

TABLE 8. Summary of per acre costs and returns for a 640 acre farm with above average management Curry County
Actual 2004

	WHEAT	CORN FOR GRAIN
	BUSHEL	CWT
PRIMARY YIELD	75.00	110.00
PRIMARY PRICE	\$3.75	\$4.02
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$40.00 ACRE	\$10.00 ACRE
GROSS RETURN	\$321.25	\$451.96
CASH OPERATING EXPENSES		
SEED	\$19.20	\$36.13
FERTILIZER	\$54.81	\$139.05
CHEMICALS	\$22.32	\$39.31
CROP INSURANCE	\$0.26	\$0.16
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$13.40	\$16.19
FUEL-IRRIGATION	\$42.43	\$84.86
REPAIRS	\$7.16	\$8.51
CUSTOM CHARGES	\$20.76	\$40.75
LAND TAXES	\$0.91	\$0.91
OTHER EXPENSES	\$43.28	\$43.39
TOTAL CASH EXPENSES	\$224.52	\$409.25
RETURN OVER CASH EXPENSES	\$96.73	\$42.71
FIXED EXPENSES	\$30.84	\$41.32
TOTAL EXPENSES	\$255.37	\$450.57
NET FARM INCOME	\$65.88	\$1.39
LABOR AND MANAGEMENT COSTS	\$35.97	\$53.28
NET OPERATING PROFIT	\$29.91	(\$51.89)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$4.11	\$8.63
INTEREST ON EQUIPMENT INVESTMENT	\$13.40	\$18.62
TOTAL CAPITAL COSTS	\$17.51	\$27.26
RETURN TO LAND AND RISK	\$12.41	(\$79.14)

Flex Computation

56.65

-19.20

TABLE 9. Whole farm summary, Curry County,
Actual 2004

GROSS RETURNS		
WHEAT	194 ACRES	
CROP		\$54,563
GRAZING		\$7,760
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	306 ACRES	
CROP		\$135,241
GRAZING		\$3,060
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$200,624</u>
CASH OPERATING EXPENSES		
SEED		\$14,779
FERTILIZER		\$53,182
CHEMICALS		\$16,359
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,551
FUEL-IRRIGATION		\$34,197
REPAIRS		\$3,992
CUSTOM CHARGES		\$16,498
LAND TAXES		\$455
OTHER EXPENSES		\$21,674
TOTAL CASH EXPENSES		<u>\$168,789</u>
RETURN OVER CASH EXPENSES		\$31,835
FIXED EXPENSES		\$18,628
TOTAL EXPENSES		\$187,416
NET FARM INCOME		\$13,207
LABOR AND MANAGEMENT COSTS		\$23,281
NET OPERATING PROFIT		(\$10,074)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,439
INTEREST ON EQUIPMENT INVESTMENT		\$8,298
TOTAL CAPITAL COSTS		<u>\$11,737</u>
RETURN TO LAND AND RISK		<u><u>(\$21,811)</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$31,411)	-2.33%
\$1,000 /ACRE	(\$41,011)	-1.34%
\$1,500 /ACRE	(\$50,611)	-0.94%
\$2,000 /ACRE	(\$60,211)	-0.72%
\$2,500 /ACRE	(\$69,811)	-0.59%

* 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)

