

TABLE B36. Summary of per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County, 2001.

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | WHEAT -----SPRINKLER----- | CORN | PEANUTS |
|----------------------------------|--------------------------|----------------|------------------------------|------------|----------|
| | | TONS | BU | CWT | LBS |
| PRIMARY YIELD | | 5.50 | 45.00 | 75.00 | 3,380.00 |
| PRIMARY PRICE | | 126.00 | 2.60 | 4.29 | \$0.28 |
| GOVERNMENT PAYMENTS | | 0.00 | 21.33 | 37.50 | \$0.00 |
| SECOND INCOME | | 50.00 | 0.00 | 15.00 | \$0.00 |
| GROSS RETURN | | \$743.00 | \$138.33 | \$374.25 | \$929.50 |
| CASH OPERATING EXPENSES | | | | | |
| SEED | \$58.00 | | \$19.20 | \$26.93 | \$85.00 |
| FERTILIZER | \$30.80 | \$45.00 | \$50.40 | \$124.00 | \$50.45 |
| CHEMICALS | | \$36.10 | \$19.54 | \$44.81 | \$144.25 |
| CROP INSURANCE | | | \$0.24 | \$0.31 | |
| OTHER PURCHASED INPUTS | | | | | \$40.88 |
| CANAL WATER | | | | | |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$7.93 | \$20.98 | \$0.00 | \$16.96 | \$28.00 |
| FUEL-IRRIGATION | \$27.26 | \$90.86 | \$54.52 | \$90.86 | \$84.70 |
| REPAIRS | \$14.69 | \$41.72 | \$9.54 | \$37.03 | \$69.74 |
| CUSTOM CHARGES | | | \$14.32 | \$39.75 | \$37.00 |
| LAND TAXES | \$0.00 | \$0.68 | \$0.68 | \$0.68 | \$0.68 |
| OTHER EXPENSES | \$0.16 | \$36.05 | \$36.02 | \$36.37 | \$36.45 |
| TOTAL CASH EXPENSES | \$138.83 | \$271.38 | \$204.45 | \$417.69 | \$577.14 |
| RETURN OVER CASH EXPENSES | (\$138.83) | \$471.62 | (\$66.12) | (\$43.44) | \$352.36 |
| FIXED EXPENSES | \$27.85 | \$169.35 | \$24.73 | \$64.91 | \$82.89 |
| TOTAL EXPENSES | \$166.69 | \$440.74 | \$229.18 | \$482.60 | \$660.04 |
| NET FARM INCOME | (\$166.69) | \$302.26 | (\$90.85) | (\$108.35) | \$269.46 |
| LABOR AND MANAGEMENT COSTS | \$17.96 | \$93.08 | \$17.30 | \$58.64 | \$104.76 |
| NET OPERATING PROFIT | (\$184.65) | \$209.19 | (\$108.16) | (\$166.99) | \$164.71 |
| CAPITAL COSTS | | | | | |
| INTEREST ON OPERATING CAPITAL | \$0.00 | \$6.40 | \$5.36 | \$11.97 | \$17.11 |
| INTEREST ON EQUIPMENT INVESTMENT | \$0.00 | \$58.74 | \$4.77 | \$18.14 | \$31.61 |
| TOTAL CAPITAL COSTS | \$0.00 | \$65.13 | \$10.12 | \$30.10 | \$48.72 |
| RETURN TO RISK | (\$184.65) | \$144.05 | (\$118.28) | (\$197.09) | \$115.99 |

TABLE C36. Whole farm summary, Blackwater Draw area, Roosevelt County, 2001.

| | | |
|----------------------------------|-------------|-------------------|
| GROSS RETURNS | | |
| ALFALFA HAY | 125 ACRES | |
| CROP | | \$86,625 |
| GRAZING | | \$6,250 |
| WHEAT | 212.5 ACRES | |
| CROP | | \$24,863 |
| GRAZING | | \$0 |
| ASCS DEFICIENCY | | \$4,533 |
| ASCS DIVERSION | | \$0 |
| CORN FOR GRAIN | 163 ACRES | |
| CROP | | \$52,284 |
| GRAZING | | \$2,438 |
| ASCS DEFICIENCY | | \$3,984 |
| ASCS DIVERSION | | \$0 |
| PEANUTS | 250 ACRES | |
| CROP | | \$232,375 |
| GROSS RETURN | | <u>\$413,351</u> |
| CASH OPERATING EXPENSES | | |
| SEED | | \$31,155 |
| FERTILIZER | | \$49,868 |
| CHEMICALS | | \$52,008 |
| CROP INSURANCE | | \$100 |
| OTHER PURCHASED INPUTS | | \$10,219 |
| CANAL WATER | | \$0 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$12,576 |
| FUEL-IRRIGATION | | \$59,562 |
| REPAIRS | | \$31,061 |
| CUSTOM CHARGES | | \$18,752 |
| LAND TAXES | | \$510 |
| OTHER EXPENSES | | \$27,188 |
| TOTAL CASH EXPENSES | | <u>\$293,000</u> |
| RETURN OVER CASH EXPENSES | | \$120,352 |
| FIXED EXPENSES | | \$53,776 |
| TOTAL EXPENSES | | \$346,776 |
| NET FARM INCOME | | \$66,575 |
| LABOR AND MANAGEMENT COSTS | | \$51,479 |
| NET OPERATING PROFIT | | \$15,096 |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$8,159 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$19,206 |
| TOTAL CAPITAL COSTS | | <u>\$27,365</u> |
| RETURN TO RISK | | <u>(\$12,268)</u> |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$500 /ACRE | (\$31,468) | 1.73% |
| \$750 /ACRE | (\$41,068) | 1.36% |
| \$1,000 /ACRE | (\$50,668) | 1.12% |
| \$1,250 /ACRE | (\$60,268) | 0.95% |
| \$1,500 /ACRE | (\$69,868) | 0.82% |
| \$1,750 /ACRE | (\$79,468) | 0.73% |
| \$2,000 /ACRE | (\$89,068) | 0.65% |

* 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)