

TABLE 10. Summary of per acre costs and returns for a 600 acre farm, Arch Hurley Conservancy District, Quay County, Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		3.50	50.00	20.00
PRIMARY PRICE		\$130.00	\$3.70	\$3.75
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$48.00	\$48.00	\$48.00
GROSS RETURN		\$503.00	\$232.82	\$123.00
CASH OPERATING EXPENSES				
SEED	\$55.28		\$8.61	\$14.40
FERTILIZER	\$30.60	\$18.60	\$38.20	\$38.20
CHEMICALS			\$15.07	\$15.07
CROP INSURANCE			\$0.22	\$0.29
OTHER PURCHASED INPUTS		\$15.08	\$0.08	\$0.05
CANAL WATER	\$3.00	\$18.00	\$15.00	\$12.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$10.66	\$29.90	\$24.16	\$21.49
FUEL-IRRIGATION	\$5.67	\$22.69	\$17.02	\$11.34
REPAIRS	\$3.87	\$7.99	\$8.43	\$7.00
CUSTOM CHARGES		\$0.00		
LAND TAXES		\$0.93	\$0.93	\$0.93
OTHER EXPENSES	\$0.02	\$45.02	\$45.02	\$45.02
TOTAL CASH EXPENSES	\$109.11	\$158.21	\$172.72	\$165.80
RETURN OVER CASH EXPENSES	-\$109.11	\$344.79	\$60.10	-\$42.80
FIXED EXPENSES	\$13.47	\$70.82	\$47.49	\$40.26
TOTAL EXPENSES	\$122.58	\$229.03	\$220.21	\$206.06
NET FARM INCOME	-\$122.58	\$273.97	\$12.61	-\$83.06
LABOR AND MANAGEMENT COSTS	\$19.37	\$72.75	\$45.57	\$24.51
NET OPERATING PROFIT	-\$141.95	\$201.22	-\$32.95	-\$107.57
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$2.17	\$3.09	\$3.03
INTEREST ON EQUIPMENT INVESTMENT		\$26.07	\$23.13	\$19.99
TOTAL CAPITAL COSTS	\$0.00	\$28.24	\$26.23	\$23.02
RETURN TO LAND AND RISK	-\$141.95	\$172.98	-\$59.18	-\$130.60

TABLE 11. Whole farm summary, Arch Hurley Conservancy District, Quay County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	200.00 ACRES	
CROP		\$91,000
GRAZING		\$9,600
GRAIN SORGHUM	230.00 ACRES	
CROP		\$42,509
GRAZING		\$11,040
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHEAT	170.00 ACRES	
CROP		\$12,750
GRAZING		\$8,160
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$175,059</u>
CASH OPERATING EXPENSES		
SEED		\$5,810
FERTILIZER		\$19,765
CHEMICALS		\$6,026
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$3,043
CANAL WATER		\$9,165
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$15,458
FUEL-IRRIGATION		\$10,522
REPAIRS		\$4,823
CUSTOM CHARGES		\$0
LAND TAXES		\$556
OTHER EXPENSES		\$27,011
TOTAL CASH EXPENSES		<u>\$102,280</u>
RETURN OVER CASH EXPENSES		\$72,779
FIXED EXPENSES		\$28,720
TOTAL EXPENSES		\$131,000
NET FARM INCOME		\$44,059
LABOR AND MANAGEMENT COSTS		\$29,683
NET OPERATING PROFIT		\$14,376
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,661
INTEREST ON EQUIPMENT INVESTMENT		\$13,933
TOTAL CAPITAL COSTS		<u>\$15,594</u>
RETURN TO LAND AND RISK		<u>(\$1,217)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$200 /ACRE	(\$4,817)	5.05%
\$400 /ACRE	(\$8,417)	3.55%
\$600 /ACRE	(\$12,017)	2.74%
\$800 /ACRE	(\$15,617)	2.23%
\$1,000 /ACRE	(\$19,217)	1.88%
\$1,200 /ACRE	(\$22,817)	1.62%

* 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)