

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... DRY CIMARRON AREA, UNION COUN Projected 2001
FARM SIZE..... 80.00 ACRES
IRRIGATION TYPE..... FLOOD
NUMBER OF CROPS..... 2

VERSION 1.0

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TABLE 1. Acreage Summary, Union County,
Projected 2006.

BUDGET AREA..... DRY CIMARRON AREA, UNION COUNTY			
FARM SIZE.....	80 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS...	2		
	WATER USE		
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	4	4.5	18
ALFALFA	40	24	960
NATIVE GRASS	40	18	720
TOTAL	84		1,698
ACRE FEET PER ACRE OF WATER RIGHTS			1.68

TABLE 2. Basic cost information for Dry Cimarron area, Union County,
Projected 2006.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.45
General & Irrigators		\$/hour	\$6.60
Purchased Inputs:			
Seed:			
Alfalfa		\$/pound	\$3.20
Natural gas		\$/MCF	\$3.28
Diesel fuel		\$/gallon	\$2.10
Gasoline		\$/gallon	\$2.00
Electricity		cents/KwHr	6.78
LP Gas		\$/gallon	\$1.95
Baling Wire		\$/pound	\$0.50
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	8.00%
Land Interest Rate		percent	8.00%
Equipment Interest Rate		percent	8.00%
Real Interest Rate		percent	3.00%
Land Taxes		\$27.00 /acre (full value)	\$0.24
Personal Property Tax Rate	-NR - R	\$/ \$1,000 (Assessed Value)	\$26.53 \$23.93
Supervision Factors			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for the Dry Cimarron area,
Projected 2006.

Item			
Electricity (Domestic & Shop)		\$106.00 per month	\$1,272
Telephone		\$84.80 per month	\$1,018
Accounting & Legal			\$477
Misc. Supplies & Hand Tools			\$784
Pickup and Auto			
miles	10,918	@ \$0.415 per mile	\$4,531
Insurance			
- general liability (non-employee)			\$1,018
- fire/theft			\$663
Property Taxes			
- other than land & machinery			\$6,010
Building repairs and maintenance			\$504
Dues, fees, publications			\$254
Farmstead Equipment			\$80
Total			\$16,609
Total per planted acre			\$207.62

TABLE 4. Pumping costs and data for irrigation wells, Dry Cimarron area, Union County, Proposed 2008

INPUT DATA	
DEPTH CHARACTERISTICS	
STATIC	50
DRAW/DOWN	15
TOTAL HEAD	65
CAVING	75
GALLONS PER MINUTE (GPM)	900
WORK HORSEPOWER	15
EFFICIENCY FACTOR:	
ELECTRICITY	0.60
NATURAL GAS	0.154
LP GAS	0.154
DIESEL	0.160
FUEL COST PER UNIT:	
ELECTRICITY	6.78 CENTS/KWH
NATURAL GAS	\$3.28 B/MCF
LP GAS	\$1.96 \$/GAL
DIESEL	\$2.10 \$/GAL
FUEL PUMPING COSTS	
ELECTRIC WELL	\$1.41
COST PER HOUR	\$0.71
COST PER ACRE INCH	
NATURAL GAS WELL	\$0.91
COST PER HOUR	\$0.46
COST PER ACRE INCH	
LP GAS WELL	\$0.21
COST PER HOUR	\$2.62
COST PER ACRE INCH	
DIESEL WELL	\$3.51
COST PER HOUR	\$1.26
COST PER ACRE INCH	

TABLE 5. Equipment summary for an 80 acre part-time flood-irrigated farm, Dry Cimarron area, Union County, Proposed 2008

EQUIPMENT	ITEM #	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS		TOTAL PER HR.
					FUEL OIL LUBRICANT	REPAIR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	
TRACTOR	40 HP	142	1	\$7,311	\$1.19	\$1.04	\$7.85	\$1.08	\$200	\$70	\$3.08
MOWER		74	1	\$1,300	\$27	\$27	\$0.36		\$130	\$11	\$1.91
BALER	2 WIRE	42	1	\$1,800	\$6	\$6	\$0.15		\$80	\$4	\$0.88
RAKE		24	1	\$1,550	\$10	\$0.43			\$155	\$14	\$7.03
CHISEL (BORROWED)	12 FT	1	1	\$0	\$0	\$0.00			\$0	\$0	\$0.00
DISC (BORROWED)	12 FT	1	1	\$0	\$0	\$0.00			\$0	\$0	\$0.00
DRILL (BORROWED)	10 FT	1	1	\$0	\$0	\$0.00			\$0	\$0	\$0.00
TRUCK	2.5 TON	244	1	\$13,000	\$3,250	\$2,028	\$13.34	\$6.31	\$2,800	\$115	\$11.13
BALE LOADER		244	1	\$2,500	\$165	\$165	\$0.68		\$250	\$23	\$1.14
ELECTRIC WELL		282	1	\$11,500	\$398	\$0	\$1.41	\$0.00	\$300	\$102	\$1.63
EIR-811					\$4,772	\$2,301			\$4,804	\$378	

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL LITERS/HR	LUBE COEF	ACCUM HOURS	INTEREST AGE	EXPENSE	
TRACTOR	40 HP	1750.00	7500.00	50.00	1.00	800.00	3.40	0.10	2107.20	15.00	774.86
MOWER		2600.00	1300.00	20.00	6.00	300.00	0.00	0.00	110.00	15.00	104.00
BALER	400	7700.00	1900.00	20.00	2.00	500.00	0.00	0.00	176.00	18.00	268.00
RAKE		3100.00	1500.00	20.00	6.00	500.00	0.00	0.00	380.00	15.00	124.00
CHISEL (BORROWED)	12 FT	0.00	0.00	15.00	3.00	300.00	0.00	0.00	18.63	17.00	0.00
DISC (BORROWED)	12 FT	0.00	0.00	15.00	3.00	300.00	0.00	0.00	11.54	17.00	0.00
DRILL (BORROWED)	10 FT	0.00	0.00	15.00	8.00	300.00	0.00	0.00	26.00	15.00	0.00
TRUCK	2.5 TON	26000.00	13000.00	10.00	5.00	800.00	0.05	0.05	2684.00	11.00	1940.00
BALE LOADER		2500.00	2500.00	20.00	3.00	300.00	0.00	0.00	260.00	15.00	204.00
ELECTRIC WELL		23000.00	11500.00	25.00	0.00	8742.00	0.00	0.00	4224.27	0.00	920.00

USAGE LIST

ALFALFA	ALFALFA	NATIVE GRASS	PER ACRE
EST.	REV.	INV.	TOTALS
-----hours per acre-----			
0.02	2.10	1.40	4.12
0.00	1.11	0.74	1.85
0.00	0.43	0.42	0.85
0.00	0.38	0.24	0.60
0.25	0.00	0.00	0.25
0.17	0.00	0.00	0.17
0.25	0.00	0.00	0.25
0.00	4.50	1.60	6.10
0.00	4.5	1.6	6.10
0.00	4.02	3.02	7.04

INTEREST PROPORTION

ALFALFA	NATIVE GRASS
HAY	HAY
0.13	7.66
0.00	1.04
0.00	3.08
0.00	1.24
0.00	0.00
0.00	0.80
0.00	6.42
0.00	1.54
0.00	9.46
0.13	30.44

ALFALFA ESTABLISHMENT

ACRES:	4	PUMP WATER:			
POWER	TIMES	ACCOMPLISHMENT			
MACHINE	UNIT	OVER	RATE	TOTAL	CUSTOM
CHISEL	40HP	1.00	0.20	0.20	
DRILL	40HP	1.00	0.17	0.17	
DITCH MAINTENANCE		1.00	0.25	0.25	
IRRIGATE (IX)		1.00	0.50	0.50	

ALFALFA HAY

ACRES:	40	PUMP WATER:	8.00		
POWER	TIMES	ACCOMPLISHMENT			
MACHINE	UNIT	OVER	RATE	TOTAL	CUSTOM
DITCH MAINTENANCE		8.00	0.50	4.00	
IRRIGATE (IX)				0.5	
MOWER (IX)	40HP	3.00	0.37	1.11	
RAKE (IX)	40HP	3.00	0.12	0.36	
BALER (IX)	40HP	3.00	0.21	0.63	
HALL (IX)	1 TON TRUC	3.00	1.50	4.50	

NATIVE GRASS HAY

ACRES:	40	PUMP WATER:	6.00		
POWER	TIMES	ACCOMPLISHMENT			
MACHINE	UNIT	OVER	RATE	TOTAL	CUSTOM
DITCH MAINTENANCE		6.00	0.50	3.00	
IRRIGATE (IX)				0.5	
MOWER (IX)	40HP	2.00	0.37	0.74	
RAKE (IX)	40HP	2.00	0.12	0.24	
BALER (IX)	40HP	2.00	0.21	0.42	
HALL (IX)	1 TON TRUC	2.00	0.80	1.60	

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	1	2	3	4	5	6	7	8	9
0	0.000000	0.000020	0.000020	0.000020	0.000020	0.001140	0.000040	0.000240	0.000020
50	0.000060	0.000020	0.000020	0.000020	0.000080	0.001140	0.000040	0.000240	0.000020
100	0.000060	0.000020	0.000020	0.000020	0.000140	0.001140	0.000040	0.000240	0.000020
200	0.000030	0.000030	0.000040	0.000040	0.000180	0.001140	0.000040	0.000240	0.000020
300	0.000030	0.000020	0.000020	0.000020	0.000200	0.001140	0.000040	0.000240	0.000020
400	0.000030	0.000030	0.000030	0.000030	0.000260	0.001140	0.000040	0.000240	0.000020
500	0.000030	0.000020	0.000020	0.000020	0.000280	0.001140	0.000040	0.000240	0.000020
600	0.000030	0.000030	0.000040	0.000040	0.000310	0.001140	0.000040	0.000240	0.000020
700	0.000030	0.000030	0.000040	0.000040	0.000330	0.001140	0.000040	0.000240	0.000020
800	0.000030	0.000030	0.000040	0.000040	0.000350	0.001140	0.000040	0.000240	0.000020
900	0.000030	0.000020	0.000020	0.000020	0.000370	0.001140	0.000040	0.000240	0.000020
1000	0.000040	0.000030	0.000030	0.000030	0.000390	0.001140	0.000040	0.000240	0.000020
1200	0.000040	0.000040	0.000030	0.000030	0.000420	0.001140	0.000040	0.000240	0.000020
1400	0.000040	0.000040	0.000030	0.000030	0.000450	0.001140	0.000040	0.000240	0.000020
1600	0.000050	0.000040	0.000030	0.000030	0.000480	0.001140	0.000040	0.000240	0.000020
1800	0.000050	0.000040	0.000030	0.000030	0.000510	0.001140	0.000040	0.000240	0.000020
2000	0.000050	0.000040	0.000030	0.000030	0.000540	0.001140	0.000040	0.000240	0.000020
2500	0.000050	0.000040	0.000030	0.000030	0.000570	0.001140	0.000040	0.000240	0.000020
3000	0.000050	0.000040	0.000030	0.000030	0.000600	0.001140	0.000040	0.000240	0.000020
4000	0.000050	0.000040	0.000030	0.000030	0.000630	0.001140	0.000040	0.000240	0.000020
5000	0.000050	0.000040	0.000030	0.000030	0.000660	0.001140	0.000040	0.000240	0.000020
6000	0.000048	0.000040	0.000030	0.000030	0.000690	0.001140	0.000040	0.000240	0.000020
7000	0.000048	0.000040	0.000030	0.000030	0.000720	0.001140	0.000040	0.000240	0.000020
8000	0.000048	0.000040	0.000030	0.000030	0.000750	0.001140	0.000040	0.000240	0.000020

* Based on unpublished data of D. R. Hunt, Department of Agriculture Engineering, University of Illinois.

** Based on "Agricultural Machinery Data" in Agriculture Engineers Yearbook, 1953.

- Codes
- 1 tractors
 - 2 mowers, combines, forage harvesters, windrowers, pickups
 - 3 rotary hoes, disks, moldboard plows, chisels, field cultivators
 - 4 harrows, weepers, rollers, rakes, tedders, water wagons
 - 5 balers, windrowers, cotton pickers, cotton strippers, corn pickers
 - 6 chisels, cultivator mowers
 - 7 field or engine, manure spreaders
 - 8 planters, drills, seeding equipment, mounted sprayers
 - 9 fertilizer distributing equipment

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County,
 Projected 2006.
 Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	\$3.20	18 LBS		\$57.60				\$57.60
CANAL WATER		5 AC. IN.						
SUBTOTAL				\$57.60				\$57.60
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	40 HP	0.20 HR		\$1.49	\$1.57	\$0.22	\$0.62	\$3.89
DISC	40 HP	0.17 HR		\$1.27	\$1.34	\$0.18	\$0.52	\$3.31
DRILL	40 HP	0.25 HR		\$1.86	\$1.96	\$0.27	\$0.77	\$4.87
DITCH MAINTENANCE		0.50 HR		\$3.73				\$3.73
IRRIGATE (1X)		0.75 HR		\$4.95				\$4.95
SUBTOTAL		1.87 HR		\$13.29	\$4.87	\$0.67	\$1.91	\$20.74
OVERHEAD EXPENSES								
DOWNTIME		0.16 HR		\$1.15				\$1.15
EMPLOYEE BENEFITS				\$2.39				\$2.39
INSURANCE			\$0.27					\$0.27
SUPERVISION AND MANAGEMENT				\$6.54				\$6.54
SUBTOTAL		0.16 HR	\$0.27	\$10.09				\$10.36
TOTAL OPERATING EXPENSES		2.03 HR	\$57.87	\$23.39	\$4.87	\$0.67	\$1.91	\$88.70

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2006.
Harvesting dates: May 15 - September 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALF FA HAY	\$130.00	4.00 TONS (STACKED)						\$520.00
GRAZING	\$15.00	1.00 ACRE						\$15.00
TOTAL							\$535.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10.00 YEARS					\$4.00	\$4.00
Interest							\$8.87	\$8.87
BALING WIRE	\$0.50	34.28 LBS	\$17.14				\$4.26	\$4.26
CANAL WATER		16.00 AC. IN.	\$5.00					\$17.14
PUMP WATER*		8.00 AC. IN.						\$5.00
SUBTOTAL			\$22.14				\$17.13	\$39.27
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DITCH MAINTENANCE		0.50 HR		\$3.73				\$3.73
IRRIGATE (8X)		4.00 HR		\$26.40	\$5.69	\$0.00	\$14.59	\$46.68
SUBTOTAL		4.50 HR		\$30.13	\$5.69	\$0.00	\$14.59	\$50.41
HARVEST OPERATIONS								
MOWER (3X)	40 HP	1.11 HR		\$8.27	\$8.72	\$1.60	\$5.54	\$24.13
RAKE (3X)	40 HP	0.36 HR		\$2.68	\$2.83	\$0.54	\$3.64	\$9.69
BALER (3X)	40 HP	0.63 HR		\$4.69	\$4.95	\$0.78	\$8.23	\$18.64
HAUL (3X)	1 TON TRUCK	4.50 HR		\$33.53	\$60.03	\$37.46	\$55.19	\$186.21
SUBTOTAL		6.60 HR		\$49.17	\$76.52	\$40.38	\$72.60	\$238.67
OVERHEAD EXPENSES								
DOWNTIME		1.65 HR		\$12.29				\$12.29
EMPLOYEE BENEFITS				\$14.27				\$14.27
INSURANCE			\$1.59					\$1.59
LAND TAXES							\$0.24	\$0.24
SUPERVISION AND MANAGEMENT				\$44.75				\$44.75
OTHER EXPENSES			\$207.62					\$207.62
SUBTOTAL		1.65 HR	\$209.20	\$71.32			\$0.24	\$280.76
TOTAL OPERATING EXPENSES		12.75 HR	\$231.34	\$150.61	\$82.21	\$40.38	\$104.56	\$609.11
NET OPERATING PROFIT							(\$74.11)	
INTEREST ON OPERATING CAPITAL (\$22.23 @ 8.00%)							\$1.78	
INTEREST ON EQUIPMENT INVESTMENT							\$3.13	
RETURN TO LAND AND RISK							(\$79.02)	

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$535.00	
VARIABLE OPERATING EXPENSES	\$353.94		
RETURN OVER VARIABLE EXPENSES		\$181.06	(GROSS MARGIN)
FIXED EXPENSES	\$104.56		
NET FARM INCOME		\$76.50	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$150.61		
NET OPERATING PROFIT		(\$74.11)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$4.91		
RETURN TO LAND AND RISK		(\$79.02)	

TABLE 8. Native grass hay, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2006.
Harvesting dates: July 20 - September 15

ITEM	PRICE	YIELD		TOTAL				
GROSS RETURNS								
HAY	\$115.00	1.50 TONS (STACKED)			\$172.50			
GRAZING	\$13.00	1.00 ACRE			\$13.00			
TOTAL					\$185.50			
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	FIXED COST	TOTAL			
LIVESTOCK FAC & EQUIP				\$4.00	\$4.00			
BALING WIRE	\$0.50	13 LBS	\$6.43		\$6.43			
CANAL WATER		12 AC. IN.	\$5.00		\$5.00			
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$11.43	\$4.00	\$15.43			
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DITCH MAINTENANCE		0.50 HR		\$3.73				\$3.73
IRRIGATE (5X)		2.50 HR		\$18.63	\$4.27	\$0.00	\$10.95	\$33.84
SUBTOTAL		3.00 HR		\$22.35	\$4.27	\$0.00	\$10.95	\$37.56
HARVEST OPERATIONS								
MOWER (2X)	40 HP	0.74 HR		\$5.51	\$5.81	\$1.07	\$3.69	\$16.09
RAKE (2X)	40 HP	0.24 HR		\$1.79	\$1.88	\$0.36	\$2.43	\$6.46
BALER, 1-TON (2X)	40 HP	0.42 HR		\$3.13	\$3.30	\$0.52	\$5.48	\$12.43
HAUL (2X)	TRUCK	1.60 HR		\$11.92	\$21.34	\$13.32	\$19.62	\$66.21
SUBTOTAL		3.00 HR	\$0.00	\$22.35	\$32.34	\$15.27	\$31.23	\$101.19
OVERHEAD EXPENSES								
DOWNTIME		0.75 HR		\$5.59				\$5.59
EMPLOYEE BENEFITS				\$8.05				\$8.05
INSURANCE			\$0.89					\$0.89
LAND TAXES							\$0.24	\$0.24
SUPERVISION AND MANAGEMENT				\$14.49				\$14.49
OTHER EXPENSES			\$207.62					\$207.62
SUBTOTAL		0.75 HR	\$208.51	\$28.12			\$0.24	\$236.87
TOTAL OPERATING EXPENSES		3.75 HR	\$219.94	\$72.82	\$36.61	\$15.27	\$46.41	\$391.05
NET OPERATING PROFIT								(\$205.55)
INTEREST ON OPERATING CAPITAL		(\$10.75 @ 8.00%)						\$0.86
INTEREST ON EQUIPMENT INVESTMENT								\$30.44
RETURN TO LAND AND RISK								(\$236.85)

* Pump water costs are shown under irrigation in the preharvest operations section.

BUDGET SUMMARY

GROSS RETURN		\$185.50	
VARIABLE OPERATING EXPENSES	\$271.82		
RETURN OVER VARIABLE EXPENSES		(\$86.32)	(GROSS MARGIN)
FIXED EXPENSES	\$46.41		
NET FARM INCOME		(\$132.73)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$72.82		
NET OPERATING PROFIT		(\$205.55)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$31.30		
RETURN TO LAND AND RISK		(\$236.85)	

TABLE 9. Summary of per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County
Projected 2006.

	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	\$57.60		
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		\$0.24	\$0.24
OTHER EXPENSES	\$0.27	\$209.20	\$208.51
TOTAL CASH EXPENSES	\$63.40	\$354.18	\$272.05
RETURN OVER CASH EXPENSES	(\$63.40)	\$180.82	(\$86.55)
FIXED EXPENSES	\$1.91	\$104.32	\$46.17
TOTAL EXPENSES	\$65.31	\$458.50	\$318.23
NET FARM INCOME	(\$65.31)	\$76.50	(\$132.73)
LABOR AND MANAGEMENT COSTS	\$23.39	\$150.61	\$72.82
NET OPERATING PROFIT	(\$88.70)	(\$74.11)	(\$205.55)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL		\$1.78	\$0.86
INTEREST ON EQUIPMENT INVESTMENT		\$3.13	\$30.44
TOTAL CAPITAL COSTS	\$0.00	\$4.91	\$31.30
RETURN TO LAND AND RISK	(\$88.70)	(\$79.02)	(\$236.85)

TABLE 10. Whole farm summary, Union County,
Projected 2006.

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		\$230
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		\$19
OTHER EXPENSES		\$16,710
TOTAL CASH EXPENSES		<u>\$25,303</u>
RETURN OVER CASH EXPENSES		\$3,517
FIXED EXPENSES		\$5,673
TOTAL EXPENSES		\$30,975
NET FARM INCOME		(\$2,155)
LABOR AND MANAGEMENT COSTS		\$9,031
NET OPERATING PROFIT		(\$11,186)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$106
INTEREST ON EQUIPMENT INVESTMENT		\$1,343
TOTAL CAPITAL COSTS		<u>\$1,448</u>
RETURN TO LAND AND RISK		<u>(\$12,634)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$200 /ACRE	(\$13,114)	-20.41%
\$350 /ACRE	(\$13,474)	-16.74%
\$500 /ACRE	(\$13,834)	-14.19%

* 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)