

TABLE 10. Summary of per acre costs and returns, 30 acre farm with above average management, De Baca County Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY -----FLOOD-----	PERMANENT PASTURE EST.	PERMANENT PASTURE
		TONS		AUMS
PRIMARY YIELD		5.00		10.00
PRIMARY PRICE		100.00		12.00
GOVERNMENT PAYMENTS		0.00		0.00
SECOND INCOME		10.00		0.00
GROSS RETURN		510.00		120.00
CASH OPERATING EXPENSES				
SEED	48.96		37.40	
FERTILIZER	0.00	41.39	28.00	38.54
CHEMICALS		13.49		
CROP INSURANCE				
OTHER PURCHASED INPUTS		21.43		
CANAL WATER		42.50		42.50
FUEL, OIL & LUBRICANTS-EQUIPMENT	3.25	0.00	3.26	0.07
FUEL-IRRIGATION				
REPAIRS	4.35	0.00	3.60	0.19
CUSTOM CHARGES	0.00		0.00	
LAND TAXES		0.67		0.67
OTHER EXPENSES	0.44	131.77	0.62	132.41
TOTAL CASH EXPENSES	57.01	251.25	72.88	214.38
RETURN OVER CASH EXPENSES	-57.01	258.75	-72.88	-94.38
FIXED EXPENSES	224.45	-42.50	208.71	31.72
TOTAL EXPENSES	281.46	208.75	281.59	246.10
NET FARM INCOME	-281.46	301.25	-281.59	-126.10
LABOR AND MANAGEMENT COSTS	55.23	56.13	61.92	51.26
NET OPERATING PROFIT	-336.69	245.12	-343.51	-177.36
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		8.24		3.73
INTEREST ON EQUIPMENT INVESTMENT		0.00		2.66
TOTAL CAPITAL COSTS	0.00	8.24	0.00	6.39
RETURN TO LAND AND RISK	-336.69	236.89	-343.51	-183.75

Flex Computation

0.00 0.00

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

GROSS RETURNS		
ALFALFA HAY	10.00 ACRES	
CROP		5,000.00
GRAZING		100.00
PERMANENT PASTURE	20.00 ACRES	
GRAZING		2,400.00
LIVESTOCK		5,837.70
GROSS RETURN		<u>13,338</u>
CASH OPERATING EXPENSES		
FORAGE		2,500.00
LIVESTOCK FEED		14,003.90
SEED		184.28
FERTILIZER		1,212.71
CHEMICALS		134.91
CROP INSURANCE		0.00
OTHER PURCHASED INPUTS		214.25
CANAL WATER		1,275.00
FUEL, OIL & LUBRICANTS-EQUIPMENT		14.38
FUEL-IRRIGATION		0.00
REPAIRS		20.53
CUSTOM CHARGES		0.00
LAND TAXES		20.14
OTHER EXPENSES		3,967.82
TOTAL CASH EXPENSES		<u>23,548</u>
RETURN OVER CASH EXPENSES		-10,210.21
FIXED EXPENSES		1,091.44
TOTAL EXPENSES		<u>24,639.35</u>
NET FARM INCOME		-11,301.65
LABOR AND MANAGEMENT COSTS		1,814.07
NET OPERATING PROFIT		-13,115.73
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		156.94
INTEREST ON EQUIPMENT INVESTMENT		53.14
TOTAL CAPITAL COSTS		<u>210</u>
RETURN TO LAND AND RISK		<u>-13,325.81</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
1,000 /ACRE	-14,225.81	-0.32
2,000 /ACRE	-15,125.81	-0.18
3,000 /ACRE	-16,025.81	-0.13
4,000 /ACRE	-16,925.81	-0.10
5,000 /ACRE	-17,825.81	-0.08
6,000 /ACRE	-18,725.81	-0.07
7,000 /ACRE	-19,625.81	-0.06

\* 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)