

TABLE 1. Basic cost information for Valencia and Southern Bernalillo Counties, 2003.

Item			
Labor Wage Rate:		\$/hour	\$5.15
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.36
Phosphate (P205)		\$/pound	\$0.33
Anhydrous Ammonia (NH3)		\$/ton	\$310.00
Seed:			
Alfalfa		\$/pound	\$3.00
Oats		\$/pound	\$0.40
Corn		\$/bag	\$89.75
Sorghum		\$/pound	\$1.20
Baling Wire		\$/pound	\$0.39
Canal water		\$/acre	\$30.00
Energy:			
Butane		\$/gallon	\$1.21
Diesel fuel		\$/gallon	\$1.30
Gasoline		\$/gallon	\$1.35
Electricity		Cents/KwH r	8.42
Natural Gas		\$/MCF	\$3.28
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/w ages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	8.00%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	8.00%
Real Interest Rate		percent	4.00%
Land Taxes	\$483.00	/acre (full value)	\$5.24
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$32.52
- R			\$25.93
Supervision Factors			
Irrigation		\$/labor hour	\$1.00
Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 1a. Overhead cost information for Valencia and Southern Bernalillo Counties, 2003.

ITEM			
Electricity (Domestic & Shop)		\$125.00 per month	\$1,500
Telephone		\$85.00 per month	\$1,020
Accounting & Legal			\$525
Misc. Supplies & Hand Tools			\$530
Pickup and Auto			
miles	10,300	@ \$0.365 per mile	\$3,760
Insurance			
- general liability (non-employee)			\$1,110
- fire/theft			\$740
Property Taxes			
- non-planted land			\$78
- other than land & machinery			\$325
Building repairs and maintenance			\$555
Dues, fees, publications			\$300
Farmstead Equipment			\$180
		Total	\$10,623
		Total per planted acre	\$116.74

TABLE 2. Equipment summary for a 100 acre farm with above average management, Valencia and Southern Bernalillo Counties, 2003.

EQUIPMENT ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	VARIABLE COSTS					FIXED COSTS		
			TOTAL VALUE	FUEL AND LUBRICANT	FUEL,LUBE REPAIR	PER HR	REPAIR PER HR	DEPRE- CIATION	TAXES	TOTAL PER HOUR
TRACTOR 50 HP	79	1	\$8,320	\$400	\$157	\$5.05	\$1.98	\$1,100	\$119	\$15.39
TRACTOR 95 HP	41	1	\$19,240	\$397	\$53	\$9.59	\$1.29	\$1,430	\$233	\$40.15
BALER, PTO 2-WIRE	66	1	\$1,500		\$66		\$1.00	\$385	\$42	\$6.47
CULTIVATOR 4-ROW	4	1	\$1,500		\$8		\$1.86	\$200	\$16	\$51.49
LAND PLANE 12 FT	5	1	\$2,500		\$0		\$0.10	\$333	\$27	\$75.09
DISC 12 FT	13	1	\$2,250		\$24		\$1.94	\$300	\$24	\$25.79
LISTER/PLANTER 4-ROW	3	1	\$2,000		\$3		\$1.20	\$500	\$27	\$202.73
PLOW 3-BOTTOM (2-WAY)	21	1	\$3,350		\$56		\$2.61	\$447	\$36	\$22.53
DRILL 10 FT.	8	1	\$1,800		\$11		\$1.37	\$360	\$20	\$47.44
SWATHER 14 FT.	50	1	\$4,300	\$245	\$146	\$4.87	\$2.90	\$1,450	\$157	\$31.99
BORDER DISC 6-DISC	1	1	\$750		\$1		\$0.93	\$100	\$8	\$98.30
			\$47,510	\$1,042	\$526			\$6,605	\$710	

TABLE 3. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, Valencia and Southern Bernalillo Counties, 2003.  
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<u>PURCHASED INPUTS</u>									
SEED	\$3.00	20 LBS	\$60.00						\$60.00
PHOSPHATE (P2O5)	\$0.33	90 LBS	\$29.70						\$29.70
NITROGEN (N)	\$0.36	35 LBS	\$12.60						\$12.60
CANAL WATER		12 AC. IN.							
SUBTOTAL			\$102.30						\$102.30
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	96 HP	0.17 HR		\$0.88	\$1.63	\$0.55	\$11.21	\$14.26	
PLOW	96 HP	0.67 HR		\$3.45	\$6.43	\$2.61	\$41.99	\$54.48	
DISC	96 HP	0.17 HR		\$0.88	\$1.63	\$0.55	\$11.21	\$14.26	
LASER PLANE (CUSTOM)			\$70.71					\$70.71	
BORDER DISC	50 HP	0.05 HR		\$0.26	\$0.25	\$0.15	\$5.68	\$6.34	
DRILL	50 HP	0.25 HR		\$1.29	\$1.26	\$0.84	\$15.71	\$19.09	
IRRIGATE (2X)		1.00 HR		\$5.15				\$5.15	
SUBTOTAL		2.31 HR	\$70.71	\$11.90	\$11.20	\$4.69	\$85.80	\$184.30	
<u>OVERHEAD EXPENSES</u>									
DOWNTIME		0.33 HR		\$1.69				\$1.69	
EMPLOYEE BENEFITS				\$2.14				\$2.14	
INSURANCE			\$0.24					\$0.24	
SUPERVISION AND MANAGEMENT				\$21.72				\$21.72	
SUBTOTAL		0.33 HR	\$0.24	\$25.55				\$25.78	
TOTAL OPERATING EXPENSES		2.64 HR	\$173.25	\$37.44	\$11.20	\$4.69	\$85.80	\$312.38	

TABLE 4. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, Valencia and Southern Bernalillo Counties, 2003.  
Harvesting dates: June 1 - October 15

ITEM	PRICE	YIELD							TOTAL
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$140.00	5.30	TONS (STACKED)						\$742.00
GRAZING	\$10.00	1.00	ACRE						\$10.00
<b>TOTAL</b>									\$752.00
<b>PURCHASED INPUTS</b>									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS				FIXED COST	TOTAL
PHOSPHATE (P2O5)	\$0.33	90	LBS	\$29.70					\$29.70
INSECTICIDE (CUSTOM)	\$21.71	1	X/ACRE	\$21.71					\$21.71
WIRE	\$0.36	43	LBS	\$15.39					\$15.39
ESTABLISHMENT: Principal		6	YEARS					\$52.06	\$52.06
: Interest								\$11.25	\$11.25
CANAL WATER		44	AC. IN.	\$30.00					\$30.00
<b>SUBTOTAL</b>				\$96.80				\$63.31	\$160.12
<b>PREHARVEST OPERATIONS</b>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (8X)		4.00	HR		\$20.60				\$20.60
<b>HARVEST OPERATIONS</b>									
SWATHER (4X)	14 FT.	0.64	HR		\$3.30	\$3.12	\$1.86	\$20.47	\$28.74
BALER, PTO (4X)	50 HP	0.84	HR		\$4.33	\$4.24	\$2.50	\$18.36	\$29.43
BALE WAGON (CUSTOM) (2X)				\$23.40					\$23.40
<b>SUBTOTAL</b>		1.48	HR	\$23.40	\$7.62	\$7.36	\$4.36	\$38.83	\$81.57
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.37	HR		\$1.91				\$1.91
EMPLOYEE BENEFITS					\$5.08				\$5.08
INSURANCE				\$0.56					\$0.56
LAND TAXES								\$5.24	\$5.24
SUPERVISION AND MANAGEMENT					\$57.38				\$57.38
OTHER EXPENSES				\$116.74					\$116.74
<b>SUBTOTAL</b>		0.37	HR	\$117.30	\$64.37			\$5.24	\$186.91
<b>TOTAL OPERATING EXPENSES</b>		5.85	HR	\$237.51	\$92.59	\$7.36	\$4.36	\$107.38	\$449.19
<b>NET OPERATING PROFIT</b>									\$302.81
INTEREST ON OPERATING CAPITAL	(	\$51.33	@	8.00%	)				\$4.11
INTEREST ON EQUIPMENT INVESTMENT									\$28.03
<b>RETURN TO LAND AND RISK</b>									\$270.67

**BUDGET SUMMARY**

GROSS RETURN		\$752.00	
VARIABLE OPERATING EXPENSES	\$249.22		
RETURN OVER VARIABLE EXPENSES		\$502.78	(GROSS MARGIN)
FIXED EXPENSES	\$107.38		
NET FARM INCOME		\$395.39	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$92.59		
NET OPERATING PROFIT		\$302.81	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$32.14		
RETURN TO LAND AND RISK		\$270.67	

TABLE 5. Small grain hay, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, Valencia and Southern Bernalillo Counties, 2003.

Planting dates: March 1 - May 1  
Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD		PURCHASED INPUTS					TOTAL
GROSS RETURNS									
SMALL GRAIN HAY	\$130.00	2.50	TONS (STACKED)						\$325.00
TOTAL									\$325.00
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$0.40	80	LBS	\$32.00					\$32.00
WIRE	\$0.36	26	LBS	\$9.31					\$9.31
CANAL WATER		24	AC. IN.	\$30.00					\$30.00
SUBTOTAL				\$71.31					\$71.31
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	96 HP	0.67	HR		\$3.45	\$6.43	\$2.61	\$41.99	\$54.48
DISC (2X)	96 HP	0.34	HR		\$1.75	\$3.26	\$1.10	\$22.42	\$28.53
PLANE	96 HP	0.24	HR		\$1.24	\$2.30	\$0.33	\$27.66	\$31.53
BORDER DISC	50 HP	0.05	HR		\$0.26	\$0.25	\$0.15	\$5.68	\$6.34
DRILL	50 HP	0.25	HR		\$1.29	\$1.26	\$0.84	\$15.71	\$19.09
IRRIGATE (4X)		2.00	HR		\$10.30				\$10.30
SUBTOTAL		3.55	HR		\$18.28	\$13.51	\$5.02	\$113.46	\$150.27
HARVEST OPERATIONS									
SWATHER	14 FT.	0.16	HR		\$0.82	\$0.78	\$0.46	\$5.12	\$7.19
BALE, PTO	50 HP	0.21	HR		\$1.08	\$1.06	\$0.63	\$4.59	\$7.36
BALEWAGON				\$27.30					\$27.30
SUBTOTAL		0.37	HR		\$1.91	\$1.84	\$1.09	\$9.71	\$41.84
OVERHEAD EXPENSES									
DOWNTIME		0.48	HR		\$2.47				\$2.47
EMPLOYEE BENEFITS					\$3.63				\$3.63
INSURANCE				\$0.40					\$0.40
LAND TAXES							\$2.62		\$2.62
SUPERVISION AND MANAGEMENT					\$25.71				\$25.71
OTHER EXPENSES				\$58.37					\$58.37
SUBTOTAL		0.48	HR	\$58.77	\$31.82		\$2.62		\$93.21
TOTAL OPERATING EXPENSES		4.40	HR	\$130.08	\$52.00	\$15.35	\$6.11	\$125.78	\$356.63
NET OPERATING PROFIT									(\$31.63)
INTEREST ON OPERATING CAPITAL	(	\$40.53	@	8.00%	)				\$3.24
INTEREST ON EQUIPMENT INVESTMENT									\$30.77
RETURN TO LAND AND RISK									(\$65.64)

BUDGET SUMMARY

GROSS RETURN		\$325.00	
VARIABLE OPERATING EXPENSES	\$151.54		
RETURN OVER VARIABLE EXPENSES		\$173.46	(GROSS MARGIN)
FIXED EXPENSES	\$125.78		
NET FARM INCOME		\$47.68	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$52.00		
NET OPERATING PROFIT		(\$4.33)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$34.01		
RETURN TO LAND AND RISK		(\$38.34)	

TABLE 6. Sorghum hay, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, Valencia and Southern Bernalillo Counties, 2003.  
 Planting dates: July 1 - July 31  
 Harvesting dates: August 10 - September 30

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
SORGHUM HAY	\$130.00	2.00	TONS (STACKED)						\$260.00
GRAZING	\$5.00	1.00	ACRE						\$5.00
TOTAL									\$265.00
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PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$1.20	35	LBS		\$42.00				\$42.00
WIRE	\$0.36	17	LBS		\$6.09				\$6.09
CANAL WATER		24	AC. IN.		\$30.00				\$30.00
SUBTOTAL					\$78.09				\$78.09
<hr/>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	96 HP	0.17	HR		\$0.88	\$1.63	\$0.55	\$11.21	\$14.26
DRILL	50 HP	0.25	HR		\$1.29	\$1.26	\$0.84	\$15.71	\$19.09
IRRIGATE (4X)		2.00	HR		\$10.30				\$10.30
SUBTOTAL		2.42	HR		\$12.46	\$2.89	\$1.38	\$26.92	\$43.66
<hr/>									
HARVEST OPERATIONS									
SWATHER (2X)	14 FT.	0.32	HR		\$1.65	\$1.56	\$0.93	\$10.24	\$14.37
BALER, PTO (2X)	50 HP	0.42	HR		\$2.16	\$2.12	\$1.25	\$9.18	\$14.72
BALEWAGON					\$23.40				\$23.40
SUBTOTAL		0.74	HR		\$3.81	\$3.68	\$2.18	\$19.42	\$52.49
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OVERHEAD EXPENSES									
DOWNTIME		0.29	HR		\$1.49				\$1.49
EMPLOYEE BENEFITS					\$2.93				\$2.93
INSURANCE					\$0.33				\$0.33
LAND TAXES								\$2.62	\$2.62
SUPERVISION AND MANAGEMENT					\$21.13				\$21.13
OTHER EXPENSES					\$58.37				\$58.37
SUBTOTAL		0.29	HR		\$58.70	\$25.55		\$2.62	\$86.87
<hr/>									
TOTAL OPERATING EXPENSES		3.45	HR		\$136.78	\$41.83	\$6.57	\$48.95	\$261.09
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NET OPERATING PROFIT									\$3.91
INTEREST ON OPERATING CAPITAL	(	\$40.60	@	8.00%	)				\$3.25
INTEREST ON EQUIPMENT INVESTMENT									\$30.77
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RETURN TO LAND AND RISK									(\$30.11)

BUDGET SUMMARY

GROSS RETURN		\$265.00	
VARIABLE OPERATING EXPENSES	\$146.92		
RETURN OVER VARIABLE EXPENSES		\$118.08	(GROSS MARGIN)
FIXED EXPENSES	\$48.95		
NET FARM INCOME		\$69.13	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$41.83		
NET OPERATING PROFIT		\$27.31	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$34.02		
RETURN TO LAND AND RISK		(\$6.71)	

TABLE 7. Corn silage, flood-irrigated, budgeted per acre costs and returns for a 100 acre farm with above average management, Valencia and Southern Bernalillo Counties, 2003.  
 Planting dates: May 1 - June 15  
 Harvesting dates: August 15 - September 30

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
CORN SILAGE	\$21.00	20.00	TONS (STANDING)						\$420.00
TOTAL									\$420.00
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$1.12	30	000						\$33.66
ANHYDROUS AMMONIA (NH3)	\$0.1550	125	LBS						\$19.38
HERBICIDE (GRANULAR)	\$6.85	1	ACRE						\$6.85
INSECTICIDE (GRANULAR)	\$34.24	1	ACRE						\$34.24
CANAL WATER		42	AC. IN.						\$30.00
SUBTOTAL									\$124.12
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	96 HP	0.67	HR		\$3.45	\$6.43	\$2.61	\$41.99	\$54.48
DISC (2X)	96 HP	0.34	HR		\$1.75	\$3.26	\$1.10	\$22.42	\$28.53
LAND PLANE	96 HP	0.24	HR		\$1.24	\$2.30	\$0.33	\$27.66	\$31.53
LISTER/PLANTER	96 HP	0.26	HR		\$1.34	\$2.49	\$0.65	\$63.15	\$67.63
CULTIVATOR (2X)	50 HP	0.42	HR		\$2.16	\$2.12	\$1.61	\$28.09	\$33.98
IRRIGATE (8X)		4.00	HR		\$20.60				\$20.60
SUBTOTAL		5.93	HR		\$30.54	\$16.61	\$6.30	\$183.30	\$236.75
OVERHEAD EXPENSES									
DOWNTIME		0.48	HR		\$2.48				\$2.48
EMPLOYEE BENEFITS					\$5.50				\$5.50
INSURANCE					\$0.61				\$0.61
LAND TAXES								\$5.24	\$5.24
SUPERVISION AND MANAGEMENT					\$34.37				\$34.37
OTHER EXPENSES					\$116.74				\$116.74
SUBTOTAL		0.48	HR		\$117.35	\$42.35		\$5.24	\$164.93
TOTAL OPERATING EXPENSES		6.41	HR		\$241.47	\$72.89	\$16.61	\$6.30	\$188.54
NET OPERATING PROFIT									(\$105.80)
INTEREST ON OPERATING CAPITAL	(	\$67.79	@	8.00%	)				\$5.42
INTEREST ON EQUIPMENT INVESTMENT									\$122.48
RETURN TO LAND AND RISK									(\$233.70)

BUDGET SUMMARY

GROSS RETURN		\$420.00	
VARIABLE OPERATING EXPENSES	\$264.38		
RETURN OVER VARIABLE EXPENSES		\$155.62	(GROSS MARGIN)
FIXED EXPENSES	\$188.54		
NET FARM INCOME		(\$32.92)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$72.89		
NET OPERATING PROFIT		(\$105.80)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$127.90		
RETURN TO LAND AND RISK		(\$233.70)	

TABLE 8. Summary of per acre costs and returns for a 100 acre farm with above average average management, 2002.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	SMALL GRAIN HAY	SORGHUM HAY	CORN FOR SILAGE
		-----FLOOD-----			
		TONS	TONS	TONS	TONS
PRIMARY YIELD		5.30	2.50	2.00	20.00
PRIMARY PRICE		140.00	130.00	130.00	21.00
GOVERNMENT PAYMENTS		0.00	0.00	0.00	0.00
SECOND INCOME		10.00	0.00	5.00	0.00
GROSS RETURN		\$752.00	\$325.00	\$265.00	\$420.00
CASH OPERATING EXPENSES					
SEED	\$60.00		\$32.00	\$42.00	\$33.66
FERTILIZER	\$42.30	\$29.70			\$19.38
CHEMICALS		\$21.71			\$41.09
CROP INSURANCE					
OTHER PURCHASED INPUTS		\$15.39	\$9.31	\$6.09	
CANAL WATER		\$30.00	\$30.00	\$30.00	\$30.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$11.20	\$7.36	\$15.35	\$6.57	\$16.61
FUEL-IRRIGATION					
REPAIRS	\$4.69	\$4.36	\$6.11	\$3.56	\$6.30
CUSTOM CHARGES	\$70.71	\$23.40			
LAND TAXES		\$5.24	\$2.62	\$2.62	\$5.24
OTHER EXPENSES	\$0.24	\$117.30	\$58.77	\$58.70	\$117.35
TOTAL CASH EXPENSES	\$189.14	\$254.46	\$154.16	\$149.54	\$269.61
RETURN OVER CASH EXPENSES	(\$189.14)	\$497.54	\$170.84	\$115.46	\$150.39
FIXED EXPENSES	\$85.80	\$102.15	\$123.17	\$46.33	\$183.30
TOTAL EXPENSES	\$274.94	\$356.61	\$277.32	\$195.87	\$452.92
NET FARM INCOME	(\$274.94)	\$395.39	\$47.68	\$69.13	(\$32.92)
LABOR AND MANAGEMENT COSTS	\$37.44	\$92.59	\$52.00	\$41.83	\$72.89
NET OPERATING PROFIT	(\$312.38)	\$302.81	(\$4.33)	\$27.31	(\$105.80)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$4.11	\$3.24	\$3.25	\$5.42
INTEREST ON EQUIPMENT INVESTMENT		\$28.03	\$30.77	\$30.77	\$122.48
TOTAL CAPITAL COSTS	\$0.00	\$32.14	\$34.01	\$34.02	\$127.90
RETURN TO LAND AND RISK	(\$312.38)	\$270.67	(\$38.34)	(\$6.71)	(\$233.70)

TABLE 9. Whole farm summary, Valencia and Southern Bernalillo Counties, 2002.

GROSS RETURNS		
ALFALFA HAY	71 ACRES	
CROP		\$52,682
GRAZING		\$710
SMALL GRAIN HAY	10 ACRES	
CROP		\$3,250
SORGHUM HAY	10 ACRES	
CROP		\$2,600
GRAZING		\$50
CORN FOR SILAGE	10 ACRES	
CROP		\$4,200
GROSS RETURN		<u>\$63,492</u>
CASH OPERATING EXPENSES		
SEED		\$1,797
FERTILIZER		\$2,810
CHEMICALS		\$1,952
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$1,247
CANAL WATER		\$3,030
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,042
FUEL-IRRIGATION		\$0
REPAIRS		\$526
CUSTOM CHARGES		\$2,510
LAND TAXES		\$476
OTHER EXPENSES		\$10,680
TOTAL CASH EXPENSES		<u>\$26,069</u>
RETURN OVER CASH EXPENSES		\$37,423
FIXED EXPENSES		\$8,114
TOTAL EXPENSES		\$34,183
NET FARM INCOME		\$29,309
LABOR AND MANAGEMENT COSTS		\$8,690
NET OPERATING PROFIT		\$20,619
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$411
INTEREST ON EQUIPMENT INVESTMENT		\$3,830
TOTAL CAPITAL COSTS		<u>\$4,241</u>
RETURN TO LAND AND RISK		<u>\$16,378</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$5,000 /ACRE	(\$3,622)	3.77%
\$6,500 /ACRE	(\$9,622)	2.96%
\$8,000 /ACRE	(\$15,622)	2.43%
\$9,500 /ACRE	(\$21,622)	2.07%
\$11,000 /ACRE	(\$27,622)	1.80%
\$12,500 /ACRE	(\$33,622)	1.59%

\* 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)