

TABLE 1. Basic cost information for the Arch Hurley Conservancy District, Quay County, 2003.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$7.55
General & Irrigators		\$/hour	\$6.75
Purchased Inputs:			
Fertilizer:			
Nitrogen (N)		\$/pound	\$0.36
Phosphate (P205)		\$/pound	\$0.33
Seed:			
Alfalfa		\$/pound	\$3.00
Grain Sorghum		\$/pound	\$1.20
Wheat		\$/pound	\$0.13
Wire		\$/pound	\$0.39
Canal Water			
Assessment		\$/acre	\$7.00
Water		\$/acre foot	\$7.00
Energy:			
Diesel fuel		\$/gallon	\$1.30
Gasoline		\$/gallon	\$1.35
LP Gas		\$/gallon	\$1.21
Electricity (Farmers Elec Coop)		cents/KwHr	6.13
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/w ages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	8.00%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	8.00%
Real Interest Rate		percent	4.00%
Land Taxes	\$96.00	/acre (full value)	\$0.84
Personal Property Tax Rate - NR		\$/ \$1,000 (Assessed Value)	\$26.16
- R			\$25.14
Supervision Factors			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 1a. Overhead cost information for the Arch Hurley Conservancy District, Quay County, 2003.

ITEM				
Electricity (Domestic & Shop)			\$215.00 per month	\$2,580
Telephone			\$115.00 per month	\$1,380
Accounting & Legal				\$1,715
Misc. Supplies & Hand Tools				\$2,340
Pickup and Auto				
miles	20,600	@	\$0.365 per mile	\$7,519
Insurance				
- general liability (non-employee)				\$1,725
- fire/theft				\$1,355
Property Taxes				
- non-planted land				\$0
- other than land & machinery				\$610
Building repairs and maintenance				\$1,310
Dues, fees, publications				\$390
Farmstead Equipment				\$165
			Total	\$21,089
			Total per planted acre	\$35.15

TABLE 3. Equipment summary for a 600 acre sprinkler-irrigated farm with above average management, Arch Hurley Conservancy District, Quay County, 2003.

EQUIPMENT		VARIABLE COSTS						FIXED COSTS		
ITEM & SIZE	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	FUEL, OIL LUBRICANT	REPAIR	FUEL, OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES	TOTAL PER HOUR
TRACTOR 70 HP	303	1	\$6,790	\$1,458	\$1,039	\$4.80	\$3.43	\$705	\$92	\$2.63
TRACTOR 165 HP	424	1	\$31,475	\$4,978	\$3,610	\$11.74	\$8.51	\$4,652	\$304	\$11.69
COMBINE 95 HP	76	1	\$38,150	\$569	\$9,834	\$7.49	\$129.40	\$7,600	\$497	\$106.54
GRAIN HEAD 18 FT	76	1	\$14,410		\$1,966		\$25.87	\$1,519	\$99	\$21.30
SWATHER 16 FT SP	88	1	\$24,740	\$428	\$446	\$4.87	\$5.07	\$3,621	\$316	\$44.73
TRUCK 2T	76	1	\$22,000	\$628	\$3,578	\$8.26	\$47.08	\$4,400	\$192	\$60.42
DISC 14 FT	122	1	\$3,000		\$206		\$1.68	\$400	\$26	\$3.48
ROD WEEDER 23 FT	18	1	\$625		\$9		\$0.49	\$83	\$5	\$4.83
CULTIVATOR 6-ROW	30	1	\$2,500		\$54		\$1.80	\$333	\$22	\$11.88
DRILL 13 FT	35	1	\$2,150		\$121		\$3.44	\$430	\$19	\$12.78
PLANTER 6-ROW	39	1	\$4,250		\$286		\$7.31	\$850	\$37	\$22.69
FLOAT 12 FT	89	1	\$500		\$16		\$0.18	\$53	\$3	\$0.64
SPRAYER TRACTOR MTD 16 FT	39	1	\$1,400		\$94		\$2.41	\$187	\$12	\$5.09
FERT SPREADER	31	1	\$2,300		\$91		\$2.90	\$307	\$20	\$10.46
BALER PTO 2-WIRE	168	1	\$1,500		\$0		\$0.00	\$385	\$34	\$2.49
SWEEP 23 FT	34	1	\$4,350		\$106		\$3.13	\$580	\$38	\$18.17
BALE WAGON, PTO	160	1	\$1,850		\$947		\$5.92	\$800	\$70	\$5.44
CENTER PIVOT SPRINKLER	7196	1	\$17,250	\$3,598	\$1,151	\$0.50	\$0.16	\$2,300	\$150	\$0.34
ELECTRIC BOOSTER PUMP	7196	1	\$2,500	\$8,930	\$1,346	\$1.24	\$0.19	\$333	\$22	\$0.05
			\$181,740	\$20,589	\$24,900			\$29,539	\$1,959	

TABLE 4. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 600 acre farm with above average management, Arch Hurley Conservancy District, Quay County, 2003.
Planting dates: August 1 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASE INPUTS</u>								
SEED	\$3.00	16 LBS		\$48.00				\$48.00
OAT SEED	\$0.23	40 LBS		\$9.20				\$9.20
NITROGEN (N)	\$0.36	30 LBS		\$10.80				\$10.80
PHOSPHATE (P205)	\$0.33	60 LBS		\$19.80				\$19.80
CANAL WATER	\$7.00	6 AC. IN.		\$3.50				\$3.50
SUBTOTAL				\$91.30				\$91.30
<u>PREHARVEST OPERATIONS</u>								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
CHISEL	145 HP	0.08 HR		\$0.60	\$0.94	\$0.93	\$2.39	\$4.86
DISC	145 HP	0.14 HR		\$1.06	\$1.64	\$1.43	\$2.12	\$6.25
FLOAT	145 HP	0.19 HR		\$1.43	\$2.23	\$1.65	\$2.34	\$7.66
FERT SPREADER	70 HP	0.05 HR		\$0.38	\$0.24	\$0.32	\$0.65	\$1.59
DRILL	70 HP	0.18 HR		\$1.36	\$0.86	\$1.24	\$2.77	\$6.23
IRRIGATE (3X)		0.30 HR		\$2.03	\$6.75	\$1.35	\$1.51	\$11.64
SUBTOTAL		0.94 HR	\$0.00	\$6.86	\$12.67	\$6.91	\$11.80	\$38.23
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.24 HR		\$1.77				\$1.77
EMPLOYEE BENEFITS				\$1.23				\$1.23
INSURANCE			\$0.02					\$0.02
SUPERVISION AND MANAGEMENT				\$9.65				\$9.65
SUBTOTAL		0.24 HR	\$0.02	\$12.66				\$12.69
<u>TOTAL OPERATING EXPENSES</u>		1.18 HR	\$91.32	\$19.52	\$12.67	\$6.91	\$11.80	\$142.22

TABLE 5. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 600 acre farm with above average management, Arch Hurley Conservancy District, Quay County, 2003.
Harvesting dates: May 25 - October 15

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
ALFALFA HAY	\$140.00	2.00	TONS (STACKED)					\$280.00	
GRAZING	\$48.00	1.00	ACRE					\$48.00	
TOTAL								\$328.00	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					FIXED COST	TOTAL
PHOSPHATE (P205)	\$0.33	60	LBS	\$19.80					\$19.80
WIRE	\$0.39	17	LBS	\$6.68					\$6.68
ESTABLISHMENT: Principal		8	YEARS					\$17.78	\$17.78
: Interest								\$6.39	\$6.39
CANAL WATER: Assessment	\$7.00	1	ACRE	\$7.00					\$7.00
Water	\$7.00	24	AC. IN.	\$14.00					\$14.00
SUBTOTAL				\$47.48				\$24.17	\$71.66
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	70 HP	0.05	HR		\$0.38	\$0.24	\$0.32	\$0.65	\$1.59
IRRIGATE		1.20	HR		\$8.10	\$27.01	\$5.38	\$6.05	\$46.55
SUBTOTAL		1.25	HR		\$8.48	\$27.25	\$5.70	\$6.70	\$48.14
HARVEST OPERATIONS									
SWATHER (4X)	16 FT	0.44	HR		\$3.32	\$2.14	\$2.23	\$19.68	\$27.37
BALER (4X)	70 HP	0.84	HR		\$6.34	\$4.04	\$2.88	\$4.30	\$17.56
BALE WAGON, PTO (4X)	145 HP	0.80	HR		\$6.04	\$9.39	\$11.55	\$13.70	\$40.68
SUBTOTAL		2.08	HR	\$0.00	\$15.70	\$15.57	\$16.66	\$37.68	\$85.61
OVERHEAD EXPENSES									
DOWNTIME		0.83	HR		\$6.29				\$6.29
EMPLOYEE BENEFITS					\$5.48				\$5.48
INSURANCE				\$0.08					\$0.08
LAND TAXES							\$0.84		\$0.84
SUPERVISION AND MANAGEMENT					\$25.04				\$25.04
OTHER EXPENSES				\$35.15					\$35.15
SUBTOTAL		0.83	HR	\$35.23	\$36.81			\$0.84	\$72.88
TOTAL OPERATING EXPENSES		4.16	HR	\$82.72	\$60.99	\$42.82	\$22.36	\$69.39	\$278.28
NET OPERATING PROFIT								\$49.72	
INTEREST ON OPERATING CAPITAL	(\$34.67	@	8.00%				\$2.77	
INTEREST ON EQUIPMENT INVESTMENT								\$30.67	
RETURN TO LAND AND RISK								\$16.27	

BUDGET SUMMARY

GROSS RETURN		\$328.00	
VARIABLE OPERATING EXPENSES	\$147.90		
RETURN OVER VARIABLE EXPENSES		\$180.10	(GROSS MARGIN)
FIXED EXPENSES	\$69.39		
NET FARM INCOME		\$110.71	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$60.99		
NET OPERATING PROFIT		\$49.72	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$33.44		
RETURN TO LAND AND RISK		\$16.27	

TABLE 6. Grain sorghum, sprinkler-irrigated, budgeted per acre costs and returns for a 600 acre farm with above average management, Arch Hurley Conservancy District, Quay County, 2003.

Planting dates: May 15 - July 1

Harvesting dates: October 15 - December 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
GRAIN SORGHUM	\$4.39	27.00	CWT					\$118.53
DIRECT PAYMENT	\$0.625	45.00	CWT					\$28.13
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	CWT					\$0.00
GRAZING	\$48.00	1.00	ACRE					\$48.00
TOTAL								\$194.66
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$1.20	7 LBS						\$8.40
NITROGEN (N)	\$0.36	80 LBS						\$28.80
PHOSPHATE (P205)	\$0.33	20 LBS						\$6.60
HERBICIDE (CUSTOM)	\$15.07	1 ACRE						\$15.07
CANAL WATER: Assessment	\$7.00	1 ACRE						\$7.00
Water	\$7.00	18 AC. IN.						\$10.50
CROP INSURANCE	\$0.22						\$0.22	
SUBTOTAL								\$76.58
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
SWEEP	145 HP	0.08 HR		\$0.60	\$0.94	\$0.93	\$2.39	\$4.86
DISC	145 HP	0.14 HR		\$1.06	\$1.64	\$1.43	\$2.12	\$6.25
FLOAT	145 HP	0.19 HR		\$1.43	\$2.23	\$1.65	\$2.34	\$7.66
DISC & SPRAY	145 HP	0.17 HR		\$1.28	\$2.00	\$2.14	\$3.44	\$8.87
FERT SPREADER	70 HP	0.05 HR		\$0.38	\$0.24	\$0.32	\$0.65	\$1.59
ROD WEED	145 HP	0.08 HR		\$0.60	\$0.94	\$0.72	\$1.32	\$3.58
PLANTER	70 HP	0.17 HR		\$1.28	\$0.82	\$1.83	\$4.30	\$8.23
CULTIVATOR	70 HP	0.13 HR		\$0.98	\$0.62	\$0.68	\$1.89	\$4.17
IRRIGATE (12X)		1.20 HR		\$8.10	\$20.26	\$4.04	\$4.54	\$36.94
SUBTOTAL		2.21 HR		\$15.73	\$29.69	\$13.73	\$23.00	\$82.15
HARVEST OPERATIONS								
COMBINE	18 FT	0.19 HR		\$1.43	\$1.42	\$29.50	\$24.29	\$56.65
HAUL	2T	0.19 HR		\$1.43	\$1.57	\$8.95	\$11.48	\$23.43
SUBTOTAL		0.38 HR		\$2.87	\$2.99	\$38.45	\$35.77	\$80.08
OVERHEAD EXPENSES								
DOWNTIME		0.65 HR		\$4.89				\$4.89
EMPLOYEE BENEFITS				\$4.23				\$4.23
INSURANCE			\$0.08				\$0.08	
LAND TAXES							\$0.84	
SUPERVISION AND MANAGEMENT				\$15.57				\$15.57
OTHER EXPENSES				\$35.15				\$35.15
SUBTOTAL		0.65 HR		\$35.23	\$24.68			\$0.84
TOTAL OPERATING EXPENSES		3.89 HR		\$111.81	\$43.28	\$32.68	\$52.18	\$59.61
NET OPERATING PROFIT								(\$104.90)
INTEREST ON OPERATING CAPITAL	(\$52.60	@	8.00%				\$4.21
INTEREST ON EQUIPMENT INVESTMENT								\$30.80
RETURN TO LAND AND RISK								(\$139.91)
BUDGET SUMMARY								
GROSS RETURN		\$194.66						
VARIABLE OPERATING EXPENSES	\$196.67							
RETURN OVER VARIABLE EXPENSES		(\$2.02)	(GROSS MARGIN)					
FIXED EXPENSES	\$59.61							
NET FARM INCOME		(\$61.62)	(RETURN TO CAPITAL, LABOR, LAND & RISK)					
LABOR AND MANAGEMENT COST	\$43.28							
NET OPERATING PROFIT		(\$104.90)	(RETURN TO CAPITAL, LAND & RISK)					
CAPITAL COSTS	\$35.00							
RETURN TO LAND AND RISK		(\$139.91)						

TABLE 7. Wheat, sprinkler-irrigated, budgeted per acre costs and returns for a 600 acre farm with above average management, Arch Hurley Conservancy District, Quay County, 2003.
 Planting dates: August 15 - September 15
 Harvesting dates: June 15 - July 10

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
WHEAT	\$3.45	25.00	BUSHEL					\$86.25	
DIRECT PAYMENT	\$0.52	25.00	BUSHEL					\$13.00	
COUNTER CYCLICAL PAYMENT	\$0.00							\$0.00	
GRAZING	\$48.00	1.00	ACRE					\$48.00	
TOTAL								\$147.25	
PURCHASED INPUTS									
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL	
SEED	\$0.13	60	LBS	\$7.80				\$7.80	
NITROGEN (N)	\$0.36	80	LBS	\$28.80				\$28.80	
PHOSPHATE (P205)	\$0.33	20	LBS	\$6.60				\$6.60	
HERBICIDE	\$15.07	1	ACRE	\$15.07				\$15.07	
CANAL WATER: Assessment	\$7.00	1	ACRE	\$7.00				\$7.00	
Water	\$7.00	12	AC. IN.	\$7.00				\$7.00	
CROP INSURANCE	\$0.29			\$0.29				\$0.29	
SUBTOTAL				\$72.56				\$72.56	
PREHARVEST OPERATIONS									
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
CHISEL	145 HP	0.08	HR		\$0.60	\$0.94	\$0.93	\$2.39	\$4.86
DISC (2X)	145 HP	0.28	HR		\$2.11	\$3.29	\$2.85	\$4.25	\$12.50
FLOAT	145 HP	0.24	HR		\$1.81	\$2.82	\$2.09	\$2.96	\$9.68
FERT SPREADER	70 HP	0.05	HR		\$0.38	\$0.24	\$0.32	\$0.65	\$1.59
DRILL	70 HP	0.18	HR		\$1.36	\$0.86	\$1.24	\$2.77	\$6.23
IRRIGATE (8X)		0.80	HR		\$5.40	\$13.51	\$2.69	\$3.02	\$24.62
SUBTOTAL		1.63	HR		\$11.67	\$21.66	\$10.12	\$16.05	\$59.49
HARVEST OPERATIONS									
COMBINE	18 FT	0.19	HR		\$1.43	\$1.42	\$29.50	\$24.29	\$56.65
HAUL	2T	0.19	HR		\$1.43	\$1.57	\$8.95	\$11.48	\$23.43
SUBTOTAL		0.38	HR		\$2.87	\$2.99	\$38.45	\$35.77	\$80.08
OVERHEAD EXPENSES									
DOWNTIME		0.50	HR		\$1.88				\$1.88
EMPLOYEE BENEFITS					\$2.18				\$2.18
INSURANCE				\$0.05				\$0.05	
LAND TAXES							\$0.84	\$0.84	
SUPERVISION AND MANAGEMENT					\$7.36				\$7.36
OTHER EXPENSES				\$35.15				\$35.15	
SUBTOTAL		0.50	HR		\$35.20	\$11.42		\$0.84	\$47.46
TOTAL OPERATING EXPENSES		2.51	HR		\$107.76	\$25.96	\$24.65	\$48.56	\$52.66
NET OPERATING PROFIT								(\$112.33)	
INTEREST ON OPERATING CAPITAL	(\$47.68	@	8.00%)			\$3.81	
INTEREST ON EQUIPMENT INVESTMENT								\$27.00	
RETURN TO LAND AND RISK								(\$143.15)	

BUDGET SUMMARY

GROSS RETURN	\$147.25		
VARIABLE OPERATING EXPENSES	\$180.97		
RETURN OVER VARIABLE EXPENSES	(\$33.72)	(GROSS MARGIN)	
FIXED EXPENSES	\$52.66		
NET FARM INCOME	(\$86.37)	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$25.96		
NET OPERATING PROFIT	(\$112.33)	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$30.82		
RETURN TO LAND AND RISK	(\$143.15)		

TABLE 8. Summary of per acre costs and returns for a 600 acre farm with above average management, Arch Hurley Conservancy District, Quay County, 2002.

	ALFALFA ESTABLISHMENT	ALFALFA HAY -----SPRINKLER-----	GRAIN SORGHUM	WHEAT
		TONS	CWT	BU
PRIMARY YIELD		2.00	27.00	25.00
PRIMARY PRICE		140.00	4.39	3.45
GOVERNMENT PAYMENTS		0.00	28.13	13.00
SECOND INCOME		48.00	48.00	48.00
GROSS RETURN		\$328.00	\$194.66	\$147.25
CASH OPERATING EXPENSES				
SEED	\$57.20		\$8.40	\$7.80
FERTILIZER	\$30.60	\$19.80	\$35.40	\$35.40
CHEMICALS			\$15.07	\$15.07
CROP INSURANCE			\$0.22	\$0.29
OTHER PURCHASED INPUTS		\$6.77	\$0.08	\$0.05
CANAL WATER	\$3.50	\$21.00	\$17.50	\$14.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$5.92	\$15.81	\$12.42	\$11.14
FUEL-IRRIGATION	\$6.75	\$27.01	\$20.26	\$13.51
REPAIRS	\$6.91	\$22.36	\$52.18	\$48.56
CUSTOM CHARGES		\$0.00		
LAND TAXES		\$0.84	\$0.84	\$0.84
OTHER EXPENSES	\$0.02	\$35.15	\$35.15	\$35.15
TOTAL CASH EXPENSES	\$110.91	\$148.73	\$197.51	\$181.81
RETURN OVER CASH EXPENSES	(\$110.91)	\$179.27	(\$2.85)	(\$34.56)
FIXED EXPENSES	\$11.80	\$68.56	\$58.77	\$51.82
TOTAL EXPENSES	\$122.70	\$217.29	\$256.28	\$233.62
NET FARM INCOME	(\$122.70)	\$110.71	(\$61.62)	(\$86.37)
LABOR AND MANAGEMENT COSTS	\$19.52	\$60.99	\$43.28	\$25.96
NET OPERATING PROFIT	(\$142.22)	\$49.72	(\$104.90)	(\$112.33)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$2.77	\$4.21	\$3.81
INTEREST ON EQUIPMENT INVESTMENT		\$30.67	\$30.80	\$27.00
TOTAL CAPITAL COSTS	\$0.00	\$33.44	\$35.00	\$30.82
RETURN TO LAND AND RISK	(\$142.22)	\$16.27	(\$139.91)	(\$143.15)

TABLE 9. Whole farm summary, Arch Hurley Conservancy District,
Quay County, 2002.

GROSS RETURNS		
ALFALFA HAY	200 ACRES	
CROP		\$56,000
GRAZING		\$9,600
GRAIN SORGHUM	230 ACRES	
CROP		\$27,262
GRAZING		\$11,040
DIRECT PAYMENT		\$6,469
COUNTER CYCLICAL PAYMENT		\$0
WHEAT	170 ACRES	
CROP		\$14,663
GRAZING		\$8,160
DIRECT PAYMENT		\$1,430
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$134,623</u>
CASH OPERATING EXPENSES		
SEED		\$4,688
FERTILIZER		\$18,885
CHEMICALS		\$6,026
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$1,380
CANAL WATER		\$10,693
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,061
FUEL-IRRIGATION		\$12,528
REPAIRS		\$24,900
CUSTOM CHARGES		\$0
LAND TAXES		\$502
OTHER EXPENSES		\$21,090
TOTAL CASH EXPENSES		<u>\$108,853</u>
RETURN OVER CASH EXPENSES		\$25,770
FIXED EXPENSES		\$32,777
TOTAL EXPENSES		\$141,630
NET FARM INCOME		(\$7,007)
LABOR AND MANAGEMENT COSTS		\$27,053
NET OPERATING PROFIT		(\$34,060)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,171
INTEREST ON EQUIPMENT INVESTMENT		\$17,808
TOTAL CAPITAL COSTS		<u>\$19,979</u>
RETURN TO LAND AND RISK		<u>(\$54,039)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$200 /ACRE	(\$58,839)	-11.29%
\$400 /ACRE	(\$63,639)	-8.08%
\$600 /ACRE	(\$68,439)	-6.29%
\$800 /ACRE	(\$73,239)	-5.15%
\$1,000 /ACRE	(\$78,039)	-4.36%
\$1,200 /ACRE	(\$82,839)	-3.78%

* 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)