

TABLE 11. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, New Mexico, Actual 2004

	WHEAT	CORN	GRAIN SORGHUM	STRIPPER COTTON	PEANUTS
	BU	CWT	CWT	LBS	LBS
PRIMARY YIELD	50.00	63.00	55.00	490.00	2,600.00
PRIMARY PRICE	\$3.75	\$4.02	\$3.70	\$0.55	\$0.30
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$40.00	\$15.00	\$9.00	\$50.96	\$0.00
GROSS RETURN	\$227.50	\$268.13	\$212.30	\$377.65	\$780.00
CASH OPERATING EXPENSES					
SEED	\$14.40	\$29.75	\$7.38	\$18.00	\$40.00
FERTILIZER	\$52.40	\$78.60	\$52.40	\$50.60	\$44.80
CHEMICALS	\$20.01	\$49.80	\$35.89	\$46.17	\$74.64
CROP INSURANCE	\$0.74	\$0.98	\$0.98	\$0.71	
OTHER PURCHASED INPUTS					\$11.92
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$16.79	\$35.91	\$35.73	\$62.08	\$70.49
FUEL-IRRIGATION	\$37.40	\$56.85	\$29.92	\$22.44	\$35.91
REPAIRS	\$7.44	\$14.76	\$14.58	\$21.31	\$24.36
CUSTOM CHARGES	\$28.20	\$33.39	\$36.63	\$91.05	\$12.00
LAND TAXES	\$0.53	\$0.53	\$0.53	\$0.53	\$0.53
OTHER EXPENSES	\$90.40	\$90.68	\$90.53	\$90.69	\$90.82
TOTAL CASH EXPENSES	\$268.31	\$391.27	\$304.58	\$403.59	\$405.47
RETURN OVER CASH EXPENSES	(\$40.81)	(\$123.14)	(\$92.27)	(\$25.94)	\$374.53
FIXED EXPENSES	\$23.19	\$38.48	\$35.94	\$70.67	\$136.12
TOTAL EXPENSES	\$291.51	\$429.75	\$340.52	\$474.26	\$541.59
NET FARM INCOME	(\$64.01)	(\$161.62)	(\$128.21)	(\$96.61)	\$238.41
LABOR AND MANAGEMENT COSTS	\$48.42	\$68.66	\$57.88	\$80.84	\$118.63
NET OPERATING PROFIT	(\$112.42)	(\$230.28)	(\$186.09)	(\$177.45)	\$119.78
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$3.85	\$6.83	\$4.46	\$5.37	\$6.96
INTEREST ON EQUIPMENT INVESTMENT	\$10.71	\$19.25	\$17.74	\$34.19	\$64.41
TOTAL CAPITAL COSTS	\$14.55	\$26.07	\$22.21	\$39.56	\$71.38
RETURN TO LAND AND RISK	(\$126.98)	(\$256.35)	(\$208.30)	(\$217.02)	\$48.40
Flex Computation	-93.07	-198.63	-154.61	-112.15	248.94

TABLE 12. Whole farm summary, Portales Valley, Roosevelt County,
Actual 2004

GROSS RETURNS		
WHEAT	68.00 ACRES	
CROP		\$12,750
GRAZING		\$2,720
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	51.00 ACRES	
CROP		\$12,909
GRAZING		\$765
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	51.00 ACRES	
CROP		\$10,368
GRAZING		\$459
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
UPLAND COTTON	70.00 ACRES	
LINT		\$18,865
SEED		\$3,567
DIRECT PAYMENT		\$0
PEANUTS	60.00 ACRES	
CROP		\$46,800
GROSS RETURN		<u>\$109,204</u>
CASH OPERATING EXPENSES		
SEED		\$6,533
FERTILIZER		\$16,474
CHEMICALS		\$13,441
CROP INSURANCE		\$200
OTHER PURCHASED INPUTS		\$715
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$13,370
FUEL-IRRIGATION		\$10,694
REPAIRS		\$4,956
CUSTOM CHARGES		\$12,582
LAND TAXES		\$160
OTHER EXPENSES		\$27,187
TOTAL CASH EXPENSES		<u>\$106,312</u>
RETURN OVER CASH EXPENSES		\$2,892
FIXED EXPENSES		\$18,487
TOTAL EXPENSES		\$124,799
NET FARM INCOME		(\$15,595)
LABOR AND MANAGEMENT COSTS		\$22,522
NET OPERATING PROFIT		(\$38,117)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,631
INTEREST ON EQUIPMENT INVESTMENT		\$8,873
TOTAL CAPITAL COSTS		<u>\$10,504</u>
RETURN TO LAND AND RISK		<u>(\$48,622)</u>
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$53,422)	-13.18%
\$750 /ACRE	(\$55,822)	-10.33%
\$1,000 /ACRE	(\$58,222)	-8.49%
\$1,250 /ACRE	(\$60,622)	-7.20%
\$1,500 /ACRE	(\$63,022)	-6.26%
\$1,750 /ACRE	(\$65,422)	-5.53%
\$2,000 /ACRE	(\$67,822)	-4.96%

* 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)