

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County,
 Projected 2015
 Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	\$6.00	18 LBS	\$108.00					\$108.00
CANAL WATER		5 AC. IN.						
SUBTOTAL			\$108.00					\$108.00
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	40 HP	0.20 HR		\$1.71	\$2.62	\$0.22	\$0.60	\$5.15
DISC	40 HP	0.17 HR		\$1.45	\$2.23	\$0.18	\$0.51	\$4.37
DRILL	40 HP	0.25 HR		\$2.14	\$3.27	\$0.27	\$0.75	\$6.43
DITCH MAINTENANCE		0.50 HR		\$4.28				\$4.28
IRRIGATE (1X)		0.75 HR		\$5.63				\$5.63
SUBTOTAL		1.87 HR		\$15.20	\$8.12	\$0.67	\$1.87	\$25.85
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.16 HR		\$1.33				\$1.33
EMPLOYEE BENEFITS				\$2.74				\$2.74
INSURANCE			\$0.30					\$0.30
SUPERVISION AND MANAGEMENT				\$10.43				\$10.43
SUBTOTAL		0.16 HR	\$0.30	\$14.49				\$14.80
<u>TOTAL OPERATING EXPENSES</u>		2.03 HR	\$108.30	\$29.69	\$8.12	\$0.67	\$1.87	\$148.65

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2015
Harvesting dates: May 15 - September 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$245.00	4.00 TONS (STACKED)						\$980.00
GRAZING	\$15.00	1.00 ACRE						\$15.00
TOTAL								\$995.00
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10.00 YEARS					\$4.00	\$4.00
: Interest							\$14.86	\$14.86
BALING WIRE	\$1.32	34.28 LBS	\$45.25				\$4.79	\$4.79
CANAL WATER		16.00 AC. IN.	\$5.00					\$45.25
PUMP WATER*		8.00 AC. IN.						\$5.00
SUBTOTAL			\$50.25				\$23.66	\$73.91
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DITCH MAINTENANCE		0.50 HR		\$4.28				\$4.28
IRRIGATE (8X)		4.00 HR		\$30.00	\$6.64	\$0.00	\$14.41	\$51.05
SUBTOTAL			4.50 HR	\$34.28	\$6.64	\$0.00	\$14.41	\$55.33
HARVEST OPERATIONS								
MOWER (3X)	40 HP	1.11 HR		\$9.49	\$14.53	\$1.60	\$5.44	\$31.06
RAKE (3X)	40 HP	0.36 HR		\$3.08	\$4.71	\$0.54	\$3.59	\$11.92
BALER (3X)	40 HP	0.63 HR		\$5.39	\$8.25	\$0.78	\$8.12	\$22.53
HAUL (3X)	1 TON TRUCK	4.50 HR		\$38.48	\$100.05	\$37.46	\$56.79	\$232.77
SUBTOTAL			6.60 HR	\$56.43	\$127.54	\$40.38	\$73.93	\$298.29
OVERHEAD EXPENSES								
DOWNTIME		1.65 HR		\$14.11				\$14.11
EMPLOYEE BENEFITS				\$16.33				\$16.33
INSURANCE			\$1.81					\$1.81
LAND TAXES							\$0.21	\$0.21
SUPERVISION AND MANAGEMENT				\$76.95				\$76.95
OTHER EXPENSES			\$245.05					\$245.05
SUBTOTAL			1.65 HR	\$246.86	\$107.38		\$0.21	\$354.45
TOTAL OPERATING EXPENSES			12.75 HR	\$297.11	\$198.09	\$134.18	\$40.38	\$781.98
NET OPERATING PROFIT								\$213.02
INTEREST ON OPERATING CAPITAL		(\$40.78 @ 5.50%)						\$2.24
INTEREST ON EQUIPMENT INVESTMENT								\$2.15
RETURN TO LAND AND RISK								\$208.63

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

BUDGET SUMMARY

GROSS RETURN		\$995.00	
VARIABLE OPERATING EXPENSES	\$471.68		
RETURN OVER VARIABLE EXPENSES		\$523.32	(GROSS MARGIN)
FIXED EXPENSES	\$112.21		
NET FARM INCOME		\$411.11	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$198.09		
NET OPERATING PROFIT		\$213.02	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$4.39		
RETURN TO LAND AND RISK		\$208.63	

TABLE 8. Native grass hay, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2015
Harvesting dates: July 20 - September 15

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
HAY	\$220.00	1.50 TONS (STACKED)						\$330.00	
GRAZING	\$13.00	1.00 ACRE						\$13.00	
TOTAL								\$343.00	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
LIVESTOCK FAC & EQUIP							\$4.00	\$4.00	
BALING WIRE	\$1.32	13 LBS	\$16.97					\$16.97	
CANAL WATER		12 AC. IN.	\$5.00					\$5.00	
PUMP WATER*		6 AC. IN.							
SUBTOTAL			\$21.97				\$4.00	\$25.97	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DITCH MAINTENANCE		0.50 HR		\$4.28				\$4.28	
IRRIGATE (5X)		2.50 HR		\$21.38	\$4.98	\$0.00	\$10.81	\$37.17	
SUBTOTAL		3.00 HR		\$25.65	\$4.98	\$0.00	\$10.81	\$41.44	
HARVEST OPERATIONS									
MOWER (2X)	40 HP	0.74 HR		\$6.33	\$9.69	\$1.07	\$3.63	\$20.71	
RAKE (2X)	40 HP	0.24 HR		\$2.05	\$3.14	\$0.36	\$2.39	\$7.95	
BALER, 1-TON (2X)	40 HP	0.42 HR		\$3.59	\$5.50	\$0.52	\$5.41	\$15.02	
HAUL (2X)	TRUCK	1.60 HR		\$13.68	\$35.57	\$13.32	\$20.19	\$82.76	
SUBTOTAL		3.00 HR	\$0.00	\$25.65	\$53.90	\$15.27	\$31.62	\$126.44	
OVERHEAD EXPENSES									
DOWNTIME		0.75 HR		\$6.41				\$6.41	
EMPLOYEE BENEFITS				\$9.23				\$9.23	
INSURANCE			\$1.03					\$1.03	
LAND TAXES							\$0.21	\$0.21	
SUPERVISION AND MANAGEMENT				\$25.51				\$25.51	
OTHER EXPENSES			\$245.05					\$245.05	
SUBTOTAL		0.75 HR	\$246.07	\$41.16			\$0.21	\$287.44	
TOTAL OPERATING EXPENSES		3.75 HR	\$268.04	\$92.46	\$58.88	\$15.27	\$46.64	\$481.29	
NET OPERATING PROFIT								(\$138.29)	
INTEREST ON OPERATING CAPITAL		(\$17.99	@	5.50%)		\$0.99	
INTEREST ON EQUIPMENT INVESTMENT									\$21.11
RETURN TO LAND AND RISK								(\$160.38)	

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

BUDGET SUMMARY

GROSS RETURN		\$343.00	
VARIABLE OPERATING EXPENSES	\$342.19		
RETURN OVER VARIABLE EXPENSES		\$0.81	(GROSS MARGIN)
FIXED EXPENSES	\$46.64		
NET FARM INCOME		(\$45.83)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$92.46		
NET OPERATING PROFIT		(\$138.29)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$22.10		
RETURN TO LAND AND RISK		(\$160.38)	

TABLE 9. Summary of per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2015

	ALFALFA ESTABLISHMENT	ALFALFA HAY	NATIVE GRASS HAY
		TONS	TONS
PRIMARY YIELD		4.00	1.50
PRIMARY PRICE		\$245.00	\$220.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00
SECOND INCOME		\$15.00	\$13.00
GROSS RETURN		\$995.00	\$343.00
CASH OPERATING EXPENSES			
SEED	\$108.00		
FERTILIZER			
CHEMICALS			
CROP INSURANCE			
OTHER PURCHASED INPUTS		\$45.25	\$16.97
CANAL WATER		\$5.00	\$5.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$8.12	\$127.54	\$53.90
FUEL-IRRIGATION		\$6.64	\$4.98
REPAIRS	\$0.67	\$40.38	\$15.27
CUSTOM CHARGES			
LAND TAXES		\$0.21	\$0.21
OTHER EXPENSES	\$0.30	\$246.86	\$246.07
TOTAL CASH EXPENSES	\$117.09	\$471.89	\$342.40
RETURN OVER CASH EXPENSES	(\$117.09)	\$523.11	\$0.60
FIXED EXPENSES	\$1.87	\$112.00	\$46.43
TOTAL EXPENSES	\$118.96	\$583.89	\$388.83
NET FARM INCOME	(\$118.96)	\$411.11	(\$45.83)
LABOR AND MANAGEMENT COSTS	\$29.69	\$198.09	\$92.46
NET OPERATING PROFIT	(\$148.65)	\$213.02	(\$138.29)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL		\$2.24	\$0.99
INTEREST ON EQUIPMENT INVESTMENT		\$2.15	\$21.11
TOTAL CAPITAL COSTS	\$0.00	\$4.39	\$22.10
RETURN TO LAND AND RISK	(\$148.65)	\$208.63	(\$160.38)

TABLE 10. Whole farm summary, Union County,
Projected 2015

GROSS RETURNS		
ALFALFA HAY	40 ACRES	
CROP		\$39,200
GRAZING		\$600
NATIVE GRASS HAY	40 ACRES	
CROP		\$13,200
GRAZING		\$520
GROSS RETURN		<u>\$53,520</u>
CASH OPERATING EXPENSES		
SEED		\$432
FERTILIZER		\$0
CHEMICALS		\$0
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$2,489
CANAL WATER		\$400
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,290
FUEL-IRRIGATION		\$465
REPAIRS		\$2,229
CUSTOM CHARGES		\$0
LAND TAXES		\$17
OTHER EXPENSES		\$19,719
TOTAL CASH EXPENSES		<u>\$33,040</u>
RETURN OVER CASH EXPENSES		\$20,480
FIXED EXPENSES		\$5,750
TOTAL EXPENSES		\$38,790
NET FARM INCOME		\$14,730
LABOR AND MANAGEMENT COSTS		\$11,741
NET OPERATING PROFIT		\$2,989
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$129
INTEREST ON EQUIPMENT INVESTMENT		\$930
TOTAL CAPITAL COSTS		<u>\$1,060</u>
RETURN TO LAND AND RISK		<u>\$1,930</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$200 /ACRE	\$1,450	5.19%
\$350 /ACRE	\$1,090	4.30%
\$500 /ACRE	\$730	3.67%

* 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)