

TABLE 12. Summary of per acre costs and returns for a 500 acre farm with above average, Artesia-Lake Authur area
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON
	TONS	TONS	CWT	TONS	LBS	LBS
PRIMARY YIELD	6.10	6.10	35.00	5.50	910.00	910.00
PRIMARY PRICE	\$130.00	\$130.00	\$3.50	\$90.00	\$0.60	\$0.55
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$81.69	\$81.69
SECOND INCOME	\$0.00	\$40.00	\$40.00	\$0.00	\$94.64	\$94.64
GROSS RETURN	\$793.00	\$833.00	\$162.50	\$495.00	\$722.33	\$676.83
CASH OPERATING EXPENSES						
SEED	\$57.60		\$20.90	\$38.00	\$10.80	\$14.40
FERTILIZER	\$24.00	\$80.00	\$60.00	\$46.50	\$4.80	\$4.80
CHEMICALS	\$0.00	\$5.25	\$0.00		\$5.25	\$5.25
CROP INSURANCE			\$5.88		\$1.64	\$1.19
OTHER PURCHASED INPUTS		\$165.37				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$63.80	\$37.68	\$16.89	\$25.58	\$54.25	\$50.34
FUEL-IRRIGATION	\$48.88	\$55.87	\$32.59	\$32.59	\$32.59	\$32.59
REPAIRS	\$27.37	\$26.36	\$6.50	\$12.01	\$29.29	\$18.13
CUSTOM CHARGES			\$24.91		\$155.59	\$195.36
LAND TAXES		\$1.75	\$1.75	\$1.75	\$1.75	\$1.75
OTHER EXPENSES	\$0.01	\$44.15	\$44.15	\$44.15	\$44.15	\$44.15
TOTAL CASH EXPENSES	\$221.66	\$416.43	\$213.57	\$200.58	\$340.10	\$367.96
RETURN OVER CASH EXPENSES	\$571.34	\$416.57	(\$51.07)	\$294.42	\$382.23	\$308.87
FIXED EXPENSES	\$89.91	\$143.39	\$37.82	\$44.98	\$244.80	\$78.04
TOTAL EXPENSES	\$311.56	\$559.82	\$251.38	\$245.56	\$584.90	\$446.00
NET FARM INCOME	\$481.44	\$273.18	(\$88.88)	\$249.44	\$137.43	\$230.83
LABOR AND MANAGEMENT COSTS	\$103.01	\$96.09	\$28.01	\$56.48	\$94.90	\$88.02
NET OPERATING PROFIT	\$378.43	\$177.09	(\$116.89)	\$192.95	\$42.53	\$142.82
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
INTEREST ON EQUIPMENT INVESTMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL CAPITAL COSTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
RETURN TO LAND AND RISK	\$378.43	\$177.09	(\$116.89)	\$192.95	\$42.53	\$142.82

Flex Computation

-79.073486 237.93661 287.32923 220.85535

TABLE 13. Whole farm summary, Artesia-Lake Arthur area,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	342 ACRES	\$282,606
CROP		\$11,400
GRAZING		
BARLEY	8.5 ACRES	\$1,041
CROP		\$0
DIRECT PAYMENTS		\$0
COUNTER CYCLICAL PAYMENT		\$340
GRAZING		
OAT HAY	8 ACRES	\$3,960
CROP		
PICKER COTTON	82 ACRES	\$44,772
COTTON LINT		\$7,760
COTTON SEED		\$0
DIRECT PAYMENTS		\$6,699
COUNTER CYCLICAL PAYMENT		
STRIPPER COTTON	59.5 ACRES	\$29,780
COTTON LINT		\$5,631
COTTON SEED		\$0
DIRECT PAYMENTS		\$4,861
COUNTER CYCLICAL PAYMENT		
		\$398,850
GROSS RETURN		
CASH OPERATING EXPENSES		
		\$5,507
SEED		\$25,729
FERTILIZER		\$2,239
CHEMICALS		\$150
CROP INSURANCE		\$47,131
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$22,168
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$23,857
FUEL-IRRIGATION		\$12,704
REPAIRS		\$24,594
CUSTOM CHARGES		\$775
LAND TAXES		\$19,559
OTHER EXPENSES		
		\$184,413
TOTAL CASH EXPENSES		
		\$214,437
RETURN OVER CASH EXPENSES		
		\$49,820
FIXED EXPENSES		
		\$234,233
TOTAL EXPENSES		
		\$164,617
NET FARM INCOME		
		\$46,966
LABOR AND MANAGEMENT COSTS		
		\$117,651
NET OPERATING PROFIT		
CAPITAL COSTS		
		\$0
INTEREST ON OPERATING CAPITAL		\$0
INTEREST ON EQUIPMENT INVESTMENT		
		\$0
TOTAL CAPITAL COSTS		
RETURN TO LAND AND RISK		
		\$117,651

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$117,651	13.26%
\$2,500 /ACRE	\$117,651	7.18%
\$4,000 /ACRE	\$117,651	4.93%
\$5,500 /ACRE	\$117,651	3.75%

* 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)