

TABLE 8. Summary of per acre costs and returns for an 80 acre farm, San Juan County,
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY
	TONS	TONS
PRIMARY YIELD	3.60	4.50
PRIMARY PRICE	\$120.00	\$130.00
GOVERNMENT PAYMENTS	\$0.00	\$0.00
SECOND INCOME	\$10.00	\$20.00
GROSS RETURN	\$442.00	\$605.00
CASH OPERATING EXPENSES		
SEED	\$69.75	
FERTILIZER	\$13.95	\$12.40
CHEMICALS		\$19.20
CROP INSURANCE		
OTHER PURCHASED INPUTS	\$15.43	\$21.50
CANAL WATER		
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$25.92	\$17.55
FUEL-IRRIGATION	\$43.49	\$51.30
REPAIRS	\$8.33	\$3.28
CUSTOM CHARGES		
LAND TAXES	\$2.23	\$2.23
OTHER EXPENSES	\$0.57	\$237.18
TOTAL CASH EXPENSES	\$179.66	\$364.63
RETURN OVER CASH EXPENSES	\$262.34	\$240.37
FIXED EXPENSES	\$197.42	\$123.86
TOTAL EXPENSES	\$377.08	\$488.49
NET FARM INCOME	\$64.92	\$116.51
LABOR AND MANAGEMENT COSTS	\$74.32	\$88.35
NET OPERATING PROFIT	(\$9.39)	\$28.16
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL	\$4.23	\$2.59
INTEREST ON EQUIPMENT INVESTMENT	\$89.89	\$46.32
TOTAL CAPITAL COSTS	\$94.12	\$48.91
RETURN TO LAND AND RISK	(\$103.52)	(\$20.75)

TABLE 9. Whole farm summary, San Juan County,
Actual 2004

GROSS RETURNS		
OAT HAY	11.00 ACRES	
CROP		\$4,862
ALFALFA HAY	69.00 ACRES	
CROP		\$40,365
GRAZING		\$1,380
GROSS RETURN		\$46,607
CASH OPERATING EXPENSES		
SEED		\$767
FERTILIZER		\$1,009
CHEMICALS		\$1,325
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$1,653
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,496
FUEL-IRRIGATION		\$4,018
REPAIRS		\$318
CUSTOM CHARGES		\$0
LAND TAXES		\$178
OTHER EXPENSES		\$16,372
TOTAL CASH EXPENSES		\$27,136
RETURN OVER CASH EXPENSES		\$19,471
FIXED EXPENSES		\$9,527
TOTAL EXPENSES		\$36,663
NET FARM INCOME		\$9,944
LABOR AND MANAGEMENT COSTS		\$6,914
NET OPERATING PROFIT		\$3,030
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$225
INTEREST ON EQUIPMENT INVESTMENT		\$4,185
TOTAL CAPITAL COSTS		\$4,410
RETURN TO LAND AND RISK		(\$1,380)

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	(\$3,780)	2.56%
\$2,500 /ACRE	(\$7,380)	1.27%
\$4,000 /ACRE	(\$10,980)	0.85%
\$5,500 /ACRE	(\$14,580)	0.63%
\$7,000 /ACRE	(\$18,180)	0.51%
\$8,500 /ACRE	(\$21,780)	0.42%

* 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)