

TABLE 4. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm,
 San Juan County. Projected 2015
 Planting dates: April 15 - June 1
 Harvest dates: June 15 - July 1

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|----------------------|------------------|-------|-------------|---------|------------|---------|
| GROSS RETURNS | | | | | | | | |
| OAT HAY | 100.00 | 2.00 TONS (IN FIELD) | | | | | | 200.00 |
| TOTAL | | | | | | | | 200.00 |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | | TOTAL |
| ALFALFA SEED | 2.80 | 20.00 LBS | 56.00 | | | | | 56.00 |
| OAT SEED | 0.30 | 45.00 LBS | 13.50 | | | | | 13.50 |
| PHOSPHATE (P2O5) | 0.20 | 45.00 LBS | 9.00 | | | | | 9.00 |
| CANAL WATER | | 48.00 AC. IN. | | | 75.00 | | | 75.00 |
| CANAL WATER (MAINTENANCE) | | 1 ACRE | | | 8.00 | | | 8.00 |
| SUBTOTAL | | | | 78.50 | 83.00 | | | 161.50 |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 65 HP | 0.83 HR | | 5.60 | 5.85 | 0.21 | 3.71 | 15.37 |
| DISC (2X) | 65 HP | 0.84 HR | | 5.67 | 5.92 | 0.21 | 3.75 | 15.55 |
| FERTILIZE | 65 HP | 0.05 HR | | 0.34 | 0.35 | 0.01 | 0.22 | 0.93 |
| CORRUGATE | 65 HP | 0.41 HR | | 2.77 | 2.89 | 0.10 | 2.84 | 8.61 |
| DRILL | 65 HP | 0.33 HR | | 2.23 | 2.33 | 0.08 | 1.47 | 6.11 |
| DITCHER | 65 HP | 0.10 HR | | 0.68 | 0.70 | 0.02 | 0.45 | 1.85 |
| IRRIGATE (6X) | | 3.00 HR | | 19.35 | | | | 19.35 |
| SUBTOTAL | | 5.56 HR | | 36.63 | 18.05 | 0.64 | 12.45 | 67.76 |
| HARVEST OPERATIONS | | | | | | | | |
| MOWER | 65 HP | 0.45 HR | | 3.04 | 3.17 | 0.37 | 6.97 | 13.55 |
| RAKE | 65 HP | 0.26 HR | | 1.76 | 1.83 | 0.15 | 4.02 | 7.76 |
| BALER (CUSTOM) | | | 65.60 | | | | | 65.60 |
| SUBTOTAL | | 0.71 HR | 65.60 | 4.79 | 5.01 | 0.52 | 11.00 | 86.91 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 2.43 HR | | 16.37 | | | | 16.37 |
| EMPLOYEE BENEFITS | | | | 4.97 | | | | 4.97 |
| INSURANCE | | | 0.50 | | | | | 0.50 |
| LAND TAXES | | | | | | | 2.23 | 2.23 |
| SUPERVISION AND MANAGEMENT | | | | 13.81 | | | | 13.81 |
| OTHER EXPENSES | | | 144.71 | | | | | 144.71 |
| SUBTOTAL | | 2.43 HR | 145.21 | 35.14 | | | 2.23 | 182.58 |
| TOTAL OPERATING EXPENSES | | 8.70 HR | 289.31 | 76.57 | 23.05 | 1.16 | 108.67 | 498.76 |
| NET OPERATING PROFIT | | | | | | | | -298.76 |
| INTEREST ON OPERATING CAPITAL (| | 49.85 @ | 0.07) | | | | | 3.24 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | 21.43 |
| RETURN TO LAND AND RISK | | | | | | | | -323.43 |

TABLE 5. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm,
 San Juan County
 Projected 2015
 Harvesting dates: June 10 - October 15

| ITEM | PRICE | YIELD | | | | | | TOTAL |
|----------------------------------|------------|----------------------|------------------|---------------|--------------|-------------|-----------------|---------------|
| GROSS RETURNS | | | | | | | | |
| ALFALFA HAY | 235.00 | 5.50 TONS (IN FIELD) | | | | | | 1,292.50 |
| GRAZING | 10.00 | 1.40 AUM | | | | | | 14.00 |
| TOTAL | | | | | | | 1,306.50 | |
| PURCHASED INPUTS | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL |
| PHOSPHATE (P2O5) | 0.40 | 45.00 LBS | 18.00 | | | | | 18.00 |
| ESTABLISHMENT: Principal | | 6.00 YEARS | | | | | 53.90 | 53.90 |
| : Interest | | | | | | | 17.24 | 17.24 |
| LIVESTOCK FAC & EQUIP | | | | | | | 5.00 | 5.00 |
| CANAL WATER | | 60.00 AC. IN. | | | | | 93.75 | 93.75 |
| CANAL WATER (MAINTENANCE) | | 1 ACRE | | | | | 8.00 | 8.00 |
| SUBTOTAL | | | 18.00 | | | | 177.90 | 195.90 |
| PREHARVEST OPERATIONS | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| FERTILIZE | 65 HP | 0.05 HR | | 0.34 | 0.35 | 0.01 | 0.22 | 0.93 |
| DITCHER | 65 HP | 0.10 HR | | 0.68 | 0.70 | 0.02 | 0.45 | 1.85 |
| CORRUGATE | 65 HP | 0.41 HR | | 2.77 | 2.89 | 0.10 | 2.84 | 8.61 |
| IRRIGATE (10X) | | 5.00 HR | | 32.25 | | | | 32.25 |
| SUBTOTAL | | 5.56 HR | | 36.03 | 3.95 | 0.14 | 3.51 | 43.63 |
| HARVEST OPERATIONS | | | | | | | | |
| MOWER (3X) | 65 HP | 1.35 HR | | 9.11 | 9.52 | 1.11 | 20.92 | 40.66 |
| RAKE (3X) | 65 HP | 0.78 HR | | 5.27 | 5.50 | 0.45 | 12.07 | 23.29 |
| BALER (CUSTOM) | | | 180.40 | | | | | 180.40 |
| SUBTOTAL | | 2.13 HR | 180.40 | 14.38 | 15.02 | 1.56 | 32.99 | 244.34 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.55 HR | | 3.68 | | | | 3.68 |
| EMPLOYEE BENEFITS | | | | 6.05 | | | | 6.05 |
| INSURANCE | | | 0.60 | | | | | 0.60 |
| LAND TAXES | | | | | | | 2.23 | 2.23 |
| SUPERVISION AND MANAGEMENT | | | | 58.35 | | | | 58.35 |
| OTHER EXPENSES | | | 144.71 | | | | | 144.71 |
| SUBTOTAL | | 0.55 HR | 145.32 | 68.08 | | | 2.23 | 215.62 |
| TOTAL OPERATING EXPENSES | | 8.24 HR | 343.72 | 118.49 | 18.96 | 1.70 | 216.63 | 699.50 |
| NET OPERATING PROFIT | | | | | | | 607.00 | |
| INTEREST ON OPERATING CAPITAL | (| 26.44 | @ | 0.07 |) | | | 1.72 |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | 27.91 |
| RETURN TO LAND AND RISK | | | | | | | 577.37 | |

BUDGET SUMMARY

| | | | |
|-------------------------------|--------|----------|---|
| GROSS RETURN | | 1,306.50 | |
| VARIABLE OPERATING EXPENSES | 364.38 | | |
| RETURN OVER VARIABLE EXPENSES | | 942.12 | (GROSS MARGIN) |
| FIXED EXPENSES | 216.63 | | |
| NET FARM INCOME | | 725.49 | (RETURN TO CAPITAL, LABOR, LAND & RISK) |
| LABOR AND MANAGEMENT COST | 118.49 | | |
| NET OPERATING PROFIT | | 607.00 | (RETURN TO CAPITAL, LAND & RISK) |
| CAPITAL COSTS | 29.63 | | |
| RETURN TO LAND AND RISK | | 577.37 | |

TABLE 6. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm, San Juan County. Projected 2015
Planting dates: August 15 - September 15

| ITEM | PRICE | QUANTITY | PURCHASED INPUTS | | | | TOTAL | |
|---------------------------------|------------|---------------------|------------------|--------------|--------------|-------------|--------------|---------------|
| | | | | | | FIXED COST | | |
| PURCHASED INPUTS | | | | | | | | |
| SEED | 2.50 | 15.00 LBS | 37.50 | | | | 37.50 | |
| NITROGEN (N) | 0.29 | 20.00 LBS | 5.80 | | | | 5.80 | |
| PHOSPHATE (P205) | 0.20 | 50.00 LBS | 10.00 | | | | 10.00 | |
| CANAL WATER | | 21.00 AC. IN. | | | | 32.81 | 32.81 | |
| CANAL WATER (MAINTENANCE) | | | | | | 8.00 | 8.00 | |
| SUBTOTAL | | | 53.30 | | | 40.81 | 94.11 | |
| PREHARVEST OPERATIONS | | | | | | | | |
| | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS | LABOR | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL |
| PLOW | 65 HP | 0.83 HR | | 5.60 | 5.85 | 0.21 | 3.71 | 15.37 |
| DISC (2X) | 65 HP | 0.84 HR | | 5.67 | 5.92 | 0.21 | 3.75 | 15.55 |
| HARROW | 65 HP | 0.41 HR | | 2.77 | 2.89 | 0.10 | 2.84 | 8.61 |
| FERTILIZE | 65 HP | 0.05 HR | | 0.34 | 0.35 | 0.01 | 0.22 | 0.93 |
| CORRUGATE | 65 HP | 0.41 HR | | 2.77 | 2.89 | 0.10 | 2.84 | 8.61 |
| DRILL | 65 HP | 0.33 HR | | 2.23 | 2.33 | 0.08 | 1.47 | 6.11 |
| DITCHER | 65 HP | 0.10 HR | | 0.68 | 0.70 | 0.02 | 0.45 | 1.85 |
| IRRIGATE (3X) | | 1.50 HR | | 9.68 | | | | 9.68 |
| SUBTOTAL | | 4.47 HR | | 29.72 | 20.94 | 0.74 | 15.29 | 66.69 |
| OVERHEAD EXPENSES | | | | | | | | |
| DOWNTIME | | 0.74 HR | | 5.01 | | | | 5.01 |
| EMPLOYEE BENEFITS | | | | 3.57 | | | | 3.57 |
| INSURANCE | | | 0.36 | | | | | 0.36 |
| SUPERVISION AND MANAGEMENT | | | | 9.42 | | | | 9.42 |
| SUBTOTAL | | 0.74 HR | 0.36 | 18.00 | | | | 18.35 |
| TOTAL OPERATING EXPENSES | | 5.21 HR | 53.66 | 47.72 | 20.94 | 0.74 | 56.10 | 179.16 |

TABLE 7. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 20 acre part-time farm,
San Juan County.
Harvesting dates: Year Round
Projected 2015

| ITEM | PRICE | YIELD | | | | | | TOTAL | |
|----------------------------------|------------|---|------------------------|--------|-------------|---------|------------|----------|-------------------|
| GROSS RETURNS | | | | | | | | | |
| PASTURE | 12.00 | 7.00 | AUMS | | | | | 84.00 | |
| TOTAL | | | | | | | | 84.00 | |
| PURCHASED INPUTS | | | | | | | | | |
| PURCHASED INPUTS | PRICE | QUANTITY | PURCHASED INPUTS | | | | FIXED COST | TOTAL | |
| NITROGEN (N) | 0.29 | 100.00 | LBS | 29.00 | | | | 29.00 | |
| ESTABLISHMENT: Principal | | 20.00 | YEARS | | | | 8.96 | 8.96 | |
| : Interest | | | | | | | 5.02 | 5.02 | |
| CANAL WATER | | 62.00 | AC. IN. | | | | 96.88 | 96.88 | |
| CANAL WATER (MAINTENANCE) | | 1 | ACRE | | | | 8.00 | 8.00 | |
| SUBTOTAL | | | | 29.00 | | | 118.85 | 147.85 | |
| PREHARVEST OPERATIONS | | | | | | | | | |
| PREHARVEST OPERATIONS | POWER UNIT | ACCOMPLISHMENT RATE | PURCHASED INPUTS LABOR | | FUEL & LUBE | REPAIRS | FIXED COST | TOTAL | |
| FERTILIZE | 65 HP | 0.05 HR | | 0.34 | 0.35 | 0.01 | 0.22 | 0.93 | |
| CORRUGATE | 65 HP | 0.41 HR | | 2.77 | 2.89 | 0.10 | 2.84 | 8.61 | |
| DITCHER | 65 HP | 0.10 HR | | 0.68 | 0.70 | 0.02 | 0.45 | 1.85 | |
| IRRIGATE (11X) | | 5.50 HR | | 35.48 | | | | 35.48 | |
| SUBTOTAL | | 6.06 HR | | 39.26 | 3.95 | 0.14 | 3.51 | 46.86 | |
| OVERHEAD EXPENSES | | | | | | | | | |
| DOWNTIME | | 0.14 HR | | 0.95 | | | | 0.95 | |
| EMPLOYEE BENEFITS | | | | 4.71 | | | | 4.71 | |
| INSURANCE | | | | 0.47 | | | | 0.47 | |
| LAND TAXES | | | | | | | 2.23 | 2.23 | |
| SUPERVISION AND MANAGEMENT | | | | 9.14 | | | | 9.14 | |
| OTHER EXPENSES | | | | 144.71 | | | | 144.71 | |
| SUBTOTAL | | 0.14 HR | | 145.18 | 14.80 | | 2.23 | 162.21 | |
| TOTAL OPERATING EXPENSES | | 6.20 HR | | 174.18 | 54.05 | 3.95 | 0.14 | 124.59 | 356.91 |
| NET OPERATING PROFIT | | | | | | | | -272.91 | PASTURE LIVESTOCK |
| | | | | | | | | -0.06736 | 0.01 |
| INTEREST ON OPERATING CAPITAL | (| 15.52 | @ | 0.07 | | | | 1.01 | |
| INTEREST ON EQUIPMENT INVESTMENT | | | | | | | | 3.37 | |
| RETURN TO LAND AND RISK | | | | | | | | -277.29 | |
| BUDGET SUMMARY | | | | | | | | | |
| GROSS RETURN | | 84.00 | | | | | | | |
| VARIABLE OPERATING EXPENSES | 178.27 | | | | | | | | |
| RETURN OVER VARIABLE EXPENSES | -94.27 | (GROSS MARGIN) | | | | | | | |
| FIXED EXPENSES | 124.59 | | | | | | | | |
| NET FARM INCOME | -218.86 | (RETURN TO CAPITAL, LABOR, LAND & RISK) | | | | | | | |
| LABOR AND MANAGEMENT COST | 54.05 | | | | | | | | |
| NET OPERATING PROFIT | -272.91 | (RETURN TO CAPITAL, LAND & RISK) | | | | | | | |
| CAPITAL COSTS | 4.38 | | | | | | | | |
| RETURN TO LAND AND RISK | -277.29 | | | | | | | | |

TABLE 8. Summary of per acre costs and returns for a 20 acre part-time farm,
San Juan County. Projected 2015

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | ANNUAL PASTURE EST. | ANNUAL PASTURE |
|----------------------------------|--------------------------|----------------|---------------------------|-------------------|
| | TONS | TONS | -----FLOOD----- | |
| | | | | AUMS |
| PRIMARY YIELD | 2.00 | 5.50 | | 7.00 |
| PRIMARY PRICE | 100.00 | 235.00 | | 12.00 |
| GOVERNMENT PAYMENTS | 0.00 | 0.00 | | 0.00 |
| SECOND INCOME | 0.00 | 14.00 | | 0.00 |
| GROSS RETURN | 200.00 | 1,306.50 | | 84.00 |
| CASH OPERATING EXPENSES | | | | |
| SEED | 69.50 | | 37.50 | |
| FERTILIZER | 9.00 | 18.00 | 15.80 | 29.00 |
| CHEMICALS | | | | |
| CROP INSURANCE | | | | |
| OTHER PURCHASED INPUTS | 0.00 | 0.00 | 0.00 | 0.00 |
| CANAL WATER | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | 23.05 | 18.96 | 20.94 | 3.95 |
| FUEL-IRRIGATION | | | | |
| REPAIRS | 1.16 | 1.70 | 0.74 | 0.14 |
| CUSTOM CHARGES | 65.60 | 180.40 | | |
| LAND TAXES | 2.23 | 2.23 | | 2.23 |
| OTHER EXPENSES | 145.21 | 145.32 | 0.36 | 145.18 |
| TOTAL CASH EXPENSES | 315.75 | 366.61 | 75.34 | 180.50 |
| RETURN OVER CASH EXPENSES | -115.75 | 939.89 | -75.34 | -96.50 |
| FIXED EXPENSES | 106.45 | 214.40 | 56.10 | 122.36 |
| TOTAL EXPENSES | 422.19 | 581.01 | 131.44 | 302.86 |
| NET FARM INCOME | -222.19 | 725.49 | -131.44 | -218.86 |
| LABOR AND MANAGEMENT COSTS | 76.57 | 118.49 | 47.72 | 54.05 |
| NET OPERATING PROFIT | -298.76 | 607.00 | -179.16 | -272.91 |
| CAPITAL COSTS | | | | |
| INTEREST ON OPERATING CAPITAL | 3.24 | 1.72 | | 1.01 |
| INTEREST ON EQUIPMENT INVESTMENT | 21.43 | 27.91 | | 3.37 |
| TOTAL CAPITAL COSTS | 24.67 | 29.63 | 0.00 | 4.38 |
| RETURN TO LAND AND RISK | -323.43 | 577.37 | -179.16 | -277.29 |

TABLE 9. Whole farm summary, San Juan County. Projected 2015

| | | |
|----------------------------------|-------------|--------------------|
| GROSS RETURNS | | |
| OAT HAY | 1.50 ACRES | |
| CROP | | \$300.00 |
| GRAZING | | \$0.00 |
| ALFALFA HAY | 9.00 ACRES | |
| CROP | | \$11,632.50 |
| GRAZING | | \$126.00 |
| PASTURE | 10.00 ACRES | |
| GRAZING | | \$840.00 |
| LIVESTOCK | | \$15,384.00 |
| GROSS RETURN | | <u>\$28,282.50</u> |
| | | |
| CASH OPERATING EXPENSES | | |
| FORAGE | | \$966.00 |
| FEED AND LIVESTOCK | | \$11,689.98 |
| SEED | | \$123.00 |
| FERTILIZER | | \$473.40 |
| CHEMICALS | | \$0.00 |
| CROP INSURANCE | | \$0.00 |
| OTHER PURCHASED INPUTS | | \$0.00 |
| CANAL WATER | | \$0.00 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$255.21 |
| FUEL-IRRIGATION | | \$0.00 |
| REPAIRS | | \$18.81 |
| CUSTOM CHARGES | | \$1,722.00 |
| LAND TAXES | | \$45.66 |
| OTHER EXPENSES | | \$3,699.11 |
| TOTAL CASH EXPENSES | | <u>\$18,993.17</u> |
| | | |
| RETURN OVER CASH EXPENSES | | \$9,289.33 |
| | | |
| FIXED EXPENSES | | \$3,906.25 |
| TOTAL EXPENSES | | <u>\$22,899.41</u> |
| | | |
| NET FARM INCOME | | \$5,383.09 |
| | | |
| LABOR AND MANAGEMENT COSTS | | \$2,316.93 |
| | | |
| NET OPERATING PROFIT | | \$3,066.16 |
| | | |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$30.42 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$317.06 |
| INTEREST ON LIVESTOCK ENTERPRISE | | \$2,147.09 |
| TOTAL CAPITAL COSTS | | <u>\$2,494.57</u> |
| | | |
| RETURN TO LAND AND RISK | | <u>\$571.59</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|----------------|-----------------|------------------------|
| 1,000.00 /ACRE | -228.41 | 0.12 |
| 2,500.00 /ACRE | -1,428.41 | 0.06 |
| 4,000.00 /ACRE | -2,628.41 | 0.04 |
| 5,500.00 /ACRE | -3,828.41 | 0.03 |
| 7,000.00 /ACRE | -5,028.41 | 0.02 |
| 8,500.00 /ACRE | -6,228.41 | 0.02 |

* 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)