

TABLE 13. Summary of per acre costs and returns for a 640 acre farm with above average management, Roswell-Hagerman area, Chaves County, Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	OAT HAY	PICKER COTTON	STRIPPER COTTON	CORN SILAGE
		TONS	CWT	TONS	LBS	LBS	TONS
PRIMARY YIELD		6.40	40.00	6.00	830.00	830.00	25.00
PRIMARY PRICE		\$140.00	\$140.00	\$90.00	\$0.60	\$0.55	\$16.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$87.53	\$87.53	\$0.00
SECOND INCOME		\$0.00	\$44.00	\$0.00	\$86.32	\$86.32	\$0.00
GROSS RETURN		\$896.00	\$294.00	\$540.00	\$671.85	\$630.35	\$400.00
CASH OPERATING EXPENSES							
SEED	\$86.40		\$24.00	\$21.60	\$14.40	\$18.00	\$34.00
FERTILIZER		\$24.00	\$75.50	\$34.00	\$25.20	\$25.20	\$80.00
CHEMICALS	\$13.38	\$72.59	\$19.17		\$69.99	\$66.91	\$44.42
CROP INSURANCE			\$0.98		\$0.98	\$0.98	\$20.00
OTHER PURCHASED INPUTS		\$0.06					
CANAL WATER							
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$32.70	\$17.76	\$18.49	\$12.91	\$64.58	\$76.40	\$31.67
FUEL-IRRIGATION	\$19.78	\$66.74	\$34.61	\$25.96	\$34.61	\$34.61	\$59.33
REPAIRS	\$12.19	\$6.19	\$8.94	\$6.61	\$24.86	\$21.99	\$12.44
CUSTOM CHARGES			\$34.84		\$156.78	\$196.04	
LAND TAXES		\$1.53	\$1.53	\$1.53	\$1.53	\$1.53	\$1.53
OTHER EXPENSES	\$0.39	\$34.44	\$34.20	\$34.18	\$34.75	\$34.82	\$34.49
TOTAL CASH EXPENSES	\$164.83	\$223.31	\$252.26	\$136.78	\$427.68	\$476.48	\$317.87
RETURN OVER CASH EXPENSES	(\$164.83)	\$672.69	\$41.74	\$403.22	\$244.17	\$153.87	\$82.13
FIXED EXPENSES	\$31.34	\$112.65	\$19.13	\$28.77	\$169.21	\$80.08	\$34.49
TOTAL EXPENSES	\$196.17	\$335.96	\$271.39	\$165.55	\$596.88	\$556.56	\$352.36
NET FARM INCOME	(\$196.17)	\$560.04	\$22.61	\$374.45	\$74.96	\$73.79	\$47.64
LABOR AND MANAGEMENT COSTS	\$43.37	\$109.39	\$50.12	\$66.24	\$117.62	\$120.29	\$78.98
NET OPERATING PROFIT	(\$239.54)	\$450.65	(\$27.51)	\$308.21	(\$42.65)	(\$46.50)	(\$31.34)
CAPITAL COSTS							
INTEREST ON OPERATING CAPITAL		\$4.19	\$4.89	\$2.39	\$4.96	\$5.02	\$7.19
INTEREST ON EQUIPMENT INVESTMENT		\$25.73	\$9.43	\$12.30	\$12.30	\$35.49	\$15.95
TOTAL CAPITAL COSTS	\$0.00	\$29.92	\$14.32	\$14.69	\$17.26	\$40.51	\$23.14
RETURN TO LAND AND RISK	(\$239.54)	\$420.73	(\$41.82)	\$293.52	(\$59.91)	(\$87.01)	(\$54.49)

TABLE 14. Whole farm summary, Roswell-Hagerman area, Chaves County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	300 ACRES	
CROP		\$268,800
WHEAT	51 ACRES	
CROP		\$12,750
GRAZING		\$2,244
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
SMALL GRAINS	87 ACRES	
CROP		\$46,980
UPLAND COTTON (PICKER)	51.00 ACRES	
COTTON LINT		\$25,398
COTTON SEED		\$4,402
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$4,464
UPLAND COTTON (STRIPPER)	51.00 ACRES	
COTTON LINT		\$23,282
COTTON SEED		\$4,402
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$4,464
CORN	60.00 ACRES	
CROP		\$24,000
GROSS RETURN		<u>\$421,186</u>
CASH OPERATING EXPENSES		
SEED		\$11,980
FERTILIZER		\$21,379
CHEMICALS		
CROP INSURANCE		\$1,350
OTHER PURCHASED INPUTS		\$17
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$18,447
FUEL-IRRIGATION		\$32,323
REPAIRS		\$6,755
CUSTOM CHARGES		\$19,771
LAND TAXES		\$917
OTHER EXPENSES		\$20,690
TOTAL CASH EXPENSES		<u>\$133,629</u>
RETURN OVER CASH EXPENSES		\$287,557
FIXED EXPENSES		\$39,564
TOTAL EXPENSES		\$173,193
NET FARM INCOME		\$247,993
LABOR AND MANAGEMENT COSTS		\$60,611
NET OPERATING PROFIT		\$187,383
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,654
INTEREST ON EQUIPMENT INVESTMENT		\$12,665
TOTAL CAPITAL COSTS		<u>\$15,319</u>
RETURN TO LAND AND RISK		<u><u>\$172,063</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$152,863	21.52%
\$3,000 /ACRE	\$114,463	8.71%
\$5,000 /ACRE	\$76,063	5.46%
\$7,000 /ACRE	\$37,663	3.98%
\$9,000 /ACRE	(\$737)	3.13%

* 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)