

TABLE 10. Summary of per acre costs and returns for a 35 acre part-time farm, Hondo Valley, Lincoln County,
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE
		TONS		AUMS
PRIMARY YIELD		3.20		10.00
PRIMARY PRICE		\$130.00		\$12.00
GOVERNMENT PAYMENTS		\$0.00		\$0.00
SECOND INCOME		\$15.00		\$0.00
GROSS RETURN		\$431.00		\$120.00
CASH OPERATING EXPENSES				
SEED	\$57.60		\$44.00	
FERTILIZER	\$15.50	\$35.90	\$26.20	\$26.20
CHEMICALS		\$16.00		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$17.50		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$29.17	\$58.34	\$29.17	\$2.24
FUEL-IRRIGATION		\$6.11		\$6.11
REPAIRS	\$6.42	\$10.66	\$6.42	\$0.60
CUSTOM CHARGES				
LAND TAXES		\$1.42		\$1.42
OTHER EXPENSES	\$0.39	\$327.03	\$326.55	\$326.39
TOTAL CASH EXPENSES	\$109.08	\$472.97	\$432.34	\$362.97
RETURN OVER CASH EXPENSES	(\$109.08)	(\$41.97)	(\$432.34)	(\$242.97)
FIXED EXPENSES	\$87.42	\$195.99	\$87.42	\$122.05
TOTAL EXPENSES	\$196.50	\$668.96	\$519.76	\$485.02
NET FARM INCOME	(\$196.50)	(\$237.96)	(\$519.76)	(\$365.02)
LABOR AND MANAGEMENT COSTS	\$54.73	\$118.94	\$54.61	\$30.18
NET OPERATING PROFIT	(\$251.23)	(\$356.90)	(\$574.37)	(\$395.20)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$5.85		\$4.54
INTEREST ON EQUIPMENT INVESTMENT		\$106.75		\$22.59
TOTAL CAPITAL COSTS	\$0.00	\$112.60	\$0.00	\$27.12
RETURN TO LAND AND RISK	(\$251.23)	(\$469.50)	(\$574.37)	(\$422.32)

TABLE 11. Whole farm summary, Hondo Valley, Lincoln County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	10.00 ACRES	
CROP		\$4,160
GRAZING		\$150
PASTURE	20.00 ACRES	
GRAZING		\$2,400
GROSS RETURN		\$6,710
CASH OPERATING EXPENSES		
SEED		\$203
FERTILIZER		\$966
CHEMICALS		\$160
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$175
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$745
FUEL-IRRIGATION		\$183
REPAIRS		\$144
CUSTOM CHARGES		\$0
LAND TAXES		\$43
OTHER EXPENSES		\$10,452
TOTAL CASH EXPENSES		\$13,072
RETURN OVER CASH EXPENSES		(\$6,362)
FIXED EXPENSES		\$3,099
TOTAL EXPENSES		\$16,171
NET FARM INCOME		(\$9,461)
LABOR AND MANAGEMENT COSTS		\$2,012
NET OPERATING PROFIT		(\$11,473)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$149
INTEREST ON EQUIPMENT INVESTMENT		\$1,519
TOTAL CAPITAL COSTS		\$1,669
RETURN TO LAND AND RISK		(\$13,142)

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	(\$13,877)	-23.39%
\$900 /ACRE	(\$14,087)	-20.47%
\$1,100 /ACRE	(\$14,297)	-18.19%
\$1,300 /ACRE	(\$14,507)	-16.38%
\$1,500 /ACRE	(\$14,717)	-14.89%
\$1,700 /ACRE	(\$14,927)	-13.65%
\$1,900 /ACRE	(\$15,137)	-12.60%
\$2,100 /ACRE	(\$15,347)	-11.70%

* 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)