

TABLE 10. Summary of per acre costs and returns for a 320 acre farm with above average management, Roosevelt County, Actual 2004

	WHEAT	CORN	GRAIN SORGHUM	PEANUTS
	BU	CWT	CWT	LBS
PRIMARY YIELD	60.00	63.00	65.00	2,600.00
PRIMARY PRICE	\$3.75	\$4.02	\$3.70	\$0.30
GOVERNMENT PAYMENTS	\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME	\$40.00	\$15.00	\$9.00	\$0.00
GROSS RETURN	\$265.00	\$268.13	\$249.27	\$780.00
CASH OPERATING EXPENSES				
SEED	\$14.40	\$29.75	\$7.38	\$40.00
FERTILIZER	\$60.40	\$78.60	\$72.40	\$48.80
CHEMICALS	\$20.01	\$56.97	\$36.97	\$74.64
CROP INSURANCE	\$0.61	\$0.95	\$0.95	
OTHER PURCHASED INPUTS				\$11.89
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$9.89	\$32.34	\$32.34	\$66.84
FUEL-IRRIGATION	\$51.24	\$85.40	\$56.94	\$62.63
REPAIRS	\$3.55	\$13.63	\$13.63	\$22.84
CUSTOM CHARGES	\$31.90	\$33.39	\$41.63	\$39.00
LAND TAXES	\$0.53	\$0.53	\$0.53	\$0.53
OTHER EXPENSES	\$110.14	\$110.40	\$110.37	\$110.64
TOTAL CASH EXPENSES	\$302.68	\$441.97	\$373.14	\$477.81
RETURN OVER CASH EXPENSES	(\$37.68)	(\$173.85)	(\$123.88)	\$302.19
FIXED EXPENSES	\$26.08	\$66.09	\$60.97	\$170.51
TOTAL EXPENSES	\$328.76	\$508.07	\$434.11	\$648.32
NET FARM INCOME	(\$63.76)	(\$239.94)	(\$184.85)	\$131.68
LABOR AND MANAGEMENT COSTS	\$29.25	\$45.70	\$44.44	\$99.25
NET OPERATING PROFIT	(\$93.00)	(\$285.64)	(\$229.29)	\$32.43
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL	\$4.16	\$7.42	\$5.50	\$7.39
INTEREST ON EQUIPMENT INVESTMENT	\$12.50	\$32.06	\$29.40	\$81.54
TOTAL CAPITAL COSTS	\$16.66	\$39.49	\$34.90	\$88.92
RETURN TO LAND AND RISK	(\$109.66)	(\$325.12)	(\$264.19)	(\$56.49)
Flex Computation	-71.08	-226.97	-173.82	

TABLE 11. Whole farm summary, Portales Valley, Roosevelt County,
Actual 2004

GROSS RETURNS		
WHEAT	81.60 ACRES	
CROP		\$18,360
GRAZING		\$3,264
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
CORN FOR GRAIN	52.70 ACRES	
CROP		\$13,340
GRAZING		\$791
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
GRAIN SORGHUM	52.70 ACRES	
CROP		\$12,662
GRAZING		\$474
DIRECT PAYMENT		\$0
COUNTER CYCLICAL PAYMENT		\$0
PEANUTS	63.00 ACRES	
CROP		\$49,140
GROSS RETURN		<u>\$98,031</u>
CASH OPERATING EXPENSES		
SEED		\$5,652
FERTILIZER		\$15,961
CHEMICALS		\$11,285
CROP INSURANCE		\$150
OTHER PURCHASED INPUTS		\$749
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$8,427
FUEL-IRRIGATION		\$15,628
REPAIRS		\$3,165
CUSTOM CHARGES		\$9,014
LAND TAXES		\$134
OTHER EXPENSES		\$27,592
TOTAL CASH EXPENSES		<u>\$97,757</u>
RETURN OVER CASH EXPENSES		\$274
FIXED EXPENSES		\$19,566
TOTAL EXPENSES		\$117,323
NET FARM INCOME		(\$19,293)
LABOR AND MANAGEMENT COSTS		\$13,390
NET OPERATING PROFIT		(\$32,682)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$1,486
INTEREST ON EQUIPMENT INVESTMENT		\$9,396
TOTAL CAPITAL COSTS		<u>\$10,882</u>
RETURN TO LAND AND RISK		<u>(\$43,565)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$500 /ACRE	(\$48,365)	-10.88%
\$750 /ACRE	(\$50,765)	-8.59%
\$1,000 /ACRE	(\$53,165)	-7.10%
\$1,250 /ACRE	(\$55,565)	-6.05%
\$1,500 /ACRE	(\$57,965)	-5.27%
\$1,750 /ACRE	(\$60,365)	-4.67%
\$2,000 /ACRE	(\$62,765)	-4.19%

* 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)