

TABLE 10. Summary of per acre costs and returns for a 100 acre farm with above average management, De Baca County,
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT FOR GRAIN	OAT HAY	HYGEAR
		TONS	BU	TONS	TONS
PRIMARY YIELD		5.00	65.00	4.50	4.50
PRIMARY PRICE		\$130.00	\$3.75	\$90.00	\$101.00
GOVERNMENT PAYMENTS		\$0.00	\$28.73	\$0.00	\$0.00
SECOND INCOME		\$12.50	\$25.00	\$0.00	\$0.00
GROSS RETURN		\$662.50	\$297.48	\$405.00	\$454.50
CASH OPERATING EXPENSES					
SEED	\$72.00		\$19.20	\$27.00	\$21.00
FERTILIZER		\$40.30	\$24.00	\$16.00	\$16.00
CHEMICALS		\$32.18			
CROP INSURANCE			\$2.94		
OTHER PURCHASED INPUTS		\$21.50		\$19.28	
CANAL WATER		\$42.50	\$42.50	\$42.50	\$21.25
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$29.76	\$20.42	\$17.60	\$21.59	\$22.75
FUEL-IRRIGATION	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REPAIRS	\$6.07	\$4.50	\$3.47	\$4.35	\$4.93
CUSTOM CHARGES			\$30.50		
LAND TAXES		\$0.00	\$0.00	\$0.00	\$0.00
OTHER EXPENSES	\$0.66	\$53.16	\$52.83	\$26.77	\$26.72
TOTAL CASH EXPENSES	\$108.49	\$214.56	\$193.05	\$157.49	\$112.66
RETURN OVER CASH EXPENSES	(\$108.49)	\$447.94	\$104.43	\$247.51	\$341.84
FIXED EXPENSES	\$45.38	\$89.19	\$24.08	\$31.39	\$32.21
TOTAL EXPENSES	\$153.86	\$303.75	\$217.12	\$188.88	\$144.86
NET FARM INCOME	(\$153.86)	\$358.75	\$80.36	\$216.12	\$309.64
LABOR AND MANAGEMENT COSTS	\$60.65	\$109.37	\$60.17	\$73.69	\$76.38
NET OPERATING PROFIT	(\$214.51)	\$249.37	\$20.19	\$142.43	\$233.26
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$4.40	\$3.26	\$3.63	\$2.20
INTEREST ON EQUIPMENT INVESTMENT		\$24.78	\$12.31	\$16.97	\$17.51
TOTAL CAPITAL COSTS	\$0.00	\$29.18	\$15.56	\$20.60	\$19.71
RETURN TO LAND AND RISK	(\$214.51)	\$220.19	\$4.62	\$121.83	\$213.55

TABLE 11. Whole farm summary, De Baca County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	65 ACRES	
CROP		\$42,250
GRAZING		\$813
WHEAT FOR GRAIN	17 ACRES	
CROP		\$4,144
GRAZING		\$425
ASCS DEFICIENCY		\$488
COUNTER CYCLICAL PAYMENT		\$0
OAT HAY	10 ACRES	
CROP		\$4,050
HYGEAR	17 ACRES	
CROP		\$7,727
GROSS RETURN		<u>\$59,896</u>
CASH OPERATING EXPENSES		
SEED		\$1,889
FERTILIZER		\$3,460
CHEMICALS		\$2,092
CROP INSURANCE		\$50
OTHER PURCHASED INPUTS		\$1,590
CANAL WATER		\$4,271
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$2,616
FUEL-IRRIGATION		\$0
REPAIRS		\$558
CUSTOM CHARGES		\$519
LAND TAXES		\$0
OTHER EXPENSES		\$5,084
TOTAL CASH EXPENSES		<u>\$22,129</u>
RETURN OVER CASH EXPENSES		\$37,767
FIXED EXPENSES		\$4,869
TOTAL EXPENSES		\$26,998
NET FARM INCOME		\$32,898
LABOR AND MANAGEMENT COSTS		\$10,956
NET OPERATING PROFIT		\$21,942
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$415
INTEREST ON EQUIPMENT INVESTMENT		\$2,287
TOTAL CAPITAL COSTS		<u>\$2,702</u>
RETURN TO LAND AND RISK		<u>\$19,240</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$16,240	17.91%
\$2,000 /ACRE	\$13,240	9.86%
\$3,000 /ACRE	\$10,240	6.80%
\$4,000 /ACRE	\$7,240	5.19%
\$5,000 /ACRE	\$4,240	4.20%

* 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)