

TABLE 10. Summary of per acre costs and returns for a 100 acre farm with above average average management,
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	SMALL GRAIN HAY	SORGHUM HAY	CORN FOR SILAGE
		TONS	TONS	TONS	TONS
PRIMARY YIELD		4.00	3.60	2.00	23.00
PRIMARY PRICE		\$130.00	\$120.00	\$105.00	\$16.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME		\$10.00	\$0.00	\$5.00	\$0.00
GROSS RETURN		\$530.00	\$432.00	\$215.00	\$368.00
CASH OPERATING EXPENSES					
SEED	\$57.60		\$21.60	\$43.05	\$31.88
FERTILIZER	\$41.90	\$27.90			\$25.00
CHEMICALS		\$21.71			\$41.09
CROP INSURANCE					
OTHER PURCHASED INPUTS		\$15.39	\$9.31	\$6.09	
CANAL WATER		\$28.00	\$28.00	\$28.00	\$28.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$14.54	\$11.32	\$20.30	\$9.60	\$21.53
FUEL-IRRIGATION					
REPAIRS	\$6.41	\$1.41	\$7.28	\$2.02	\$8.74
CUSTOM CHARGES	\$70.71	\$23.40			
LAND TAXES		\$5.33	\$2.67	\$2.67	\$5.33
OTHER EXPENSES	\$0.24	\$181.60	\$90.92	\$90.84	\$181.65
TOTAL CASH EXPENSES	\$191.40	\$316.06	\$180.08	\$182.26	\$343.22
RETURN OVER CASH EXPENSES	(\$191.40)	\$213.94	\$251.92	\$32.74	\$24.78
FIXED EXPENSES	\$77.20	\$96.22	\$112.16	\$43.19	\$223.35
TOTAL EXPENSES	\$268.60	\$412.28	\$292.24	\$225.45	\$566.57
NET FARM INCOME	(\$268.60)	\$117.72	\$139.76	(\$10.45)	(\$198.57)
LABOR AND MANAGEMENT COSTS	\$37.00	\$77.05	\$59.49	\$38.33	\$69.25
NET OPERATING PROFIT	(\$305.60)	\$40.68	\$80.27	(\$48.77)	(\$267.82)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$3.09	\$2.24	\$2.53	\$4.41
INTEREST ON EQUIPMENT INVESTMENT		\$20.56	\$21.90	\$21.90	\$101.12
TOTAL CAPITAL COSTS	\$0.00	\$23.66	\$24.14	\$24.43	\$105.53
RETURN TO LAND AND RISK	(\$305.60)	\$17.02	\$56.13	(\$73.20)	(\$373.34)

TABLE 11. Whole farm summary, Valencia and Southern Bernalillo Counties,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	71.00 ACRES	
CROP		\$36,920
GRAZING		\$710
SMALL GRAIN HAY	10.00 ACRES	
CROP		\$4,320
SORGHUM HAY	10.00 ACRES	
CROP		\$2,100
GRAZING		\$50
CORN FOR SILAGE	10.00 ACRES	
CROP		\$3,680
GROSS RETURN		\$47,780
CASH OPERATING EXPENSES		
SEED		\$1,656
FERTILIZER		\$2,734
CHEMICALS		\$1,952
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$1,247
CANAL WATER		\$2,828
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,492
FUEL-IRRIGATION		\$0
REPAIRS		\$357
CUSTOM CHARGES		\$2,510
LAND TAXES		\$485
OTHER EXPENSES		\$16,531
TOTAL CASH EXPENSES		\$31,793
RETURN OVER CASH EXPENSES		\$15,987
FIXED EXPENSES		\$7,929
TOTAL EXPENSES		\$39,721
NET FARM INCOME		\$8,059
LABOR AND MANAGEMENT COSTS		\$7,585
NET OPERATING PROFIT		\$474
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$311
INTEREST ON EQUIPMENT INVESTMENT		\$2,909
TOTAL CAPITAL COSTS		\$3,221
RETURN TO LAND AND RISK		(\$2,747)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$5,000 /ACRE	(\$17,747)	0.09%
\$6,500 /ACRE	(\$22,247)	0.07%
\$8,000 /ACRE	(\$26,747)	0.06%
\$9,500 /ACRE	(\$31,247)	0.05%
\$11,000 /ACRE	(\$35,747)	0.04%
\$12,500 /ACRE	(\$40,247)	0.04%

* 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)