

TABLE 11. Summary of per acre costs and returns, 300 acre farm with above average management, Cibola County
Actual 2004

	ALFALFA ESTABLISHMEN T	ALFALFA HAY	PERMANENT PASTURE ESTABLISHMEN	PERMANENT PASTURE	WHEAT FOR GRAIN	SWEET CORN
	TONS	TONS		AUMS	BU	DOZ
PRIMARY YIELD	4.00	4.40		6.00	65.00	700.00
PRIMARY PRICE	\$90.00	\$130.00		\$12.00	\$3.75	\$2.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
SECOND INCOME	\$0.00	\$10.00		\$0.00	\$122.00	\$0.00
GROSS RETURN	\$360.00	\$582.00		\$72.00	\$365.75	\$1,400.00
CASH OPERATING EXPENSES						
SEED	\$66.90		\$33.00		\$19.20	\$45.00
FERTILIZER		\$12.40				\$61.95
CHEMICALS		\$1.50				\$45.64
CROP INSURANCE					\$0.00	
OTHER PURCHASED INPUTS		\$18.85			\$7.14	
CANAL WATER	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$22.81	\$18.20	\$15.58	\$0.00	\$24.92	\$106.66
FUEL-IRRIGATION						
REPAIRS	\$8.49	\$5.11	\$6.08	\$0.00	\$8.83	\$15.06
CUSTOM CHARGES					\$28.92	
LAND TAXES	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00
OTHER EXPENSES	\$70.85	\$70.98	\$0.32	\$70.71	\$70.92	\$74.91
TOTAL CASH EXPENSES	\$215.05	\$173.04	\$100.98	\$116.71	\$205.93	\$395.22
RETURN OVER CASH EXPENSES	\$144.95	\$408.96	(\$100.98)	(\$44.71)	\$159.82	\$1,004.78
FIXED EXPENSES	\$50.19	\$42.21	\$32.70	\$14.98	\$45.84	\$590.70
TOTAL EXPENSES	\$265.24	\$215.25	\$133.68	\$131.69	\$251.77	\$985.92
NET FARM INCOME	\$94.76	\$366.75	(\$133.68)	(\$59.69)	\$113.98	\$414.08
LABOR AND MANAGEMENT COSTS	\$45.21	\$78.73	\$31.10	\$22.73	\$59.88	\$391.00
NET OPERATING PROFIT	\$49.55	\$288.02	(\$164.79)	(\$82.42)	\$54.10	\$23.08
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL	\$2.82	\$1.48		\$0.31	\$1.75	\$6.10
INTEREST ON EQUIPMENT INVESTMENT	\$27.55	\$27.96		\$0.00	\$25.46	\$206.56
TOTAL CAPITAL COSTS	\$30.37	\$29.44	\$0.00	\$0.31	\$27.21	\$212.66
RETURN TO LAND AND RISK	\$19.17	\$258.58	(\$164.79)	(\$82.73)	\$26.89	(\$189.59)

TABLE 12. Whole farm summary, Cibola County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	200 ACRES	
CROP		\$114,400
GRAZING		\$2,000
PASTURE	40 ACRES	
GRAZING		\$2,880
WHEAT FOR GRAIN	20 ACRES	
CROP		\$4,875
GRAZING		\$440
STRAW		\$2,000
SWEET CORN	8 ACRES	
CROP		\$11,200
GROSS RETURN		<u>\$137,795</u>
CASH OPERATING EXPENSES		
SEED		\$2,483
FERTILIZER		\$2,976
CHEMICALS		\$665
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$3,914
CANAL WATER		\$2,950
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$5,593
FUEL-IRRIGATION		\$0
REPAIRS		\$1,542
CUSTOM CHARGES		\$578
LAND TAXES		\$10,620
OTHER EXPENSES		\$20,814
TOTAL CASH EXPENSES		<u>\$52,135</u>
RETURN OVER CASH EXPENSES		\$85,660
FIXED EXPENSES		\$15,675
TOTAL EXPENSES		\$67,810
NET FARM INCOME		\$69,985
LABOR AND MANAGEMENT COSTS		\$22,173
NET OPERATING PROFIT		\$47,812
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$463
INTEREST ON EQUIPMENT INVESTMENT		\$8,442
TOTAL CAPITAL COSTS		<u>\$8,905</u>
RETURN TO LAND AND RISK		<u><u>\$38,907</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$29,907	12.24%
\$2,000 /ACRE	\$20,907	6.92%
\$3,000 /ACRE	\$11,907	4.83%
\$4,000 /ACRE	\$2,907	3.70%
\$5,000 /ACRE	(\$6,093)	3.01%

* 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)