

TABLE 10. Summary of per acre costs and returns, 60 acre part-time farm with above average management, Grant and Catron Co., 2004.

	ALFALFA ESTABLISHMENT		PERMANENT PASTURE	
	TONS	AUMS	PERMANENT PASTURE	PERMANENT PASTURE
PRIMARY YIELD	3.00	12.00		
PRIMARY PRICE	138.00	12.00		
GOVERNMENT PAYMENTS	0.00	0.00		
SECOND INCOME	10.00	0.00		
GROSS RETURN	424.00	144.00		
CASH OPERATING EXPENSES				
SEED	90.00	50.00		
FERTILIZER				
CHEMICALS				
CROP INSURANCE				
OTHER PURCHASED INPUTS		10.03		
CANAL WATER		10.00		10.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	23.63	31.45	23.63	2.95
FUEL-IRRIGATION				
REPAIRS	2.48	7.89	2.48	0.34
CUSTOM CHARGES				
LAND TAXES		2.02		2.02
OTHER EXPENSES	0.73	191.12	0.73	190.55
TOTAL CASH EXPENSES	116.84	252.51	76.84	205.85
RETURN OVER CASH EXPENSES	-116.84	171.49	-76.84	-61.85
FIXED EXPENSES	91.72	210.03	91.72	37.33
TOTAL EXPENSES	208.56	462.54	168.56	243.18
NET FARM INCOME	-208.56	-38.54	-168.56	-99.18
LABOR AND MANAGEMENT COSTS	68.90	115.29	66.10	53.41
NET OPERATING PROFIT	-277.46	-153.83	-234.66	-152.59
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		1.06		0.47
INTEREST ON EQUIPMENT INVESTMENT		74.77		11.62
TOTAL CAPITAL COSTS	0.00	75.83	0.00	12.09
RETURN TO LAND AND RISK	-277.46	-229.66	-234.66	-164.68

TABLE 11. Whole farm summary, Grant and Catron Co 2004

GROSS RETURNS		
ALFALFA HAY	25 ACRES	
CROP		10,350.00
GRAZING		250.00
PASTURE	10 ACRES	
GRAZING		1,440.00
WHEAT PASTURE	0 ACRES	
GRAZING		0.00
LIVESTOCK		51,880.60
GROSS RETURN		<u>63,921</u>
CASH OPERATING EXPENSES		
FORAGE		2,091.63
LIVESTOCK		17,556.78
SEED		460.00
FERTILIZER		0.00
CHEMICALS		0.00
CROP INSURANCE		0.00
OTHER PURCHASED INPUTS		250.67
CANAL WATER		350.00
FUEL, OIL & LUBRICANTS-EQUIPMENT		957.57
FUEL-IRRIGATION		0.00
REPAIRS		215.59
CUSTOM CHARGES		0.00
LAND TAXES		70.62
OTHER EXPENSES		6,687.80
TOTAL CASH EXPENSES		<u>28,641</u>
RETURN OVER CASH EXPENSES		35,279.95
FIXED EXPENSES		4,861.81
TOTAL EXPENSES		33,502.46
NET FARM INCOME		30,418.14
LABOR AND MANAGEMENT COSTS	3,824.11	
NET OPERATING PROFIT		26,594.03
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		31.24
INTEREST ON EQUIPMENT INVESTMENT		1,985.41
TOTAL CAPITAL COSTS		<u>2,017</u>
RETURN TO LAND AND RISK		<u>24,577.39</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
1,000.00 /ACRE	22,177.39	0.27
2,000.00 /ACRE	19,777.39	0.17
3,000.00 /ACRE	17,377.39	0.12
4,000.00 /ACRE	14,977.39	0.10
5,000.00 /ACRE	12,577.39	0.08

* 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)