

TABLE 12. Summary of per acre costs and returns for a 640 acre farm with above average management, Dell City area, Otero County
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	WHITE CORN	STRIPPER COTTON	GRAIN SORGHUM
		TONS	CWT	CWT	LBS	CWT
PRIMARY YIELD		6.50	35.00	70.00	940.00	50.00
PRIMARY PRICE		\$130.00	\$6.25	\$27.50	\$0.55	\$3.70
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$84.03	\$0.00
SECOND INCOME		\$15.00	\$25.00	\$20.00	\$97.76	\$10.00
GROSS RETURN		\$860.00	\$243.75	\$545.00	\$698.79	\$194.82
CASH OPERATING EXPENSES						
SEED	\$86.40		\$36.00	\$20.88	\$18.00	\$12.48
FERTILIZER		\$124.05	\$25.00	\$78.45	\$28.80	\$51.46
CHEMICALS				\$57.52	\$38.84	\$26.43
CROP INSURANCE			\$0.29		\$0.59	\$1.96
OTHER PURCHASED INPUTS		\$0.28			\$57.04	
CANAL WATER						
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$27.86	\$29.29	\$10.54	\$23.00	\$56.74	\$24.07
FUEL-IRRIGATION	\$13.36	\$89.09	\$55.68	\$106.90	\$66.81	\$80.18
REPAIRS	\$12.24	\$27.82	\$4.08	\$9.44	\$21.59	\$10.00
CUSTOM CHARGES			\$33.00	\$44.25	\$217.14	\$22.00
LAND TAXES		\$3.01	\$3.01	\$3.01	\$3.01	\$3.01
OTHER EXPENSES	\$0.27	\$72.29	\$72.19	\$72.51	\$72.71	\$72.42
TOTAL CASH EXPENSES	\$140.13	\$345.82	\$239.79	\$415.95	\$581.26	\$304.02
RETURN OVER CASH EXPENSES	(\$140.13)	\$514.18	\$3.96	\$129.05	\$117.53	(\$109.19)
FIXED EXPENSES	\$40.26	\$93.56	\$23.09	\$45.55	\$109.99	\$46.48
TOTAL EXPENSES	\$180.39	\$439.38	\$262.87	\$461.49	\$691.25	\$350.49
NET FARM INCOME	(\$180.39)	\$420.62	(\$19.12)	\$83.51	\$7.54	(\$155.67)
LABOR AND MANAGEMENT COSTS	\$30.64	\$98.02	\$45.87	\$90.08	\$119.53	\$62.82
NET OPERATING PROFIT	(\$211.04)	\$322.60	(\$65.00)	(\$6.57)	(\$111.99)	(\$218.49)
CAPITAL COSTS						
INTEREST ON OPERATING CAPITAL		\$5.60	\$3.01	\$7.08	\$6.40	\$4.83
INTEREST ON EQUIPMENT INVESTMENT		\$22.40	\$7.07	\$15.69	\$44.57	\$16.26
TOTAL CAPITAL COSTS	\$0.00	\$27.99	\$10.08	\$22.77	\$50.97	\$21.09
RETURN TO LAND AND RISK	(\$211.04)	\$294.61	(\$75.08)	(\$29.35)	(\$162.96)	(\$239.58)

TABLE 13. Whole farm summary, Dell City area, Otero County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	280.00 ACRES	
CROP		\$240,800
WHEAT	170.00 ACRES	
CROP		\$37,188
GRAZING		\$4,250
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
WHITE CORN	50.00 ACRES	
CROP		\$26,250
GRAZING		\$1,000
COTTON	84.50 ACRES	
LINT		\$43,687
SEED		\$8,261
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$7,100
GRAIN SORGHUM	25.50 ACRES	
CROP		\$4,713
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAZING		\$255
GROSS RETURN		<u>\$373,503</u>
CASH OPERATING EXPENSES		
SEED		\$13,755
FERTILIZER		\$46,653
CHEMICALS		\$6,832
CROP INSURANCE		\$266
OTHER PURCHASED INPUTS		\$4,898
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$18,083
FUEL-IRRIGATION		\$48,180
REPAIRS		\$11,707
CUSTOM CHARGES		\$26,731
LAND TAXES		\$1,834
OTHER EXPENSES		\$44,145
TOTAL CASH EXPENSES		<u>\$223,084</u>
RETURN OVER CASH EXPENSES		\$150,419
FIXED EXPENSES		\$33,273
TOTAL EXPENSES		<u>\$256,357</u>
NET FARM INCOME		\$117,146
LABOR AND MANAGEMENT COSTS		\$53,135
NET OPERATING PROFIT		\$64,011
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$3,098
INTEREST ON EQUIPMENT INVESTMENT		\$12,438
TOTAL CAPITAL COSTS		<u>\$15,536</u>
RETURN TO LAND AND RISK		<u>\$48,475</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	\$38,875	12.73%
\$750 /ACRE	\$34,075	9.65%
\$1,000 /ACRE	\$29,275	7.78%
\$1,250 /ACRE	\$24,475	6.51%
\$1,500 /ACRE	\$19,675	5.60%

* 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)