

TABLE 10. Summary of per acre costs and returns, 10 acre part-time farm, Cibola County
Actual 2004

| | ALFALFA ESTABLISHMENT | ALFALFA HAY | PERMANENT PASTURE ESTABLISHMENT | PERMANENT PASTURE | FIELD CORN |
|----------------------------------|--------------------------|----------------|---------------------------------------|----------------------|---------------|
| | TONS | TONS | | AUMS | CWT |
| PRIMARY YIELD | 3.00 | 4.00 | | 5.00 | 40.00 |
| PRIMARY PRICE | \$110.00 | \$120.00 | | \$12.00 | \$4.02 |
| GOVERNMENT PAYMENTS | \$0.00 | \$0.00 | | \$0.00 | \$0.00 |
| SECOND INCOME | \$0.00 | \$10.00 | | \$0.00 | \$0.00 |
| GROSS RETURN | \$330.00 | \$490.00 | | \$60.00 | \$160.71 |
| CASH OPERATING EXPENSES | | | | | |
| SEED | \$71.10 | | \$33.00 | | \$10.63 |
| FERTILIZER | | | | | |
| CHEMICALS | | | | | |
| CROP INSURANCE | | | | | |
| OTHER PURCHASED INPUTS | \$12.86 | \$17.14 | | | |
| CANAL WATER | \$10.00 | \$10.00 | \$10.00 | \$10.00 | \$10.00 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | \$31.82 | \$14.95 | \$24.46 | \$0.00 | \$20.55 |
| FUEL-IRRIGATION | | | | | |
| REPAIRS | \$6.22 | \$2.40 | \$5.09 | \$0.00 | \$4.09 |
| CUSTOM CHARGES | \$17.50 | \$17.50 | | | |
| LAND TAXES | \$0.33 | \$0.33 | \$0.33 | \$0.33 | \$0.33 |
| OTHER EXPENSES | \$0.40 | \$205.39 | \$0.34 | \$205.22 | \$208.12 |
| TOTAL CASH EXPENSES | \$150.23 | \$267.71 | \$73.21 | \$215.55 | \$253.71 |
| RETURN OVER CASH EXPENSES | \$179.77 | \$222.29 | (\$73.21) | (\$155.55) | (\$93.00) |
| FIXED EXPENSES | \$359.58 | \$247.39 | \$281.63 | \$25.34 | \$158.72 |
| TOTAL EXPENSES | \$509.81 | \$515.10 | \$354.84 | \$240.89 | \$412.44 |
| NET FARM INCOME | (\$179.81) | (\$25.10) | (\$354.84) | (\$180.89) | (\$251.72) |
| LABOR AND MANAGEMENT COSTS | \$69.84 | \$57.84 | \$53.49 | \$21.20 | \$309.81 |
| NET OPERATING PROFIT | (\$249.65) | (\$82.94) | (\$408.34) | (\$202.10) | (\$561.53) |
| CAPITAL COSTS | | | | | |
| INTEREST ON OPERATING CAPITAL | \$3.56 | \$1.03 | | \$0.31 | \$1.03 |
| INTEREST ON EQUIPMENT INVESTMENT | \$269.92 | \$135.16 | | \$0.00 | \$139.20 |
| TOTAL CAPITAL COSTS | \$273.48 | \$136.19 | \$0.00 | \$0.31 | \$140.23 |
| RETURN TO LAND AND RISK | (\$523.13) | (\$219.13) | (\$408.34) | (\$202.41) | (\$701.76) |

TABLE 11. Whole farm summary, Cibola County,
Actual 2004

| | | |
|----------------------------------|---------|-----------|
| GROSS RETURNS | | |
| ALFALFA HAY | 4 ACRES | |
| CROP | | \$1,920 |
| GRAZING | | \$40 |
| PASTURE | 4 ACRES | |
| CROP | | \$240 |
| FIELD CORN | 1 ACRES | |
| CROP | | \$161 |
| GROSS RETURN | | \$2,361 |
| CASH OPERATING EXPENSES | | |
| SEED | | \$63 |
| FERTILIZER | | \$0 |
| CHEMICALS | | \$0 |
| CROP INSURANCE | | \$0 |
| OTHER PURCHASED INPUTS | | \$75 |
| CANAL WATER | | \$100 |
| FUEL, OIL & LUBRICANTS-EQUIPMENT | | \$108 |
| FUEL-IRRIGATION | | \$0 |
| REPAIRS | | \$19 |
| CUSTOM CHARGES | | \$79 |
| LAND TAXES | | \$3 |
| OTHER EXPENSES | | \$1,851 |
| TOTAL CASH EXPENSES | | \$2,299 |
| RETURN OVER CASH EXPENSES | | \$62 |
| FIXED EXPENSES | | \$1,279 |
| TOTAL EXPENSES | | \$3,578 |
| NET FARM INCOME | | (\$1,217) |
| LABOR AND MANAGEMENT COSTS | | \$688 |
| NET OPERATING PROFIT | | (\$1,905) |
| CAPITAL COSTS | | |
| INTEREST ON OPERATING CAPITAL | | \$8 |
| INTEREST ON EQUIPMENT INVESTMENT | | \$815 |
| TOTAL CAPITAL COSTS | | \$823 |
| RETURN TO LAND AND RISK | | (\$2,728) |

| LAND VALUE | RETURN TO RISK* | RETURN ON INVESTMENT** |
|---------------|-----------------|------------------------|
| \$1,000 /ACRE | (\$3,028) | -8.33% |
| \$2,500 /ACRE | (\$3,478) | -5.03% |
| \$4,000 /ACRE | (\$3,928) | -3.60% |
| \$5,500 /ACRE | (\$4,378) | -2.81% |
| \$7,000 /ACRE | (\$4,828) | -2.30% |
| \$8,500 /ACRE | (\$5,278) | -1.95% |

* 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)