

TABLE 10. Summary of per acre costs and returns for an 80 acre farm, San Juan County,
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	ANNUAL PASTURE ESTABLISHMENT	ANNUAL PASTURE	CORN FOR SILAGE
	TONS	TONS		AUMS	TONS
PRIMARY YIELD	3.60	4.50		12.00	28.00
PRIMARY PRICE	\$120.00	\$130.00		\$12.00	\$38.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00		\$0.00	\$0.00
SECOND INCOME	\$10.00	\$20.00		\$0.00	\$0.00
GROSS RETURN	\$442.00	\$605.00		\$144.00	\$1,064.00
CASH OPERATING EXPENSES					
SEED	\$69.75		\$30.80		\$31.88
FERTILIZER	\$13.95	\$13.95	\$23.50	\$40.00	\$45.00
CHEMICALS		\$17.25			\$16.00
CROP INSURANCE					
OTHER PURCHASED INPUTS	\$15.43	\$19.28	\$0.00	\$0.00	\$0.00
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$26.29	\$19.93	\$20.10	\$2.93	\$37.06
FUEL-IRRIGATION					
REPAIRS	\$9.07	\$3.91	\$7.84	\$0.96	\$12.47
CUSTOM CHARGES					
LAND TAXES	\$2.23	\$2.23		\$2.23	\$2.23
OTHER EXPENSES	\$0.69	\$219.96	\$0.43	\$219.82	\$220.22
TOTAL CASH EXPENSES	\$137.41	\$296.51	\$82.67	\$265.94	\$364.85
RETURN OVER CASH EXPENSES	\$304.59	\$308.49	(\$82.67)	(\$121.94)	\$699.15
FIXED EXPENSES	\$175.93	\$140.06	\$129.94	\$59.77	\$210.08
TOTAL EXPENSES	\$313.34	\$436.57	\$212.60	\$325.71	\$574.92
NET FARM INCOME	\$128.66	\$168.43	(\$212.60)	(\$181.71)	\$489.08
LABOR AND MANAGEMENT COSTS	\$80.53	\$103.22	\$46.80	\$60.39	\$153.95
NET OPERATING PROFIT	\$48.13	\$65.21	(\$259.40)	(\$242.10)	\$335.12
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL	\$3.57	\$1.72		\$1.31	\$3.50
INTEREST ON EQUIPMENT INVESTMENT	\$75.65	\$62.09		\$7.76	\$112.48
TOTAL CAPITAL COSTS	\$79.23	\$63.80	\$0.00	\$9.07	\$115.98
RETURN TO LAND AND RISK	(\$31.10)	\$1.41	(\$259.40)	(\$251.18)	\$219.14

TABLE 11. Whole farm summary, San Juan County,
Actual 2004

GROSS RETURNS		
OAT HAY	6.00 ACRES	
CROP		\$2,592
GRAZING		\$60
ALFALFA HAY	34.00 ACRES	
CROP		\$19,890
GRAZING		\$680
PASTURE	20.00 ACRES	
GRAZING		\$2,880
CORN FOR SILAGE	20.00 ACRES	
CROP		\$21,280
GROSS RETURN		<u>\$47,382</u>
CASH OPERATING EXPENSES		
SEED		\$1,087
FERTILIZER		\$2,282
CHEMICALS		\$907
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$748
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,655
FUEL-IRRIGATION		\$0
REPAIRS		\$464
CUSTOM CHARGES		\$0
LAND TAXES		\$178
OTHER EXPENSES		\$16,284
TOTAL CASH EXPENSES		<u>\$23,604</u>
RETURN OVER CASH EXPENSES		\$23,778
FIXED EXPENSES		\$10,822
TOTAL EXPENSES		\$34,427
NET FARM INCOME		\$12,955
LABOR AND MANAGEMENT COSTS		\$8,326
NET OPERATING PROFIT		\$4,629
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$176
INTEREST ON EQUIPMENT INVESTMENT		\$4,970
TOTAL CAPITAL COSTS		<u>\$5,146</u>
RETURN TO LAND AND RISK		<u>(\$517)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	(\$2,917)	3.62%
\$2,500 /ACRE	(\$6,517)	1.87%
\$4,000 /ACRE	(\$10,117)	1.26%
\$5,500 /ACRE	(\$13,717)	0.95%
\$7,000 /ACRE	(\$17,317)	0.76%
\$8,500 /ACRE	(\$20,917)	0.64%

* 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)