

TABLE 12. Summary of per acre costs and returns for a 900 acre farm with above average management, Estancia Basin, New Mexico
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	CORN FOR GRAIN	CORN FOR SILAGE	PINTO BEANS
		TONS	BU	BU	TONS	CWT
PRIMARY YIELD		5.00	55.00	146.00	26.00	20.00
PRIMARY PRICE		\$130.00	\$3.75	\$2.25	\$24.00	\$20.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME		\$10.00	\$40.00	\$12.00	\$0.00	\$0.00
GROSS RETURN		\$660.00	\$246.25	\$340.50	\$624.00	\$400.00
CASH OPERATING EXPENSES						
SEED	\$57.60		\$24.00	\$26.56	\$26.56	\$39.00
FERTILIZER		\$28.52	\$46.84	\$72.44	\$72.44	\$21.46
CHEMICALS		\$23.14		\$45.34	\$42.21	\$32.60
CROP INSURANCE			\$0.74	\$0.29		
OTHER PURCHASED INPUTS		\$0.04				
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$16.89	\$54.75	\$26.27	\$37.54	\$34.55	\$37.08
FUEL-IRRIGATION	\$8.03	\$88.34	\$30.12	\$56.22	\$60.23	\$24.09
REPAIRS	\$6.75	\$21.31	\$8.51	\$14.00	\$10.84	\$9.98
CUSTOM CHARGES			\$0.00	\$0.00	\$0.00	
LAND TAXES		\$0.81	\$0.81	\$0.81	\$0.81	\$0.81
OTHER EXPENSES	\$0.15	\$37.89	\$37.82	\$37.90	\$38.06	\$37.91
TOTAL CASH EXPENSES	\$89.41	\$254.81	\$175.10	\$291.10	\$285.70	\$202.92
RETURN OVER CASH EXPENSES	(\$89.41)	\$405.19	\$71.15	\$49.40	\$338.30	\$197.08
FIXED EXPENSES	\$19.40	\$103.22	\$38.93	\$56.16	\$30.23	\$37.48
TOTAL EXPENSES	\$108.82	\$358.02	\$214.03	\$347.26	\$315.93	\$240.41
NET FARM INCOME	(\$108.82)	\$301.98	\$32.22	(\$6.76)	\$308.07	\$159.59
LABOR AND MANAGEMENT COSTS	\$19.03	\$76.79	\$47.81	\$56.63	\$85.83	\$62.29
NET OPERATING PROFIT	(\$127.85)	\$225.19	(\$15.59)	(\$63.39)	\$222.23	\$97.31
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$3.41	\$3.07	\$6.00	\$5.91	\$3.87
INTEREST ON EQUIPMENT INVESTMENT		\$8.58	\$17.58	\$25.42	\$16.20	\$24.43
TOTAL CAPITAL COSTS	\$0.00	\$11.99	\$20.65	\$31.42	\$22.11	\$28.30
RETURN TO LAND AND RISK	(\$127.85)	\$213.20	(\$36.24)	(\$94.81)	\$200.12	\$69.01

TABLE 13. Whole farm summary, Estancia Basin,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	320.00 ACRES	
CROP		\$208,000
GRAZING		\$3,200
WHEAT	68.00 ACRES	
CROP		\$14,025
GRAZING		\$2,720
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	170.00 ACRES	
CROP		\$55,845
GRAZING		\$2,040
DIRECT PAYMENT		\$0
CORN FOR SILAGE	160.00 ACRES	
CROP		\$99,840
PINTO BEANS	80.00 ACRES	
CROP		\$32,000
GROSS RETURN		<u>\$417,670</u>
CASH OPERATING EXPENSES		
SEED		\$17,204
FERTILIZER		\$37,934
CHEMICALS		\$24,475
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$14
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$35,264
FUEL-IRRIGATION		\$51,953
REPAIRS		\$12,741
CUSTOM CHARGES		\$0
LAND TAXES		\$643
OTHER EXPENSES		\$30,272
TOTAL CASH EXPENSES		<u>\$210,600</u>
RETURN OVER CASH EXPENSES		\$207,070
FIXED EXPENSES		\$46,120
TOTAL EXPENSES		\$256,720
NET FARM INCOME		\$160,950
LABOR AND MANAGEMENT COSTS		\$57,385
NET OPERATING PROFIT		\$103,566
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,575
INTEREST ON EQUIPMENT INVESTMENT		\$12,809
TOTAL CAPITAL COSTS		<u>\$16,384</u>
RETURN TO LAND AND RISK		<u>\$87,181</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$750 /ACRE	\$66,931	10.88%
\$1,000 /ACRE	\$60,181	8.80%
\$1,250 /ACRE	\$53,431	7.39%
\$1,500 /ACRE	\$46,681	6.37%

* 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)