

TABLE B20. Summary of per acre costs and returns for a 1,600 acre farm with above average management, Lea County, 2001.

	GRAIN	
	WHEAT	SORGHUM
	-----DRYLAND-----	
	BU	CWT
PRIMARY YIELD	17.00	20.00
PRIMARY PRICE	2.60	3.75
GOVERNMENT PAYMENTS	8.06	11.60
SECOND INCOME	0.00	0.00
GROSS RETURN	\$52.26	\$86.60
VARIABLE OPERATING EXPENSES		
SEED	\$4.80	\$3.33
FERTILIZER	\$11.12	\$11.12
CHEMICALS	\$16.59	\$18.38
CROP INSURANCE	\$0.05	\$0.08
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$4.20	\$6.52
FUEL-IRRIGATION		
REPAIRS	\$6.07	\$8.64
CUSTOM CHARGES	\$0.00	\$0.00
LAND TAXES	\$0.29	\$0.29
OTHER EXPENSES	\$15.23	\$15.26
TOTAL VARIABLE EXPENSES	\$58.35	\$63.61
RETURN OVER VARIABLE EXPENSES	(\$6.09)	\$22.99
FIXED EXPENSES	\$13.71	\$21.48
TOTAL EXPENSES	\$72.06	\$85.09
RETURNS TO CAPITAL, LABOR, LAND & RISK	(\$19.80)	\$1.51
LABOR AND MANAGEMENT COSTS	\$11.20	\$16.59
RETURNS TO CAPITAL, LAND & RISK	(\$31.01)	(\$15.08)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$1.54	\$1.66
INTEREST ON EQUIPMENT INVESTMENT	\$7.83	\$12.45
TOTAL CAPITAL COSTS	\$9.37	\$14.11
RETURN TO LAND AND RISK	(\$40.38)	(\$29.19)

TABLE C20. Whole farm summary, Lea County, 2001.

GROSS RETURNS		
WHEAT	914 ACRES	
CROP		\$40,399
ASCS DEFICIENCY		\$5,479
ASCS DIVERSION		\$0
GRAIN SORGHUM	646 ACRES	
CROP		\$48,450
ASCS DEFICIENCY		\$7,494
GROSS RETURN		\$101,822
VARIABLE OPERATING EXPENSES		
SEED		\$6,538
FERTILIZER		\$17,347
CHEMICALS		\$27,031
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,050
FUEL-IRRIGATION		\$0
REPAIRS		\$11,129
CUSTOM CHARGES		\$0
LAND TAXES		\$449
OTHER EXPENSES		\$23,779
TOTAL VARIABLE EXPENSES		\$94,425
RETURN OVER VARIABLE EXPENSES		\$7,397
FIXED EXPENSES		\$26,405
TOTAL EXPENSES		\$120,830
NET FARM INCOME		(\$19,008)
LABOR AND MANAGEMENT COSTS		\$20,957
NET OPERATING PROFIT		(\$39,965)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,481
INTEREST ON EQUIPMENT INVESTMENT		\$15,201
TOTAL CAPITAL COSTS		\$17,682
RETURN TO LAND AND RISK		(\$57,647)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$67,247)	-9.39%
\$200 /ACRE	(\$70,447)	-7.90%
\$250 /ACRE	(\$73,647)	-6.82%
\$300 /ACRE	(\$76,847)	-6.00%
\$350 /ACRE	(\$80,047)	-5.36%

* 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)