

TABLE 7. Summary of per acre costs and returns for a 1,600 acre farm with above average management, Curry County
Actual 2004

	WHEAT	GRAIN SORGHUM
	BUSHEL	CWT
PRIMARY YIELD	18.00	18.00
PRIMARY PRICE	\$3.75	\$3.70
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$12.00 ACRE	\$4.00 ACRE
GROSS RETURN	\$79.50	\$70.54
CASH OPERATING EXPENSES		
SEED	\$7.20	\$1.85
FERTILIZER		\$10.00
CHEMICALS	\$7.05	\$26.44
CROP INSURANCE	\$0.08	\$0.11
OTHER PURCHASED INPUTS		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$6.71	\$12.56
REPAIRS	\$2.90	\$5.53
CUSTOM CHARGES	\$12.13	\$13.09
LAND TAXES	\$40.00	\$40.00
OTHER EXPENSES	\$16.29	\$16.34
TOTAL CASH EXPENSES	\$92.36	\$125.92
RETURN OVER CASH EXPENSES	(\$12.86)	(\$55.39)
FIXED EXPENSES	\$13.81	\$27.29
TOTAL EXPENSES	\$106.17	\$153.21
NET FARM INCOME	(\$26.67)	(\$82.68)
LABOR AND MANAGEMENT COSTS	\$7.90	\$11.07
NET OPERATING PROFIT	(\$34.57)	(\$93.75)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$0.44	\$1.55
INTEREST ON EQUIPMENT INVESTMENT	\$5.88	\$11.82
TOTAL CAPITAL COSTS	\$6.31	\$13.37
RETURN TO LAND AND RISK	<u>(\$40.88)</u>	<u>(\$107.12)</u>
Flex Computation	-21.20	-68.01

TABLE 8. Whole farm summary, Curry County,
Actual 2004

GROSS RETURNS		
WHEAT	530 acres	
CROP		\$35,775
GRAZING		\$6,360
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	530 acres	
CROP		\$35,264
GRAZING		\$2,120
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$79,519</u>
CASH OPERATING EXPENSES		
SEED		\$5,220
FERTILIZER		\$4,505
CHEMICALS		\$16,212
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$9,751
REPAIRS		\$4,256
CUSTOM CHARGES		\$13,290
LAND TAXES		\$42,400
OTHER EXPENSES		\$17,290
TOTAL CASH EXPENSES		<u>\$113,024</u>
RETURN OVER CASH EXPENSES		(\$33,505)
FIXED EXPENSES		\$20,710
TOTAL EXPENSES		\$133,734
NET FARM INCOME		(\$54,215)
LABOR AND MANAGEMENT COSTS		\$9,798
NET OPERATING PROFIT		(\$64,013)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$966
INTEREST ON EQUIPMENT INVESTMENT		\$8,908
TOTAL CAPITAL COSTS		<u>\$9,874</u>
RETURN TO LAND AND RISK		<u><u>(\$73,887)</u></u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$150 /ACRE	(\$81,087)	-16.89%
\$200 /ACRE	(\$83,487)	-13.95%
\$250 /ACRE	(\$85,887)	-11.88%
\$300 /ACRE	(\$88,287)	-10.34%

* 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)

