

TABLE 11. Summary of per acre costs and returns for a 960 acre farm with above average management, Blackwater Draw area, Roosevelt County Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT	CORN	PEANUTS
		TONS	BU	CWT	LBS
PRIMARY YIELD		6.25	60.00	95.00	2,600.00
PRIMARY PRICE		\$130.00	\$3.75	\$4.02	\$0.30
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME		\$50.00	\$0.00	\$15.00	\$0.00
GROSS RETURN		\$862.50	\$225.00	\$396.70	\$780.00
CASH OPERATING EXPENSES					
SEED	\$57.60		\$28.80	\$25.50	\$40.00
FERTILIZER	\$34.60	\$46.50	\$60.40	\$145.16	\$56.85
CHEMICALS		\$36.97	\$20.01	\$45.89	\$147.71
CROP INSURANCE			\$0.24	\$0.31	
OTHER PURCHASED INPUTS					\$41.14
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$15.80	\$41.80	\$0.00	\$33.82	\$55.86
FUEL-IRRIGATION	\$30.06	\$100.21	\$60.12	\$100.21	\$93.53
REPAIRS	\$127.34	\$414.15	\$239.59	\$416.68	\$328.10
CUSTOM CHARGES			\$19.57	\$50.35	\$37.00
LAND TAXES	\$0.00	\$0.53	\$0.53	\$0.53	\$0.53
OTHER EXPENSES	\$0.16	\$45.11	\$45.08	\$45.42	\$45.51
TOTAL CASH EXPENSES	\$265.57	\$685.27	\$474.35	\$863.87	\$846.22
RETURN OVER CASH EXPENSES	(\$265.57)	\$177.23	(\$249.35)	(\$467.18)	(\$66.22)
FIXED EXPENSES	\$19.11	\$169.31	\$6.63	\$37.16	\$60.36
TOTAL EXPENSES	\$284.68	\$854.58	\$480.98	\$901.03	\$906.58
NET FARM INCOME	(\$284.68)	\$7.92	(\$255.98)	(\$504.33)	(\$126.58)
LABOR AND MANAGEMENT COSTS	\$18.05	\$100.92	\$23.27	\$59.80	\$93.78
NET OPERATING PROFIT	(\$302.73)	(\$93.00)	(\$279.25)	(\$564.13)	(\$220.37)
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$0.00	\$10.88	\$8.18	\$15.64	\$15.87
INTEREST ON EQUIPMENT INVESTMENT	\$0.00	\$44.37	\$3.25	\$14.11	\$26.47
TOTAL CAPITAL COSTS	\$0.00	\$55.24	\$11.43	\$29.76	\$42.34
RETURN TO RISK	(\$302.73)	(\$148.24)	(\$290.67)	(\$593.89)	(\$262.71)

Flex Computation

-280.80

-542.62

TABLE 12. Whole farm summary, Blackwater Draw area, Roosevelt County,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	125.00 ACRES	
CROP		\$101,563
GRAZING		\$6,250
WHEAT	212.50 ACRES	
CROP		\$47,813
GRAZING		\$0
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	162.50 ACRES	
CROP		\$62,026
GRAZING		\$2,438
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
PEANUTS	250.00 ACRES	
CROP		\$195,000
GROSS RETURN		<u>\$415,088</u>
CASH OPERATING EXPENSES		
SEED		\$21,704
FERTILIZER		\$57,314
CHEMICALS		\$53,257
CROP INSURANCE		\$100
OTHER PURCHASED INPUTS		\$10,284
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$25,081
FUEL-IRRIGATION		\$65,719
REPAIRS		\$255,601
CUSTOM CHARGES		\$21,591
LAND TAXES		\$401
OTHER EXPENSES		\$33,981
TOTAL CASH EXPENSES		<u>\$545,032</u>
RETURN OVER CASH EXPENSES		(\$129,944)
FIXED EXPENSES		\$36,610
TOTAL EXPENSES		\$581,642
NET FARM INCOME		(\$166,554)
LABOR AND MANAGEMENT COSTS		\$51,174
NET OPERATING PROFIT		(\$217,727)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$9,608
INTEREST ON EQUIPMENT INVESTMENT		\$15,147
TOTAL CAPITAL COSTS		<u>\$24,755</u>
RETURN TO RISK		<u>(\$242,482)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$256,882)	-30.26%
\$750 /ACRE	(\$264,082)	-22.69%
\$1,000 /ACRE	(\$271,282)	-18.15%
\$1,250 /ACRE	(\$278,482)	-15.13%
\$1,500 /ACRE	(\$285,682)	-12.96%
\$1,750 /ACRE	(\$292,882)	-11.34%
\$2,000 /ACRE	(\$300,082)	-10.08%

* 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)

