

TABLE 10. Summary of per acre costs and returns, 50-acre part-time farm, Tularosa Basin, Otero County,
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	OATS FOR HAY	SORGHUM SUDAY HAY
		TONS	TONS	TONS
PRIMARY YIELD		6.00	5.50	5.00
PRIMARY PRICE		\$130.00	\$90.00	\$110.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$0.00	\$0.00	\$0.00
GROSS RETURN		\$780.00	\$495.00	\$550.00
CASH OPERATING EXPENSES				
SEED	\$86.40		\$27.00	\$52.00
FERTILIZER		\$40.00	\$40.00	\$40.00
CHEMICALS		\$23.97		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$20.16		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$22.96	\$15.33	\$26.03	\$15.41
FUEL-IRRIGATION	\$15.50	\$87.20	\$34.88	\$31.00
REPAIRS	\$4.54	\$3.88	\$5.66	\$3.46
CUSTOM CHARGES				
LAND TAXES		\$2.99	\$1.49	\$1.49
OTHER EXPENSES	\$0.40	\$256.82	\$128.53	\$128.43
TOTAL CASH EXPENSES	\$129.81	\$450.35	\$263.59	\$271.79
RETURN OVER CASH EXPENSES	(\$129.81)	\$329.65	\$231.41	\$278.21
FIXED EXPENSES	\$82.80	\$135.65	\$107.08	\$88.35
TOTAL EXPENSES	\$212.60	\$586.00	\$370.67	\$360.14
NET FARM INCOME	(\$212.60)	\$194.00	\$124.33	\$189.86
LABOR AND MANAGEMENT COSTS	\$55.54	\$103.21	\$71.01	\$61.10
NET OPERATING PROFIT	(\$268.14)	\$90.80	\$53.32	\$128.76
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$4.09	\$3.09	\$3.57
INTEREST ON EQUIPMENT INVESTMENT		\$58.65	\$45.49	\$40.73
TOTAL CAPITAL COSTS	\$0.00	\$62.74	\$48.58	\$44.30
RETURN TO LAND AND RISK	(\$268.14)	\$28.06	\$4.73	\$84.46

TABLE 11. Whole farm summary, Tularosa Basin, Otero County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	40.00 ACRES	
CROP		\$31,200
OATS FOR HAY	5.00 ACRES	
CROP		\$2,475
SORGHUM/SUDAN	5.00 ACRES	
CROP		\$2,750
GROSS RETURN		<u>\$36,425</u>
CASH OPERATING EXPENSES		
SEED		\$741
FERTILIZER		\$2,000
CHEMICALS		\$959
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$806
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$912
FUEL-IRRIGATION		\$3,879
REPAIRS		\$219
CUSTOM CHARGES		\$0
LAND TAXES		\$134
OTHER EXPENSES		\$11,559
TOTAL CASH EXPENSES		<u>\$21,210</u>
RETURN OVER CASH EXPENSES		\$15,215
FIXED EXPENSES		\$5,220
TOTAL EXPENSES		\$26,430
NET FARM INCOME		\$9,995
LABOR AND MANAGEMENT COSTS		\$5,011
NET OPERATING PROFIT		\$4,984
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$197
INTEREST ON EQUIPMENT INVESTMENT		\$2,777
TOTAL CAPITAL COSTS		<u>\$2,974</u>
RETURN TO LAND AND RISK		<u>\$2,010</u>

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	\$960	7.45%
\$900 /ACRE	\$660	6.48%
\$1,100 /ACRE	\$360	5.74%
\$1,300 /ACRE	\$60	5.14%
\$1,500 /ACRE	(\$240)	4.66%
\$1,700 /ACRE	(\$540)	4.26%
\$1,900 /ACRE	(\$840)	3.93%
\$2,100 /ACRE	(\$1,140)	3.64%

* 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)