58,800
OATS FOR HAY	5.00 ACRES	
CROP		\$2,760
SORGHUM/SUDAN	5.00 ACRES	
CROP		\$4,600
GROSS RETURN		<u>\$66,160</u>
CASH OPERATING EXPENSES		
SEED		\$1,092
FERTILIZER		\$2,524
CHEMICALS		\$959
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$806
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,224
FUEL-IRRIGATION		\$7,311
REPAIRS		\$210
CUSTOM CHARGES		\$0
LAND TAXES		\$145
OTHER EXPENSES		\$14,834
TOTAL CASH EXPENSES		<u>\$29,105</u>
RETURN OVER CASH EXPENSES		\$37,055
FIXED EXPENSES		\$5,587
TOTAL EXPENSES		\$34,692
NET FARM INCOME		\$31,468
LABOR AND MANAGEMENT COSTS		\$12,012
NET OPERATING PROFIT		\$19,456
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$382
INTEREST ON EQUIPMENT INVESTMENT		\$2,786
TOTAL CAPITAL COSTS		<u>\$3,167</u>
RETURN TO LAND AND RISK		<u>\$16,289</u>

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	\$15,689	29.36%
\$900 /ACRE	\$15,517	25.51%
\$1,100 /ACRE	\$15,346	22.55%
\$1,300 /ACRE	\$15,174	20.21%
\$1,500 /ACRE	\$15,003	18.31%
\$1,700 /ACRE	\$14,831	16.73%
\$1,900 /ACRE	\$14,660	15.41%
\$2,100 /ACRE	\$14,488	14.28%

\* 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)