

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

	WHEAT	GRAIN SORGHUM
	BUSHEL	CWT
PRIMARY YIELD	75.00	65.00
PRIMARY PRICE	\$3.75	\$3.70
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$40.00 ACRE	\$9.00 ACRE
GROSS RETURN	\$321.25	\$249.27
CASH OPERATING EXPENSES		
SEED	\$19.20	\$6.15
FERTILIZER	\$62.86	\$86.50
CHEMICALS	\$21.17	\$17.25
CROP INSURANCE	\$0.15	\$0.29
OTHER PURCHASED INPUTS		
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$13.40	\$17.93
FUEL-IRRIGATION	\$42.43	\$67.88
REPAIRS	\$7.16	\$9.03
CUSTOM CHARGES	\$36.55	\$40.78
LAND TAXES	\$109.00	\$109.00
OTHER EXPENSES	\$43.28	\$43.35
TOTAL CASH EXPENSES	\$355.19	\$398.17
RETURN OVER CASH EXPENSES	(\$33.94)	(\$148.91)
FIXED EXPENSES	\$31.21	\$50.05
TOTAL EXPENSES	\$386.41	\$448.23
NET FARM INCOME	(\$65.16)	(\$198.96)
LABOR AND MANAGEMENT COSTS	\$35.97	\$36.35
NET OPERATING PROFIT	(\$101.12)	(\$235.31)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$4.41	\$5.14
INTEREST ON EQUIPMENT INVESTMENT	\$13.90	\$22.06
TOTAL CAPITAL COSTS	\$18.30	\$27.20
RETURN TO LAND AND RISK	(\$119.42)	(\$262.52)
Flex Computation	-74.31	-190.40

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

GROSS RETURNS		
WHEAT	255 ACRES	
CROP		\$71,719
GRAZING		\$10,200
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	170 ACRES	
CROP		\$40,846
GRAZING		\$1,530
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GROSS RETURN		<u>\$124,294</u>
CASH OPERATING EXPENSES		
SEED		\$7,382
FERTILIZER		\$35,449
CHEMICALS		\$9,920
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$0
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$7,468
FUEL-IRRIGATION		\$25,541
REPAIRS		\$3,898
CUSTOM CHARGES		\$18,995
LAND TAXES		\$54,500
OTHER EXPENSES		\$21,651
TOTAL CASH EXPENSES		<u>\$184,903</u>
RETURN OVER CASH EXPENSES		(\$60,609)
FIXED EXPENSES		\$18,809
TOTAL EXPENSES		\$203,713
NET FARM INCOME		(\$79,419)
LABOR AND MANAGEMENT COSTS		\$18,049
NET OPERATING PROFIT		(\$97,467)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$2,327
INTEREST ON EQUIPMENT INVESTMENT		\$8,337
TOTAL CAPITAL COSTS		<u>\$10,664</u>
RETURN TO LAND AND RISK		<u>(\$108,132)</u>
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$117,732)	-22.51%
\$1,000 /ACRE	(\$127,332)	-12.94%
\$1,500 /ACRE	(\$136,932)	-9.08%
\$2,000 /ACRE	(\$146,532)	-7.00%
\$2,500 /ACRE	(\$156,132)	-5.69%

* 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)

