

TABLE 8. Summary of per acre costs and returns for a 640 acre farm with above average management, Curry County, Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY
		TONS
PRIMARY YIELD		6.00
PRIMARY PRICE		\$130.00
GOVERNMENT PAYMENTS		\$0.00
SECOND INCOME		\$0.00
GROSS RETURN		\$780.00
CASH OPERATING EXPENSES		
SEED	\$86.40	
FERTILIZER	\$23.50	\$116.25
CHEMICALS		\$34.93
CROP INSURANCE		
OTHER PURCHASED INPUTS		\$0.05
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$12.65	\$25.64
FUEL-IRRIGATION	\$21.17	\$105.87
REPAIRS	\$4.18	\$7.94
CUSTOM CHARGES	\$9.00	\$0.00
LAND TAXES		\$0.91
OTHER EXPENSES	\$0.03	\$43.65
TOTAL CASH EXPENSES	\$156.93	\$335.25
RETURN OVER CASH EXPENSES	(\$156.93)	\$444.75
FIXED EXPENSES	\$28.28	\$92.16
TOTAL EXPENSES	\$185.22	\$427.41
NET FARM INCOME	(\$185.22)	\$352.59
LABOR AND MANAGEMENT COSTS	\$26.64	\$93.49
NET OPERATING PROFIT	(\$211.86)	\$259.10
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$6.77
INTEREST ON EQUIPMENT INVESTMENT		\$24.77
TOTAL CAPITAL COSTS	\$0.00	\$31.54
RETURN TO LAND AND RISK	(\$211.86)	\$227.56

TABLE 9. Whole farm summary, Curry County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	500 ACRES	
CROP		\$390,000
GROSS RETURN		<u>\$390,000</u>
CASH OPERATING EXPENSES		
		\$8,640
		\$60,473
CHEMICALS		\$17,466
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$27
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$14,085
FUEL-IRRIGATION		\$55,054
REPAIRS		\$4,388
CUSTOM CHARGES		\$900
LAND TAXES		\$455
OTHER EXPENSES		\$21,830
TOTAL CASH EXPENSES		<u>\$183,318</u>
RETURN OVER CASH EXPENSES		\$206,682
FIXED EXPENSES		\$31,254
TOTAL EXPENSES		\$214,572
NET FARM INCOME		\$175,428
LABOR AND MANAGEMENT COSTS		\$49,407
NET OPERATING PROFIT		\$126,021
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,387
INTEREST ON EQUIPMENT INVESTMENT		\$12,383
TOTAL CAPITAL COSTS		<u>\$15,771</u>
RETURN TO LAND AND RISK		<u>\$110,250</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$100,650	25.55%
\$1,000 /ACRE	\$91,050	15.50%
\$1,500 /ACRE	\$81,450	11.12%
\$2,000 /ACRE	\$71,850	8.67%
\$2,500 /ACRE	\$62,250	7.11%

* 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)