

TABLE 13. Summary of per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area,  
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	BARLEY	OAT HAY	PICKER COTTON	STRIPPER COTTON	RED CHILE
		TONS	CWT	TONS	LBS	LBS	LBS
PRIMARY YIELD		6.10	35.00	5.50	910.00	910.00	3200.00
PRIMARY PRICE		\$130.00	\$3.50	\$90.00	\$0.60	\$0.55	\$0.72
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$79.44	\$124.94	\$0.00
SECOND INCOME		\$40.00	\$40.00	\$0.00	\$109.20	\$109.20	\$0.00
GROSS RETURN		\$833.00	\$162.50	\$495.00	\$734.64	\$734.64	\$2,304.00
CASH OPERATING EXPENSES							
SEED	\$57.60		\$20.90	\$38.00	\$10.80	\$14.40	\$128.00
FERTILIZER		\$42.00	\$60.00	\$25.50	\$4.80	\$4.80	\$69.70
CHEMICALS	\$32.40	\$86.41	\$20.01		\$117.72	\$83.76	\$75.47
CROP INSURANCE			\$2.94		\$0.53	\$0.74	\$20.00
OTHER PURCHASED INPUTS		\$56.76					
CANAL WATER							
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$35.20	\$37.68	\$15.99	\$27.23	\$57.36	\$53.46	\$53.05
FUEL-IRRIGATION	\$5.80	\$36.22	\$20.28	\$20.28	\$21.73	\$21.73	\$34.77
REPAIRS	\$11.36	\$33.51	\$10.52	\$16.55	\$30.87	\$22.05	\$22.54
CUSTOM CHARGES			\$24.91		\$155.59	\$195.36	\$801.00
LAND TAXES		\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75
OTHER EXPENSES	\$0.00	\$50.50	\$50.49	\$50.50	\$50.50	\$50.50	\$50.50
TOTAL CASH EXPENSES	\$142.36	\$344.84	\$227.80	\$179.81	\$451.66	\$448.55	\$1,256.79
RETURN OVER CASH EXPENSES	(\$142.36)	\$488.16	(\$65.30)	\$315.19	\$282.98	\$286.10	\$1,047.21
FIXED EXPENSES	\$29.53	\$99.84	\$19.72	\$27.45	\$197.60	\$102.83	\$47.07
TOTAL EXPENSES	\$171.89	\$444.67	\$247.51	\$207.26	\$649.25	\$551.37	\$1,303.86
NET FARM INCOME	(\$171.89)	\$388.33	(\$85.01)	\$287.74	\$85.39	\$183.27	\$1,000.14
LABOR AND MANAGEMENT COSTS	\$44.37	\$116.83	\$37.32	\$68.13	\$113.92	\$109.79	\$233.06
NET OPERATING PROFIT	(\$216.26)	\$271.49	(\$122.33)	\$219.60	(\$28.53)	\$73.48	\$767.08
CAPITAL COSTS							
INTEREST ON OPERATING CAPITAL		\$8.18	\$4.93	\$3.42	\$6.67	\$5.46	\$12.83
INTEREST ON EQUIPMENT INVESTMENT		\$27.87	\$8.93	\$14.65	\$106.46	\$58.00	\$24.32
TOTAL CAPITAL COSTS	\$0.00	\$36.05	\$13.86	\$18.06	\$113.12	\$63.46	\$37.15
RETURN TO LAND AND RISK	(\$216.26)	\$235.44	(\$136.18)	\$201.54	(\$141.65)	\$10.02	\$729.93

TABLE 14. Whole farm summary, Artesia-Lake Arthur area,  
Actual 2004

GROSS RETURNS		
ALFALFA HAY	260 ACRES	
CROP		\$216,580
BARLEY	17 ACRES	
CROP		\$2,763
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
OAT HAY	20 ACRES	
CROP		\$9,900
PICKER COTTON	95 ACRES	
COTTON LINT		\$51,870
COTTON SEED		\$10,374
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$7,547
STRIPPER COTTON	68 ACRES	
COTTON LINT		\$34,034
COTTON SEED		\$7,426
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$8,496
RED CHILE	40 ACRES	
CROP		\$92,160
GROSS RETURN		<u>\$441,149</u>
CASH OPERATING EXPENSES		
SEED		\$11,236
FERTILIZER		\$16,020
CHEMICALS		\$44,390
CROP INSURANCE		\$950
OTHER PURCHASED INPUTS		\$14,758
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$23,652
FUEL-IRRIGATION		\$15,402
REPAIRS		\$15,148
CUSTOM CHARGES		\$60,529
LAND TAXES		\$875
OTHER EXPENSES		\$25,250
TOTAL CASH EXPENSES		<u>\$228,209</u>
RETURN OVER CASH EXPENSES		\$212,940
FIXED EXPENSES		\$44,778
TOTAL EXPENSES		\$272,988
NET FARM INCOME		\$168,162
LABOR AND MANAGEMENT COSTS		\$62,291
NET OPERATING PROFIT		\$105,871
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,797
INTEREST ON EQUIPMENT INVESTMENT		\$22,721
TOTAL CAPITAL COSTS		<u>\$26,518</u>
RETURN TO LAND AND RISK		<u>\$79,353</u>
LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$44,353	13.96%
\$2,500 /ACRE	(\$8,147)	7.02%
\$4,000 /ACRE	(\$60,647)	4.69%
\$5,500 /ACRE	(\$113,147)	3.52%

\* 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)