

TABLE 9. Summary of per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	NATIVE GRASS HAY
		TONS	TONS
PRIMARY YIELD		4.00	1.50
PRIMARY PRICE		\$130.00	\$115.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00
SECOND INCOME		\$15.00	\$13.00
GROSS RETURN		\$535.00	\$185.50
CASH OPERATING EXPENSES			
SEED	\$51.84		
FERTILIZER			
CHEMICALS			
CROP INSURANCE			
OTHER PURCHASED INPUTS		\$17.14	\$6.43
CANAL WATER		\$5.00	\$5.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$4.87	\$76.52	\$32.34
FUEL-IRRIGATION		\$5.69	\$4.27
REPAIRS	\$0.67	\$40.38	\$15.27
CUSTOM CHARGES			
LAND TAXES		\$0.30	\$0.30
OTHER EXPENSES	\$0.27	\$205.45	\$204.76
TOTAL CASH EXPENSES	\$57.64	\$350.50	\$268.37
RETURN OVER CASH EXPENSES	(\$57.64)	\$184.50	(\$82.87)
FIXED EXPENSES	\$2.00	\$104.13	\$47.09
TOTAL EXPENSES	\$59.65	\$454.62	\$315.46
NET FARM INCOME	(\$59.65)	\$80.38	(\$129.96)
LABOR AND MANAGEMENT COSTS	\$22.99	\$150.61	\$72.82
NET OPERATING PROFIT	(\$82.64)	(\$70.23)	(\$202.78)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL		\$1.39	\$0.67
INTEREST ON EQUIPMENT INVESTMENT		\$2.44	\$23.78
TOTAL CAPITAL COSTS	\$0.00	\$3.83	\$24.45
RETURN TO LAND AND RISK	(\$82.64)	(\$74.06)	(\$227.23)

TABLE 10. Whole farm summary, Union County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	40 ACRES	
CROP		\$20,800
GRAZING		\$600
NATIVE GRASS HAY	40 ACRES	
CROP		\$6,900
GRAZING		\$520
GROSS RETURN		<u>\$28,820</u>
CASH OPERATING EXPENSES		
SEED		\$207
FERTILIZER		\$0
CHEMICALS		\$0
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$943
CANAL WATER		\$400
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$4,374
FUEL-IRRIGATION		\$398
REPAIRS		\$2,229
CUSTOM CHARGES		\$0
LAND TAXES		\$24
OTHER EXPENSES		\$16,410
TOTAL CASH EXPENSES		<u>\$24,985</u>
RETURN OVER CASH EXPENSES		\$3,835
FIXED EXPENSES		\$5,726
TOTAL EXPENSES		\$30,711
NET FARM INCOME		(\$1,891)
LABOR AND MANAGEMENT COSTS		\$9,029
NET OPERATING PROFIT		(\$10,920)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$82
INTEREST ON EQUIPMENT INVESTMENT		\$1,049
TOTAL CAPITAL COSTS		<u>\$1,131</u>
RETURN TO LAND AND RISK		<u>(\$12,052)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$200 /ACRE	(\$12,532)	-19.82%
\$350 /ACRE	(\$12,892)	-16.27%
\$500 /ACRE	(\$13,252)	-13.80%

* 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)