

TABLE 10. Summary of per acre costs and returns for a 160 acre part-time, flood-irrigated farm, Estancia Basin, New Mexico
Actual 2004

	ALFALFA ESTABLISHMENT	ALFALFA HAY	CORN FOR GRAIN	PINTO BEANS
		TONS	BU	CWT
PRIMARY YIELD		4.50	115.00	20.00
PRIMARY PRICE		\$120.00	\$2.25	\$16.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$10.00	\$12.00	\$0.00
GROSS RETURN		\$550.00	\$270.75	\$320.00
CASH OPERATING EXPENSES				
SEED	\$57.60		\$26.56	\$39.00
FERTILIZER		\$46.93	\$61.64	
CHEMICALS		\$23.14	\$33.97	\$28.84
CROP INSURANCE			\$0.98	
OTHER PURCHASED INPUTS		\$14.33		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$13.58	\$14.68	\$32.54	\$31.73
FUEL-IRRIGATION	\$8.34	\$58.36	\$50.02	\$25.01
REPAIRS	\$5.23	\$2.60	\$9.31	\$9.38
CUSTOM CHARGES				\$60.00
LAND TAXES		\$0.81	\$0.81	\$0.81
OTHER EXPENSES	\$0.15	\$109.71	\$109.77	\$109.68
TOTAL CASH EXPENSES	\$84.90	\$270.55	\$325.60	\$304.44
RETURN OVER CASH EXPENSES	(\$84.90)	\$279.45	(\$54.85)	\$15.56
FIXED EXPENSES	\$87.03	\$96.75	\$125.43	\$67.90
TOTAL EXPENSES	\$171.94	\$367.30	\$451.03	\$372.34
NET FARM INCOME	(\$171.94)	\$182.70	(\$180.28)	(\$52.34)
LABOR AND MANAGEMENT COSTS	\$25.95	\$61.54	\$60.27	\$50.58
NET OPERATING PROFIT	(\$197.89)	\$121.16	(\$240.55)	(\$102.92)
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$3.78	\$5.06	\$3.27
INTEREST ON EQUIPMENT INVESTMENT		\$30.73	\$73.75	\$51.32
TOTAL CAPITAL COSTS	\$0.00	\$34.51	\$78.81	\$54.59
RETURN TO LAND AND RISK	(\$197.89)	\$86.65	(\$319.36)	(\$157.51)
Flex Computation			-120.19	-38.29

TABLE 11. Whole farm summary, Estancia Basin,
Actual 2004

GROSS RETURNS		
ALFALFA HAY	40.00 ACRES	
CROP		\$21,600
GRAZING		\$400
CORN FOR GRAIN	51.00 ACRES	
CROP		\$13,196
GRAZING		\$612
DIRECT PAYMENT		\$0
PINTO BEANS	59.00 ACRES	
CROP		\$18,880
GROSS RETURN		<u>\$54,688</u>
CASH OPERATING EXPENSES		
SEED		\$4,116
FERTILIZER		\$5,021
CHEMICALS		\$4,360
CROP INSURANCE		\$50
OTHER PURCHASED INPUTS		\$573
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$4,228
FUEL-IRRIGATION		\$6,428
REPAIRS		\$1,174
CUSTOM CHARGES		\$3,540
LAND TAXES		\$121
OTHER EXPENSES		\$16,459
TOTAL CASH EXPENSES		<u>\$46,069</u>
RETURN OVER CASH EXPENSES		\$8,619
FIXED EXPENSES		\$13,386
TOTAL EXPENSES		<u>\$59,455</u>
NET FARM INCOME		(\$4,767)
LABOR AND MANAGEMENT COSTS		\$8,727
NET OPERATING PROFIT		(\$13,494)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$602
INTEREST ON EQUIPMENT INVESTMENT		\$8,018
TOTAL CAPITAL COSTS		<u>\$8,621</u>
RETURN TO LAND AND RISK		<u>(\$22,115)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$750 /ACRE	(\$25,715)	-6.59%
\$1,000 /ACRE	(\$26,915)	-5.52%
\$1,250 /ACRE	(\$28,115)	-4.74%
\$1,500 /ACRE	(\$29,315)	-4.16%

* 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)