

TABLE B22. Summary of per acre costs and returns for a 35 acre part-time farm, Hondo Valley,
Lincoln County, 2001.

	ALFALFA ESTABLISHMENT	ALFALFA HAY -----FLOOD-----	ANNUAL PASTURE EST.	ANNUAL PASTURE
		TONS		AUMS
PRIMARY YIELD		5.00		10.00
PRIMARY PRICE		126.00		12.00
GOVERNMENT PAYMENTS		0.00		0.00
SECOND INCOME		15.00		0.00
GROSS RETURN		\$645.00		\$120.00
CASH OPERATING EXPENSES				
SEED	\$53.00		\$50.00	
FERTILIZER	\$10.00	\$22.80	\$16.00	\$16.00
CHEMICALS		\$14.63		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$12.98		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$7.89	\$15.79	\$7.89	\$0.61
FUEL-IRRIGATION		\$6.46		\$6.46
REPAIRS	\$2.58	\$6.80	\$2.58	\$0.71
CUSTOM CHARGES				
LAND TAXES		\$1.57		\$1.57
OTHER EXPENSES	\$0.36	\$120.49	\$120.04	\$119.89
TOTAL CASH EXPENSES	\$73.84	\$201.50	\$196.51	\$145.23
RETURN OVER CASH EXPENSES	(\$73.84)	\$443.50	(\$196.51)	(\$25.23)
FIXED EXPENSES	\$64.18	\$122.55	\$64.18	\$82.87
TOTAL EXPENSES	\$138.02	\$324.05	\$260.69	\$228.09
NET FARM INCOME	(\$138.02)	\$320.95	(\$260.69)	(\$108.09)
LABOR AND MANAGEMENT COSTS	\$49.73	\$121.75	\$49.85	\$28.76
NET OPERATING PROFIT	(\$187.75)	\$199.20	(\$310.54)	(\$136.85)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$6.09		\$4.29
INTEREST ON EQUIPMENT INVESTMENT		\$66.52		\$21.15
TOTAL CAPITAL COSTS	\$0.00	\$72.62	\$0.00	\$25.43
RETURN TO LAND AND RISK	(\$187.75)	\$126.58	(\$310.54)	(\$162.29)

TABLE C22. Whole farm summary, Hondo Valley, Lincoln County, 2001.

GROSS RETURNS		
ALFALFA HAY	10 ACRES	
CROP		\$6,300
GRAZING		\$150
PASTURE	20 ACRES	
GRAZING		\$2,400
GROSS RETURN		\$8,850
CASH OPERATING EXPENSES		
SEED		\$206
FERTILIZER		\$600
CHEMICALS		\$146
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$130
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$202
FUEL-IRRIGATION		\$194
REPAIRS		\$92
CUSTOM CHARGES		\$0
LAND TAXES		\$47
OTHER EXPENSES		\$3,844
TOTAL CASH EXPENSES		\$5,460
RETURN OVER CASH EXPENSES		\$3,390
FIXED EXPENSES		\$2,143
TOTAL EXPENSES		\$7,603
NET FARM INCOME		\$1,247
LABOR AND MANAGEMENT COSTS		\$1,992
NET OPERATING PROFIT		(\$745)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$147
INTEREST ON EQUIPMENT INVESTMENT		\$1,088
TOTAL CAPITAL COSTS		\$1,235
RETURN TO LAND AND RISK		(\$1,980)

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$2,960)	-1.38%
\$900 /ACRE	(\$3,240)	-1.22%
\$1,100 /ACRE	(\$3,520)	-1.09%
\$1,300 /ACRE	(\$3,800)	-0.99%
\$1,500 /ACRE	(\$4,080)	-0.91%
\$1,700 /ACRE	(\$4,360)	-0.84%
\$1,900 /ACRE	(\$4,640)	-0.78%
\$2,100 /ACRE	(\$4,920)	-0.72%

* 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)