

TABLE 1. Basic cost information for the Estancia Basin, 2003.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		\$6.75
General & Irrigators	\$/hour		\$6.45
Purchased Inputs:			
Fertilizer:			
Anhydrous Ammonia (NH3)	\$/ton		\$310.00
Nitrogen (N)	\$/pound		\$0.36
Phosphate (P205)	\$/pound		\$0.33
Seed:			
Alfalfa	\$/pound		\$3.00
Corn	\$/bag		\$89.75
Pinto Beans	\$/pound		\$0.43
Natural gas	\$/MCF		\$3.28
(service charge)	\$/month		\$10.00
Diesel fuel	\$/gallon		\$1.30
Gasoline	\$/gallon		\$1.35
Electricity	cents/KwHr		3.65
LP Gas	\$/Gal		\$1.21
Employee Liability Insurance	\$/ \$1,000 wages		\$12.00
Employee Benefits	percent/w ages		12.00%
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	\$100.00 /acre (full value)		\$0.88
Personal Property Tax Rate - NR	\$/ \$1,000 (Assessed Value)		\$26.40
- R			\$25.49
Supervision Factors			
Field Crop-Irrigation	\$/labor hour		\$1.00
Field Crop-Equipment & General	\$/labor hour		\$0.50
Management Rate	percent		4.00%

TABLE 1a. Overhead cost information for the Estancia Basin, 2003.

ITEM				
Electricity (Domestic & Shop)			\$120.00 per month	\$1,440
Telephone			\$85.00 per month	\$1,020
Accounting & Legal				\$490
Misc. Supplies & Hand Tools				\$810
Pickup and Auto				
miles	10,300	@	\$0.365 per mile	\$3,760
Insurance				
- general liability (non-employee)				\$1,050
- fire/theft				\$695
Property Taxes				
- non-planted land				\$29
- other than land & machinery				\$310
Building repairs and maintenance				\$525
Dues, fees, publications				\$270
Farmstead Equipment				\$165
			Total	\$10,564
			Total Per Planted Acre	\$70.42

TABLE 2. Pumping costs and data for irrigation wells, Estancia Basin, 2003.

INPUT DATA

DEPTH CHARACTERISTICS:

STATIC.....	175
DRAW DOWN	25
TOTAL HEA HEAD.....	200
CASING.....	250

GALLONS PER MINUTE (GPM)...	500
WORK HORSEPOWER.....	25

EFFICIENCY FACTOR:

ELECTRICITY.....	0.540
NATURAL GAS	0.154
LP GAS.....	0.154
DIESEL.....	0.160

FUEL COST PER HOUR:

ELECTRICITY.....	\$3.65	CENTS/K	wHr
NATURAL GAS.....	\$3.28	\$/MCF	
LP GAS.....	\$1.21	\$/GAL	
DIESEL.....	\$1.30	\$/GAL	

PUMPING COSTS

ELECTRIC WELL:

COST PER HOUR.....\$	\$1.30
COST PER ACRE INCH.....\$	\$1.18

NATURAL GAS WELL:

COST PER HOUR.....\$	\$1.53
COST PER ACRE INCH.....\$	\$1.39

LP GAS WELL:

COST PER HOUR.....\$	\$5.53
COST PER ACRE INCH.....\$	\$5.00

DIESEL WELL:

COST PER HOUR.....\$	\$3.71
COST PER ACRE INCH.....\$	\$3.36

TABLE 3. Equipment summary for a 160 acre flood-irrigated, part-time farm, Estancia Basin, 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	
----- (DOLLARS) -----											
TRACTOR 65 HP	110	1	\$2,400	\$719	\$58	\$6.56	0.53	\$138	\$24	\$1.48	
TRACTOR 96 HP	141	1	\$19,240	\$1,302	\$454	\$9.24	3.22	\$1,430	\$189	\$11.49	
TRUCK 1 TON	26	1	\$22,000	\$312	\$292	\$12.25	11.44	\$2,933	\$194	\$122.62	
COMBINE	36	1	\$1,200	\$364	\$15	\$10.08	0.41	\$338	\$59	\$10.98	
CORN HEAD	18	1	\$1,300		\$4		0.21	\$283	\$19	\$16.92	
BEAN HEAD	18	1	\$1,200		\$17		0.92	\$267	\$18	\$15.54	
BEAN KNIVES	30	1	\$800		\$17		0.58	\$107	\$7	\$3.85	
SWATHER 14 FT, PTO	19	1	\$4,300		\$17		0.87	\$1,450	\$128	\$82.17	
BALER PTO 2-WIRE	25	1	\$1,500		\$12		0.46	\$385	\$34	\$16.62	
RAKE	14	1	\$750		\$6		0.39	\$75	\$7	\$5.76	
PLANTER 4-ROW	29	1	\$3,400		\$138		4.83	\$680	\$30	\$24.82	
CHISEL 12 FT	12	1	\$1,200		\$12		1.03	\$160	\$11	\$14.45	
CULTIVATOR 4-ROW	59	1	\$2,500		\$94		1.60	\$333	\$22	\$6.06	
DISC 18 FT	34	1	\$5,400		\$132		3.89	\$720	\$48	\$22.57	
FLOAT	2	1	\$500		\$0		0.02	\$53	\$4	\$37.40	
DRILL 12 FT	2	1	\$2,200		\$2		1.06	\$440	\$19	\$273.43	
LISTER 4-ROW	21	1	\$2,150		\$36		1.68	\$287	\$19	\$14.39	
FERT SPREADER DEALER FURNI:	5	1									
WELL NATURAL GAS	4187	2	\$22,000	\$6,409	\$837	\$1.53	0.20	\$2,316	\$194	\$0.66	
			\$94,040	\$9,106	\$2,140			\$12,394	\$1,023		

TABLE 4. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 160 acre part-time farm, Estancia Basin, 2003.
Planting dates: August 1 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
<u>PURCHASED INPUTS</u>								
SEED	\$3.00	20 LBS						\$60.00
PUMP WATER*		6 AC. IN.						
SUBTOTAL								\$60.00
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
DISC (2X)	96 HP	0.34 HR		\$2.30	\$3.14	\$2.42	\$11.58	\$19.43
CHISEL	96 HP	0.20 HR		\$1.35	\$1.85	\$0.85	\$5.19	\$9.24
FLOAT	65 HP	0.19 HR		\$1.28	\$1.25	\$0.10	\$7.39	\$10.02
LISTER	96 HP	0.18 HR		\$1.22	\$1.66	\$0.88	\$4.66	\$8.42
FERT SPREADER	65 HP	0.05 HR		\$0.34	\$0.33	\$0.03	\$0.07	\$0.77
DRILL	65 HP	0.21 HR		\$1.42	\$1.38	\$0.33	\$57.73	\$60.86
IRRIGATE		0.75 HR		\$4.84	\$8.31	\$1.09	\$3.57	\$17.80
SUBTOTAL		1.92 HR		\$12.74	\$17.92	\$5.70	\$90.18	\$126.53
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.48 HR		\$3.24				\$3.24
EMPLOYEE BENEFITS				\$1.53				\$1.53
INSURANCE			\$0.15					\$0.15
SUPERVISION AND MANAGEMENT				\$8.80				\$8.80
SUBTOTAL		0.48 HR	0.15	13.56				13.72
TOTAL OPERATING EXPENSES		2.40 HR	\$60.15	\$26.30	\$17.92	\$5.70	\$90.18	\$200.25

TABLE 5. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 160 acre part-time farm, Estancia Basin, 2003.
Harvesting dates: June 15 - October 15

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
ALFALFA HAY	\$120.00	5.60	TONS (IN FIELD)					\$672.00	
GRAZING	\$10.00	1.00	ACRE					\$10.00	
TOTAL								\$682.00	
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS			FIXED COST	TOTAL	
NITROGEN (N)	0.36	22	LBS	\$7.92				\$7.92	
PHOSHPATE (P205)	\$0.33	123	LBS	\$40.59				\$40.59	
INSECTICIDE (CUSTOM)	\$23.14	1	ACRE	\$23.14				\$23.14	
LIVESTOCK FAC & EQUIP					\$5.00			\$5.00	
WIRE	\$0.37	48	LBS	\$17.83				\$17.83	
ESTABLISHMENT: Principal		5	YEARS		\$40.05			\$40.05	
: Interest					\$5.55			\$5.55	
PUMP WATER*		42	AC. IN.						
SUBTOTAL				\$89.48		\$50.60	\$140.08		
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
FERT SPREADER	65 HP	0.05	HR		\$0.34	\$0.33	\$0.03	\$0.07	\$0.77
IRRIGATE (7X)		3.50	HR		\$22.58	\$58.19	\$7.60	\$24.96	\$113.33
SUBTOTAL		3.55	HR		\$22.91	\$58.52	\$7.63	\$25.04	\$114.09
HARVEST OPERATIONS									
SWATHER (3X)	96 HP	0.48	HR		\$3.24	\$4.43	\$1.96	\$44.95	\$54.59
BALER (3X)	96 HP	0.63	HR		\$4.25	\$5.82	\$2.32	\$17.71	\$30.10
SUBTOTAL		1.11	HR		\$7.49	\$10.25	\$4.28	\$62.66	\$84.69
OVERHEAD EXPENSES									
DOWNTIME		0.29	HR		\$1.96				\$1.96
EMPLOYEE BENEFITS					\$3.65				\$3.65
INSURANCE				\$0.36					\$0.36
LAND TAXES							\$0.88		\$0.88
SUPERVISION AND MANAGEMENT					\$31.36				\$31.36
OTHER EXPENSES				\$70.42					\$70.42
SUBTOTAL		0.29	HR	\$70.79	\$36.97			\$0.88	\$108.64
TOTAL OPERATING EXPENSES		4.95	HR	\$160.27	\$67.37	\$68.77	\$11.91	\$139.18	\$447.50
NET OPERATING PROFIT								\$234.50	
INTEREST ON OPERATING CAPITAL	(\$65.26	@	8.00%				\$5.22	
INTEREST ON EQUIPMENT INVESTMENT								\$58.31	
RETURN TO LAND AND RISK								\$170.97	

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

BUDGET SUMMARY

GROSS RETURN		\$682.00	
VARIABLE OPERATING EXPENSES	\$240.95		
RETURN OVER VARIABLE EXPENSES		\$441.05	(GROSS MARGIN)
FIXED EXPENSES	\$139.18		
NET FARM INCOME		\$301.87	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$67.37		
NET OPERATING PROFIT		\$234.50	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$63.53		
RETURN TO LAND AND RISK		\$170.97	

TABLE 6. Corn for grain, flood-irrigated, budgeted per acre costs and returns for a 160 acre part-time farm, Estancia Basin, 2003.

Planting dates: May 1 - May 20

Harvesting dates: November 1 - November 30

ITEM	PRICE	YIELD							TOTAL
GROSS RETURN									
CORN FOR GRAIN	\$2.85	150.00	BUSHEL						\$427.50
DIRECT PAYMENT	\$0.28	120.00	BUSHEL						\$33.60
COUNTER CYCLICAL PAYMENT	\$0.00	0.00	BUSHEL						\$0.00
GRAZING	\$12.00	1.00	ACRE						\$12.00
TOTAL									\$473.10
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS			TOTAL		
SEED	\$1.12	25	000	\$28.05				\$28.05	
ANHYDROUS AMMONIA (NH3)	\$0.1550	200	LBS	\$31.00				\$31.00	
NITROGEN (N)	\$0.36	20	LBS	\$7.20				\$7.20	
PHOSPHATE (P205)	\$0.33	44	LBS	\$14.52				\$14.52	
INSECTICIDE	\$16.99	1	ACRE	\$16.99				\$16.99	
HERBICIDE	\$16.99	1	ACRE	\$16.99				\$16.99	
LIVESTOCK FAC & EQUIP						\$5.00		\$5.00	
PUMP WATER*		36	AC. IN.						
CROP INSURANCE	\$0.98							\$0.98	
SUBTOTAL				\$114.74		\$5.00		\$120.72	
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
DISC (2X)	96 HP	0.22	HR		\$1.49	\$2.03	\$1.56	\$7.49	\$12.57
CHISEL	96 HP	0.20	HR		\$1.35	\$1.85	\$0.85	\$5.19	\$9.24
FERT SPREADER	65 HP	0.05	HR		\$0.34	\$0.33	\$0.03	\$0.07	\$0.77
LISTER	96 HP	0.18	HR		\$1.22	\$1.66	\$0.88	\$4.66	\$8.42
IRRIGATE		0.75	HR		\$4.84	\$8.31	\$1.09	\$3.57	\$17.80
PLANTER	65 HP	0.26	HR		\$1.76	\$1.71	\$1.39	\$6.84	\$11.69
CULTIVATOR (2X)	65 HP	0.42	HR		\$2.84	\$2.76	\$0.89	\$3.17	\$9.65
IRRIGATE (5X)		2.50	HR		\$16.13	\$41.56	\$5.43	\$17.83	\$80.95
SUBTOTAL		4.58	HR		\$29.94	\$60.21	\$12.12	\$48.81	\$151.09
HARVEST OPERATIONS									
COMBINE	4-ROW	0.35	HR		\$2.36	\$3.53	\$0.22	\$9.77	\$15.87
HAUL	1-TON	0.50	HR		\$3.38	\$6.13	\$5.72	\$61.31	\$76.53
SUBTOTAL		0.85	HR		\$5.74	\$9.65	\$5.94	\$71.08	\$92.40
OVERHEAD EXPENSES									
DOWNTIME		0.55	HR		\$3.68				\$3.68
EMPLOYEE BENEFITS					\$4.28				\$4.28
INSURANCE				\$0.43					\$0.43
LAND TAXES							\$0.88		\$0.88
SUPERVISION AND MANAGEMENT					\$25.39				\$25.39
OTHER EXPENSES				\$70.42					\$70.42
SUBTOTAL		0.55	HR	\$70.85	\$33.35		\$0.88		\$105.09
TOTAL OPERATING EXPENSES		5.98	HR	\$185.59	\$69.03	\$69.86	\$18.06	\$125.77	\$469.30
NET OPERATING PROFIT									\$3.80
INTEREST ON OPERATING CAPITAL	(\$77.24	@	8.00%)				\$6.18
INTEREST ON EQUIPMENT INVESTMENT									\$68.48
RETURN TO LAND AND RISK									(\$70.86)

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

BUDGET SUMMARY

GROSS RETURN		\$473.10	
VARIABLE OPERATING EXPENSES	\$273.51		
RETURN OVER VARIABLE EXPENSES		\$199.59	(GROSS MARGIN)
FIXED EXPENSES	\$125.77		
NET FARM INCOME		\$73.81	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$69.03		
NET OPERATING PROFIT		\$4.78	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$74.66		
RETURN TO LAND AND RISK		(\$69.88)	

TABLE 7. Pinto beans, flood-irrigated, budgeted per acre costs and returns for a 160 acre part-time farm, Estancia Basin, 2003.

Planting dates: May 15 - June 10

Harvesting dates: September 1 - October 31

ITEM	PRICE	YIELD		PURCHASED INPUTS				TOTAL	
GROSS RETURNS									
PINTO BEANS	\$25.00	18.00	CWT (BAGGED, CLEANED)					\$450.00	
TOTAL								\$450.00	
PURCHASED INPUTS									
SEED	\$0.43	60	LBS	\$25.80				\$25.80	
INSECTICIDE (FLY-ON)	\$11.85	1	ACRE	\$11.85				\$11.85	
HERBICIDE	\$16.99	1	ACRE	\$16.99				\$16.99	
PUMP WATER*		18	AC. IN.						
SUBTOTAL				\$54.64				\$54.64	
PREHARVEST OPERATIONS									
	POWER UNIT	ACCOMPLISHMENT RATE		PURCHASED INPUTS	LABOR	FUEL & OIL	REPAIRS	FIXED COST	TOTAL
DISC (2X)	96 HP	0.34	HR		\$2.30	\$3.14	\$2.42	\$11.58	\$19.43
LISTER	96 HP	0.18	HR		\$1.22	\$1.66	\$0.88	\$4.66	\$8.42
PRE-IRRIGATE		0.75	HR		\$4.84	\$8.31	\$1.09	\$3.57	\$17.80
PLANTER	65 HP	0.26	HR		\$1.76	\$1.71	\$1.39	\$6.84	\$11.69
CULTIVATOR (3X)	65 HP	0.63	HR		\$4.06	\$4.14	\$1.34	\$4.75	\$14.29
IRRIGATE (2X)		1.00	HR		\$6.45	\$16.62	\$2.17	\$7.13	\$32.38
SUBTOTAL		3.16	HR		\$20.62	\$35.58	\$9.29	\$38.53	\$104.01
HARVEST OPERATIONS									
CUT	96 HP	0.50	HR		\$3.38	\$4.62	\$1.90	\$7.67	\$17.56
RAKE	65 HP	0.24	HR		\$1.62	\$1.58	\$0.22	\$1.74	\$5.15
COMBINE		0.31	HR		\$2.09	\$3.12	\$0.41	\$8.22	\$13.85
CLEANING & BAGGING					\$54.00				\$54.00
SUBTOTAL		1.05	HR		\$54.00	\$7.09	\$9.32	\$2.53	\$90.57
OVERHEAD EXPENSES									
DOWNTIME		0.62	HR		\$4.15				\$4.15
EMPLOYEE BENEFITS					\$3.32				\$3.32
INSURANCE					\$0.33				\$0.33
LAND TAXES								\$0.88	\$0.88
SUPERVISION AND MANAGEMENT					\$21.13				\$21.13
OTHER EXPENSES					\$70.42				\$70.42
SUBTOTAL		0.62	HR		\$70.76	\$28.61		\$0.88	\$100.24
TOTAL OPERATING EXPENSES		4.83	HR		\$179.40	\$56.31	\$44.90	\$11.82	\$349.46
NET OPERATING PROFIT								\$100.54	
INTEREST ON OPERATING CAPITAL	(\$44.02	@	8.00%)			\$3.52	
INTEREST ON EQUIPMENT INVESTMENT								\$37.96	
RETURN TO LAND AND RISK								\$59.06	

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

BUDGET SUMMARY

GROSS RETURN		\$450.00	
VARIABLE OPERATING EXPENSES	\$236.11		
RETURN OVER VARIABLE EXPENSES		\$213.89	(GROSS MARGIN)
FIXED EXPENSES	\$57.04		
NET FARM INCOME		\$156.85	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$56.31		
NET OPERATING PROFIT		\$100.54	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$41.48		
RETURN TO LAND AND RISK		\$59.06	

TABLE 8. Summary of per acre costs and returns for a 160 acre part-time, flood-irrigated farm, Estancia Basin, New Mexico, 2002.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN FOR GRAIN	PINTO BEANS
		TONS	BU	CWT
PRIMARY YIELD		5.60	150.00	18.00
PRIMARY PRICE		120.00	2.85	25.00
GOVERNMENT PAYMENTS		0.00	33.60	0.00
SECOND INCOME		10.00	12.00	0.00
GROSS RETURN		\$682.00	\$473.10	\$450.00
CASH OPERATING EXPENSES				
SEED	\$60.00		\$28.05	\$25.80
FERTILIZER		\$48.51	\$52.72	
CHEMICALS		\$23.14	\$33.97	\$28.84
CROP INSURANCE			\$0.98	
OTHER PURCHASED INPUTS		\$17.83		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$9.60	\$10.58	\$19.99	\$19.96
FUEL-IRRIGATION	\$8.31	\$58.19	\$49.87	\$24.94
REPAIRS	\$5.70	\$11.91	\$18.06	\$11.82
CUSTOM CHARGES				\$54.00
LAND TAXES		\$0.88	\$0.88	\$0.88
OTHER EXPENSES	\$0.15	\$70.79	\$70.85	\$70.76
TOTAL CASH EXPENSES	\$83.77	\$241.83	\$275.37	\$236.99
RETURN OVER CASH EXPENSES	(\$83.77)	\$440.17	\$197.73	\$213.01
FIXED EXPENSES	\$90.18	\$138.30	\$124.89	\$56.16
TOTAL EXPENSES	\$173.95	\$380.13	\$400.27	\$293.15
NET FARM INCOME	(\$173.95)	\$301.87	\$72.83	\$156.85
LABOR AND MANAGEMENT COSTS	\$26.30	\$67.37	\$69.03	\$56.31
NET OPERATING PROFIT	(\$200.25)	\$234.50	\$3.80	\$100.54
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$5.22	\$6.18	\$3.52
INTEREST ON EQUIPMENT INVESTMENT		\$58.31	\$68.48	\$37.96
TOTAL CAPITAL COSTS	\$0.00	\$63.53	\$74.66	\$41.48
RETURN TO LAND AND RISK	(\$200.25)	\$170.97	(\$70.86)	\$59.06

TABLE 9. Whole farm summary, Estancia Basin, 2002.

GROSS RETURNS		
ALFALFA HAY	40 ACRES	
CROP		\$26,880
GRAZING		\$400
CORN FOR GRAIN	51 ACRES	
CROP		\$21,803
GRAZING		\$612
DIRECT PAYMENT		\$1,411
PINTO BEANS	59 ACRES	
CROP		\$26,550
GROSS RETURN		\$77,656
CASH OPERATING EXPENSES		
SEED		\$3,433
FERTILIZER		\$4,629
CHEMICALS		\$4,360
CROP INSURANCE		\$50
OTHER PURCHASED INPUTS		\$713
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$2,697
FUEL-IRRIGATION		\$6,409
REPAIRS		\$2,140
CUSTOM CHARGES		\$3,186
LAND TAXES		\$132
OTHER EXPENSES		\$10,621
TOTAL CASH EXPENSES		\$38,370
RETURN OVER CASH EXPENSES		\$39,286
FIXED EXPENSES		\$14,334
TOTAL EXPENSES		\$52,704
NET FARM INCOME		\$24,951
LABOR AND MANAGEMENT COSTS		\$9,748
NET OPERATING PROFIT		\$15,203
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$732
INTEREST ON EQUIPMENT INVESTMENT		\$8,065
TOTAL CAPITAL COSTS		\$8,796
RETURN TO LAND AND RISK		\$6,407

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$750 /ACRE	\$1,607	7.10%
\$1,000 /ACRE	\$7	5.98%
\$1,250 /ACRE	(\$1,593)	5.17%
\$1,500 /ACRE	(\$3,193)	4.55%

* 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)