

TABLE 1. Basic cost information for Valencia and Southern Bernalillo Counties, 2002.

Item		
Labor Wage Rate:	\$/hour	\$5.15
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.32
Phosphate (P205)	\$/pound	\$0.30
Anhydrous Ammonia (NH3)	\$/ton	\$300.00
Seed:		
Alfalfa	\$/pound	\$2.90
Oats	\$/pound	\$0.23
Corn	\$/bag	\$89.75
Sorghum	\$/pound	\$1.11
Baling Wire	\$/pound	\$0.37
Canal water	\$/acre	\$30.00
Energy:		
Butane	\$/gallon	\$0.86
Diesel fuel	\$/gallon	\$1.05
Gasoline	\$/gallon	\$1.00
Electricity	Cents/KwHr	8.02
Natural Gas	\$/MCF	\$3.28
Employee Liability Insurance	\$/(\$1,000 wages)	\$20.00
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	8.00%
Land Interest Rate	percent	7.50%
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%

BUDGET AREA..... VALENCIA & SOUTHERN BERNALILLO COUNTIES, 2002.
 FARM SIZE..... 100 ACRES
 IRRIGATION TYPE..... FLOOD
 NUMBER OF CROPS... 4

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	12 *	12	144
ALFALFA	71	44	3,124
SMALL GRAIN HAY	10	24	240
SORGHUM HAY	10 *	24	240
CORN SILAGE	10	42	420
ROADS, HOMESTEAD	9		
TOTAL	100		4,168
ACRE FEET PER ACRE OF WATER RIGHTS			3.47

* DOUBLE-CROPPED

TABLE 1a. Overhead cost information for Valencia and Southern Bernalillo Counties, 2002.

ITEM		
Electricity (Domestic & Shop)	\$120.00 per month	\$1,440
Telephone	\$80.00 per month	\$960
Accounting & Legal		\$510
Misc. Supplies & Hand Tools		\$515
Pickup and Auto		
miles	10,300 @ \$0.345 per mile	\$3,554
Insurance		
- general liability (non-employee)		\$1,075
- fire/theft		\$720
Property Taxes		
- non-planted land		\$78
- other than land & machinery		\$315
Building repairs and maintenance		\$540
Dues, fees, publications		\$290
Farmstead Equipment		\$175
	Total	\$10,171
	Total per planted acre	\$111.77

TABLE 2. Equipment summary for a 100 acre farm with above average management, Valencia and Southern Bernalillo Counties, 2002.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL & LUBRICANT	REPAIR	FUEL, LUBE PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 50 HP	79	1	\$9,750	\$296	\$157	\$3.74	\$1.98	\$1,100	\$119	\$15.39
TRACTOR 96 HP	41	1	\$23,030	\$294	\$53	\$7.11	\$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	\$5,100	\$198	\$146	\$3.93	\$2.90	\$1,450	\$157	\$31.99
BORDER DISC 6-DISC	1	1	\$750		\$1		\$0.93	\$100	\$8	\$98.30
			\$53,530	\$788	\$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, 2002.
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<u>PURCHASED INPUTS</u>									
SEED	\$2.90	20 LBS	\$58.00						\$58.00
PHOSPHATE (P2O5)	\$0.30	90 LBS	\$27.00						\$27.00
NITROGEN (N)	\$0.32	35 LBS	\$11.20						\$11.20
CANAL WATER		12 AC. IN.							
SUBTOTAL			\$96.20						\$96.20
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	96 HP	0.17 HR		\$0.88	\$1.21	\$0.55	\$11.21	\$13.84	
PLOW	96 HP	0.67 HR		\$3.45	\$4.76	\$2.61	\$41.99	\$52.82	
DISC	96 HP	0.17 HR		\$0.88	\$1.21	\$0.55	\$11.21	\$13.84	
LASER PLANE (CUSTOM)			\$70.71					\$70.71	
BORDER DISC	50 HP	0.05 HR		\$0.26	\$0.19	\$0.15	\$5.68	\$6.27	
DRILL	50 HP	0.25 HR		\$1.29	\$0.94	\$0.84	\$15.71	\$18.77	
IRRIGATE (2X)		1.00 HR		\$5.15				\$5.15	
SUBTOTAL		2.31 HR	\$70.71	\$11.90	\$8.30	\$4.69	\$85.80	\$181.40	
<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				\$21.09				\$21.09	
SUBTOTAL		0.33 HR	\$0.24	\$24.91				\$25.15	
TOTAL OPERATING EXPENSES		2.64 HR	\$167.15	\$36.81	\$8.30	\$4.69	\$85.80	\$302.75	

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, 2002.
Harvesting dates: June 1 - October 15

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
ALFALFA HAY	\$125.00	5.00	TONS (STACKED)					\$625.00	
GRAZING	\$10.00	1.00	ACRE					\$10.00	
TOTAL								\$635.00	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS				FIXED COST	TOTAL
PHOSPHATE (P2O5)	\$0.30	90	LBS	\$27.00					\$27.00
INSECTICIDE (CUSTOM)	\$21.20	1	X/ACRE	\$21.20					\$21.20
WIRE	\$0.36	43	LBS	\$15.39					\$15.39
ESTABLISHMENT: Principal		6	YEARS					\$50.46	\$50.46
: Interest								\$10.77	\$10.77
CANAL WATER		44	AC. IN.	\$30.00					\$30.00
SUBTOTAL				\$93.59				\$61.23	\$154.82
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (8X)		4.00	HR		\$20.60				\$20.60
HARVEST OPERATIONS									
SWATHER (4X)	14 FT.	0.64	HR		\$3.30	\$2.52	\$1.86	\$20.47	\$28.14
BALER, PTO (4X)	50 HP	0.84	HR		\$4.33	\$3.14	\$2.50	\$18.36	\$28.33
BALE WAGON (CUSTOM) (2X)				\$23.40					\$23.40
SUBTOTAL		1.48	HR	\$23.40	\$7.62	\$5.66	\$4.36	\$38.83	\$79.87
OVERHEAD EXPENSES									
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					\$49.19				\$49.19
OTHER EXPENSES				\$111.77					\$111.77
SUBTOTAL		0.37	HR	\$112.34	\$56.18			\$5.24	\$173.75
TOTAL OPERATING EXPENSES		5.85	HR	\$229.33	\$84.40	\$5.66	\$4.36	\$105.30	\$429.05
NET OPERATING PROFIT								\$205.95	
INTEREST ON OPERATING CAPITAL	(\$49.58	@	8.00%					\$3.97
INTEREST ON EQUIPMENT INVESTMENT									\$28.03
RETURN TO LAND AND RISK								\$173.96	

BUDGET SUMMARY

GROSS RETURN		\$635.00	
VARIABLE OPERATING EXPENSES	\$239.35		
RETURN OVER VARIABLE EXPENSES		\$395.65	(GROSS MARGIN)
FIXED EXPENSES	\$105.30		
NET FARM INCOME		\$290.35	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$84.40		
NET OPERATING PROFIT		\$205.95	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$32.00		
RETURN TO LAND AND RISK		\$173.96	

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, 2002.
 Planting dates: March 1 - May 1
 Harvesting dates: June 15 - July 15

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
SMALL GRAIN HAY	\$110.00	2.50 TONS (STACKED)							\$275.00
TOTAL									\$275.00
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
SEED	\$0.23	80 LBS	\$18.40						\$18.40
WIRE	\$0.36	26 LBS	\$9.31						\$9.31
CANAL WATER		24 AC. IN.	\$30.00						\$30.00
SUBTOTAL			\$57.71						\$57.71
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	96 HP	0.67 HR		\$3.45	\$4.76	\$2.61	\$41.99	\$52.82	
DISC (2X)	96 HP	0.34 HR		\$1.75	\$2.42	\$1.10	\$22.42	\$27.68	
PLANE	96 HP	0.24 HR		\$1.24	\$1.71	\$0.33	\$27.66	\$30.93	
BORDER DISC	50 HP	0.05 HR		\$0.26	\$0.19	\$0.15	\$5.68	\$6.27	
DRILL	50 HP	0.25 HR		\$1.29	\$0.94	\$0.84	\$15.71	\$18.77	
IRRIGATE (4X)		2.00 HR		\$10.30				\$10.30	
SUBTOTAL		3.55 HR		\$18.28	\$10.00	\$5.02	\$113.46	\$146.77	
HARVEST OPERATIONS									
SWATHER	14 FT.	0.16 HR		\$0.82	\$0.63	\$0.46	\$5.12	\$7.04	
BALEWAGON	50 HP	0.21 HR		\$1.08	\$0.79	\$0.63	\$4.59	\$7.08	
			\$27.30					\$27.30	
SUBTOTAL		0.37 HR		\$1.91	\$1.41	\$1.09	\$9.71	\$41.42	
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				\$22.21				\$22.21	
OTHER EXPENSES			\$55.89					\$55.89	
SUBTOTAL		0.48 HR	\$56.29	\$28.32			\$2.62	\$87.22	
TOTAL OPERATING EXPENSES		4.40 HR	\$114.00	\$48.50	\$11.42	\$6.11	\$125.78	\$333.12	
NET OPERATING PROFIT								(\$58.12)	
INTEREST ON OPERATING CAPITAL	(\$32.82 @	8.00%)				\$2.63	
INTEREST ON EQUIPMENT INVESTMENT								\$30.77	
RETURN TO LAND AND RISK								(\$91.51)	

BUDGET SUMMARY

GROSS RETURN		\$275.00	
VARIABLE OPERATING EXPENSES	\$131.53		
RETURN OVER VARIABLE EXPENSES		\$143.47	(GROSS MARGIN)
FIXED EXPENSES	\$125.78		
NET FARM INCOME		\$17.69	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$48.50		
NET OPERATING PROFIT		(\$30.82)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.39		
RETURN TO LAND AND RISK		(\$64.21)	

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, 2002.
 Planting dates: July 1 - July 31
 Harvesting dates: August 10 - September 30

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
SORGHUM HAY	\$110.00	2.00	TONS (STACKED)						\$220.00
GRAZING	\$5.00	1.00	ACRE						\$5.00
TOTAL									\$225.00
<hr/>									
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$1.11	35	LBS		\$38.85				\$38.85
WIRE	\$0.36	17	LBS		\$6.09				\$6.09
CANAL WATER		24	AC. IN.		\$30.00				\$30.00
SUBTOTAL					\$74.94				\$74.94
<hr/>									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	96 HP	0.17	HR		\$0.88	\$1.21	\$0.55	\$11.21	\$13.84
DRILL	50 HP	0.25	HR		\$1.29	\$0.94	\$0.84	\$15.71	\$18.77
IRRIGATE (4X)		2.00	HR		\$10.30				\$10.30
SUBTOTAL		2.42	HR		\$12.46	\$2.14	\$1.38	\$26.92	\$42.91
<hr/>									
HARVEST OPERATIONS									
SWATHER (2X)	14 FT.	0.32	HR		\$1.65	\$1.26	\$0.93	\$10.24	\$14.07
BALER, PTO (2X)	50 HP	0.42	HR		\$2.16	\$1.57	\$1.25	\$9.18	\$14.17
BALEWAGON					\$23.40				\$23.40
SUBTOTAL		0.74	HR		\$3.81	\$2.83	\$2.18	\$19.42	\$51.64
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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					\$18.33				\$18.33
OTHER EXPENSES					\$55.89				\$55.89
SUBTOTAL		0.29	HR		\$56.21	\$22.75		\$2.62	\$81.58
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TOTAL OPERATING EXPENSES		3.45	HR		\$131.15	\$39.03	\$4.97	\$48.95	\$251.06
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NET OPERATING PROFIT									(\$26.06)
INTEREST ON OPERATING CAPITAL	(\$38.77	@	8.00%)				\$3.10
INTEREST ON EQUIPMENT INVESTMENT									\$30.77
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RETURN TO LAND AND RISK									(\$59.93)

BUDGET SUMMARY

GROSS RETURN		\$225.00	
VARIABLE OPERATING EXPENSES	\$139.68		
RETURN OVER VARIABLE EXPENSES		\$85.32	(GROSS MARGIN)
FIXED EXPENSES	\$48.95		
NET FARM INCOME		\$36.37	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$39.03		
NET OPERATING PROFIT		(\$2.66)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.87		
RETURN TO LAND AND RISK		(\$36.53)	

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, 2002.
 Planting dates: May 1 - June 15
 Harvesting dates: August 15 - September 30

ITEM	PRICE	YIELD							TOTAL
GROSS RETURNS									
CORN SILAGE	\$19.00	20.00	TONS (STANDING)						\$380.00
TOTAL									\$380.00
PURCHASED INPUTS	PRICE	QUANTITY		PURCHASED INPUTS					TOTAL
SEED	\$1.12	30	000	\$33.66					\$33.66
ANHYDROUS AMMONIA (NH3)	\$0.1500	125	LBS	\$18.75					\$18.75
HERBICIDE (GRANULAR)	\$6.69	1	ACRE	\$6.69					\$6.69
INSECTICIDE (GRANULAR)	\$33.44	1	ACRE	\$33.44					\$33.44
CANAL WATER		42	AC. IN.	\$30.00					\$30.00
SUBTOTAL				\$122.53					\$122.53
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	96 HP	0.67	HR		\$3.45	\$4.76	\$2.61	\$41.99	\$52.82
DISC (2X)	96 HP	0.34	HR		\$1.75	\$2.42	\$1.10	\$22.42	\$27.68
LAND PLANE	96 HP	0.24	HR		\$1.24	\$1.71	\$0.33	\$27.66	\$30.93
LISTER/PLANTER	96 HP	0.26	HR		\$1.34	\$1.85	\$0.65	\$63.15	\$66.98
CULTIVATOR (2X)	50 HP	0.42	HR		\$2.16	\$1.57	\$1.61	\$28.09	\$33.44
IRRIGATE (8X)		4.00	HR		\$20.60				\$20.60
SUBTOTAL		5.93	HR		\$30.54	\$12.30	\$6.30	\$183.30	\$232.44
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					\$31.57				\$31.57
OTHER EXPENSES				\$111.77					\$111.77
SUBTOTAL		0.48	HR	\$112.38	\$39.55			\$5.24	\$157.17
TOTAL OPERATING EXPENSES		6.41	HR	\$234.91	\$70.09	\$12.30	\$6.30	\$188.54	\$512.14
NET OPERATING PROFIT									(\$132.14)
INTEREST ON OPERATING CAPITAL	(\$65.92	@	8.00%)				\$5.27
INTEREST ON EQUIPMENT INVESTMENT									\$122.48
RETURN TO LAND AND RISK									(\$259.89)

BUDGET SUMMARY

GROSS RETURN		\$380.00	
VARIABLE OPERATING EXPENSES	\$253.52		
RETURN OVER VARIABLE EXPENSES		\$126.48	(GROSS MARGIN)
FIXED EXPENSES	\$188.54		
NET FARM INCOME		(\$62.05)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$70.09		
NET OPERATING PROFIT		(\$132.14)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$127.75		
RETURN TO LAND AND RISK		(\$259.89)	

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		5.00	2.50	2.00	20.00
PRIMARY PRICE		125.00	110.00	110.00	19.00
GOVERNMENT PAYMENTS		0.00	0.00	0.00	0.00
SECOND INCOME		10.00	0.00	5.00	0.00
GROSS RETURN		\$635.00	\$275.00	\$225.00	\$380.00
CASH OPERATING EXPENSES					
SEED	\$58.00		\$18.40	\$38.85	\$33.66
FERTILIZER	\$38.20	\$27.00			\$18.75
CHEMICALS		\$21.20			\$40.13
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	\$8.30	\$5.66	\$11.42	\$4.97	\$12.30
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	\$112.34	\$56.29	\$56.21	\$112.38
TOTAL CASH EXPENSES	\$180.14	\$244.58	\$134.15	\$142.30	\$258.75
RETURN OVER CASH EXPENSES	(\$180.14)	\$390.42	\$140.85	\$82.70	\$121.25
FIXED EXPENSES	\$85.80	\$100.06	\$123.17	\$46.33	\$183.30
TOTAL EXPENSES	\$265.94	\$344.65	\$257.31	\$188.63	\$442.05
NET FARM INCOME	(\$265.94)	\$290.35	\$17.69	\$36.37	(\$62.05)
LABOR AND MANAGEMENT COSTS	\$36.81	\$84.40	\$48.50	\$39.03	\$70.09
NET OPERATING PROFIT	(\$302.75)	\$205.95	(\$30.82)	(\$2.66)	(\$132.14)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$3.97	\$2.63	\$3.10	\$5.27
INTEREST ON EQUIPMENT INVESTMENT		\$28.03	\$30.77	\$30.77	\$122.48
TOTAL CAPITAL COSTS	\$0.00	\$32.00	\$33.39	\$33.87	\$127.75
RETURN TO LAND AND RISK	(\$302.75)	\$173.96	(\$64.21)	(\$36.53)	(\$259.89)

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

GROSS RETURNS		
ALFALFA HAY	71 ACRES	
CROP		\$44,375
GRAZING		\$710
SMALL GRAIN HAY	10 ACRES	
CROP		\$2,750
SORGHUM HAY	10 ACRES	
CROP		\$2,200
GRAZING		\$50
CORN FOR SILAGE	10 ACRES	
CROP		\$3,800
GROSS RETURN		<u>\$53,885</u>
CASH OPERATING EXPENSES		
SEED		\$1,605
FERTILIZER		\$2,563
CHEMICALS		\$1,906
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$1,247
CANAL WATER		\$3,030
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$788
FUEL-IRRIGATION		\$0
REPAIRS		\$526
CUSTOM CHARGES		\$2,510
LAND TAXES		\$476
OTHER EXPENSES		\$10,228
TOTAL CASH EXPENSES		<u>\$24,879</u>
RETURN OVER CASH EXPENSES		\$29,006
FIXED EXPENSES		\$8,080
TOTAL EXPENSES		<u>\$32,959</u>
NET FARM INCOME		\$20,926
LABOR AND MANAGEMENT COSTS		\$8,010
NET OPERATING PROFIT		\$12,916
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$392
INTEREST ON EQUIPMENT INVESTMENT		\$3,830
TOTAL CAPITAL COSTS		<u>\$4,222</u>
RETURN TO LAND AND RISK		<u>\$8,694</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$5,000 /ACRE	(\$11,306)	2.33%
\$6,500 /ACRE	(\$17,306)	1.84%
\$8,000 /ACRE	(\$23,306)	1.51%
\$9,500 /ACRE	(\$29,306)	1.29%
\$11,000 /ACRE	(\$35,306)	1.12%
\$12,500 /ACRE	(\$41,306)	0.99%

* 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)