

TABLE 1. Basic cost information for Grant and Catron Counties, Projected 2012.

Item			
Labor Wage Rate:			
Equipment operators	\$/hour		7.50
General & Irrigators	\$/hour		7.50
Purchased Inputs:			
Seed:			
Alfalfa	\$/pound		6.50
Wheat	\$/pound		0.50
Pasture	\$/pound		2.98
Canal Water (Maintenance)			
Baling Wire	\$/acre		10.00
	\$/lb		0.84
Energy:			
Butane	\$/gallon		2.75
Diesel fuel	\$/gallon		3.00
Gasoline	\$/gallon		3.80
Electricity	cents/KwHr		9.58
Natural Gas	\$/MCF		4.00
Employee Liability Insurance	e	\$/1,000 wages	20.00
Employee Benefits		percent/w ages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	7.00%
Land Interest Rate		percent	6.00%
Equipment Interest Rate		percent	7.00%
Real Interest Rate		percent	3.00%
Land Taxes	390.00	/acre (full value)	2.28
Personal Property Tax Rate - NR	-\$/1,000	(Assessed Value)	17.52
	- R		17.02
Supervision Factor		\$/labor hour	1.00
Management Rate		percent	7.00%

BUDGET AREA..... GRANT AND CATRON COUNTIES Projected 2012.
 FARM SIZE 60 ACRES
 IRRIGATION TYPE..... FLOOD
 NUMBER OF CROPS... 3

ACREAGE SUMMARY:	WATER USE		
	LAND USE (ACRES)	AC. IN. PER ACRE	TOTAL AC. IN.
ALFALFA ESTABLISHMENT *	4	0	0
ALFALFA	25	0	0
PASTURE ESTABLISHMENT *	2	0	0
PERMANENT PASTURE	10	0	0
SMALL GRAINS PASTURE	0	0	0
ROADS, HOMESTEAD	5		
TOTAL	40		0
ACRE FEET PER ACRE OF WATER RIGHTS			0.00

Table 1a. Overhead cost information for Grant and Catron Counties, Projected 2012.

ITEM		CROP ENTERPRISE	LIVESTOCK ENTERPRISE	TOTAL
Electricity (Domestic & Shop)	90.75 per month	960	96.00	1,089
Telephone	72.60 per month	780	78.00	871
Accounting & Legal		399		399
Misc. Supplies & Hand Tools		702		702
Pickup and Auto	Crop Ent. 7,000 Livestock Ent. 3,500 @ 0.500 per mile	2,555	1,277.50	3,833
Insurance				
- general liability (non-employee)		5	0.00	6
- fire/theft		236	0.00	296
Property Taxes				
- non-planted land		0	0.00	0
- other than land & machinery		200		6,010
Building repairs and maintenance		360	36.00	453
Dues, fees, publications		200	10.00	242
Farmstead Equipment		160	15.97	200
Irrigation Well Depreciation and Taxes		1,579		
	Total	6,455	1,513	7,969
	Total per planted acre	184.44		

TABLE 2. Pumping costs and data for irrigation wells, Grant and Catron Counties,
Projected 2012.

INPUT DATA

DEPTH CHARACTERISTICS:

STATIC.....	40
DRAW DOWN.....	10
TOTAL HEAD.....	50
CASING.....	70

GALLONS PER MINUTE (GPM)...	1000
WORK HORSEPOWER.....	13

EFFICIENCY FACTOR:

ELECTRICITY.....	0.540
NATURAL GAS.....	0.154
LP GAS.....	0.154
DIESEL.....	0.160

FUEL COST PER UNIT:

ELECTRICITY.....	0.00	CENTS/K wHr
NATURAL GAS.....	0.00	\$/MCF
LP GAS.....	0.00	\$/GAL
DIESEL.....	0.00	\$/GAL

FUEL PUMPING COSTS:

ELECTRIC WELL:

COST PER HOUR.....\$	0.03
COST PER ACRE INCH.....\$	0.01

NATURAL GAS WELL:

COST PER HOUR.....\$	0.03
COST PER ACRE INCH.....\$	0.01

BUTANE WELL:

COST PER HOUR.....\$	0.03
COST PER ACRE INCH.....\$	0.01

DIESEL WELL:

COST PER HOUR.....\$	0.03
COST PER ACRE INCH.....\$	0.01

TABLE 3a. Equipment summary for a 60 acre farm with above average management, Grant and Catron Counties, Projected 2012.

EQUIPMENT ITEM & SIZE	ANNUAL		VARIABLE COSTS					FIXED COSTS		
	HOURS OF USE	NUMBER	TOTAL VALUE	FUEL AND LUBRICANT	FUEL,LUBE REPAIR	PER HR	REPAIR PER HR	DEPRE- CIATION	TAXES	TOTAL PER HOUR
TRACTOR 65 HP	81	1	2,400	532	31.22	6.56	0.39	138	14	1.87
PICKUP 3/4 TON *	50	1	15,000	425	150.00	8.51	3.00	3,000	78	61.55
CORRUGATER	3	1	250		0.03		0.01	33	1	10.69
BALER, PTO 2-WIRE	27	1	1,500		12.15		0.45	150	8	5.84
LAND PLANE 8 FT.	4	1	1,000		0.17		0.04	133	5	32.06
DISC 8 FT	4	1	700		3.23		0.87	93	4	26.06
PLOW (MOLDBOARD) 2-16 IN	8	1	250		1.97		0.25	33	1	4.41
DRILL 8 FT.	2	1	1,000		1.18		0.48	200	5	83.40
SWATHER, PTO 10 FT.	28	1	5,000		14.00		0.50	500	26	18.78
MOWER 7 FT SICKLE BAR	5	1	1,300		1.64		0.36	130	7	30.38
BUTANE WELL	0	1	11,400		0.00			1,520	59	
			39,800	958	216			5,931	208	

* 1/4 CHARGED TO FARM.

Table 4a. Livestock Production Parameters

NUMBER OF COWS	50
COWS PER BULL	20
NUMBER OF HORSES	2
REPLACEMENT RATE (%)	0.1
CALF DEATH LOSS (%)	0.02
YEARLING DEATH LOSS (%)	0
COW DEATH LOSS (%)	0.01
BULL DEATH LOSS (%)	0
CALF CROP (%)	0.92
PRODUCTIVE LIFE OF BULLS (YEA	5
PERCENT SOLD AS YEARLINGS:	
HEIFERS	0
STEERS	0

Table 4b. Forage Sources for Livestock

	ACRES	AUMS/ ACRE	AUMS PROVIDED
ALFALFA	25.00	1.00	25.00
PERMANENT PASTURE	10	12	120
FOREST			297.5
BALED HAY (TONS)		115.7	289.25
TOTAL	35.00		731.75

Table 4c. STOCK COUNT CHART

SEASON	CALVES WERE BORN IN:								TOTAL AUMs HORSES REQUIRED
	BULLS	REPLACEMENT		YEARLING	YEARLING	STEERS	HEIFER	MARCH	
		COWS	HEIFERS	STEERS	HEIFERS	CALVES	CALVES		
	1.4	1	0.7	0.7	0.7	0.5	0.5	1.25	
JANUARY	2.5	50				0	5	2	58.5
FEBRUARY	2.5	50				0	5	2	58.5
MARCH	2.5	50	5					2	59.5
APRIL	2.5	50	5					2	59.5
MAY	2.5	50	5					2	59.5
JUNE	2.5	50	5					2	59.5
JULY	2.5	50	5					2	59.5
AUGUST	2.5	50	5					2	59.5
SEPTEMBER	2.5	50	5					2	59.5
OCTOBER	2.5	50				25	25	2	81
NOVEMBER	2.5	50				0	5	2	58.5
DECEMBER	2.5	50				0	5	2	58.5

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Table 4d. FORAGE BALANCE CHART

	TOTAL AUMs REQUIRED		TOTAL AUMs SUPPLIED			
	ALFALFA		FOREST	PASTURE		HAY
JANUARY	58.5	6.25	0	0	6.25	52.25
FEBRUARY	58.5	6.25	0	0	6.25	52.25
MARCH	59.5	0	0	20	20	39.5
APRIL	59.5	0	0	30	30	29.5
MAY	59.5	0	29.75	30	59.75	0
JUNE	59.5	0	59.5	0	59.5	0
JULY	59.5	0	59.5	0	59.5	0
AUGUST	59.5	0	59.5	0	59.5	0
SEPTEMBER	59.5	0	59.5	0	59.5	0
OCTOBER	81	0	29.75	20	49.75	31.25
NOVEMBER	58.5	6.25	0	10	16.25	42.25
DECEMBER	58.5	6.25	0	10	16.25	42.25
Total AUMs	731.5	25	297.5	120	442.5	289.25

TABLE 5. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with above average management, Grant and Catron Counties, Projected 2012.
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL	
<u>PURCHASED INPUTS</u>								
SEED	3.00	30.00 LBS	90.00				90.00	
CANAL WATER		18.00 AC. IN.						
SUBTOTAL			90.00				90.00	
<u>PREHARVEST OPERATIONS</u>	<u>POWER UNIT</u>	<u>ACCOMPLISHMENT RATE</u>	<u>PURCHASED INPUTS</u>	<u>LABOR</u>	<u>FUEL & LUBE</u>	<u>REPAIRS</u>	<u>FIXED COST</u>	<u>TOTAL</u>
PLOW (MOLDBOARD)	65 HP	1.31 HR		8.45	8.60	0.83	8.22	26.10
DISC (2X)	65 HP	0.62 HR		4.00	4.07	0.78	17.32	26.16
LAND PLANE (2X)	65 HP	0.72 HR		4.64	4.73	0.31	24.43	34.11
CORRUGATE	65 HP	0.54 HR		3.48	3.54	0.21	6.78	14.02
DRILL	65 HP	0.41 HR		2.64	2.69	0.35	34.96	40.65
IRRIGATE (3X)		2.25 HR		13.28				13.28
SUBTOTAL		5.85 HR		36.50	23.63	2.48	91.72	154.32
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.90 HR		5.81				5.81
EMPLOYEE BENEFITS				6.57				6.57
INSURANCE			0.73					0.73
SUPERVISION AND MANAGEMENT				20.03				20.03
SUBTOTAL		0.90 HR	0.73	32.40				33.13
TOTAL OPERATING EXPENSES		6.75 HR	90.73	68.90	23.63	2.48	91.72	277.46

TABLE 6. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with above average management, Grant and Catron Counties, Projected 2012.
Harvesting dates: June 15 - September 15

ITEM	PRICE	YIELD					TOTAL	
GROSS RETURNS								
HAY	138.00	3.00 TONS (STACKED)					414.00	
GRAZING	10.00	1.00 AUM					10.00	
TOTAL							424.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
WIRE ESTABLISHMENT: Principal	0.39	25.71 LBS	10.03					10.03
: Interest		6.00 YEARS					46.24	46.24
CANAL WATER		60.00 AC. IN.	10.00				9.22	9.22
SUBTOTAL							55.46	75.49
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (8X)		6.00 HR		35.40				35.40
SUBTOTAL							35.40	35.40
HARVEST OPERATIONS								
SWATHER, PTO (4X)	65 HP	1.12 HR		7.22	7.35	0.99	23.13	38.70
BALER, PTO (4X)	65 HP	1.08 HR		6.97	7.09	0.90	8.33	23.29
LOAD (4X)	3/4 TON	2.00 HR		12.90	17.01	6.00	123.10	159.01
SUBTOTAL							154.56	221.00
OVERHEAD EXPENSES								
DOWNTIME		1.05 HR		6.77				6.77
EMPLOYEE BENEFITS				11.25				11.25
INSURANCE			1.25					1.25
LAND TAXES							2.02	2.02
SUPERVISION AND MANAGEMENT				34.78				34.78
OTHER EXPENSES			189.87					189.87
SUBTOTAL							2.02	245.94
TOTAL OPERATING EXPENSES		11.25 HR	211.15	115.29	31.45	7.89	212.05	577.83
NET OPERATING PROFIT								-153.83
INTEREST ON OPERATING CAPITAL	(13.29	@	0.08				1.06
INTEREST ON EQUIPMENT INVESTMENT								74.77
RETURN TO LAND AND RISK								-229.66

BUDGET SUMMARY

GROSS RETURN		424.00	
VARIABLE OPERATING EXPENSES	250.49		
RETURN OVER VARIABLE EXPENSES		173.51	(GROSS MARGIN)
FIXED EXPENSES	212.05		
NET FARM INCOME		-38.54	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	115.29		
NET OPERATING PROFIT		-153.83	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	75.83		
RETURN TO LAND AND RISK		-229.66	

TABLE 7. Permanent pasture establishment, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with above average management, Grant and Catron Counties, Projected 2012.
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS		TOTAL			
<u>PURCHASED INPUTS</u>								
SEED	2.50	20.00 LBS	50.00		50.00			
CANAL WATER		18.00 AC. IN.						
SUBTOTAL			50.00		50.00			
<u>PREHARVEST OPERATIONS</u>	<u>POWER UNIT</u>	<u>ACCOMPLISHMENT RATE</u>	<u>PURCHASED INPUTS</u>	<u>LABOR</u>	<u>FUEL & LUBE</u>	<u>REPAIRS</u>	<u>FIXED COST</u>	<u>TOTAL</u>
PLOW (MOLDBOARD)	65 HP	1.31 HR		8.45	8.60	0.83	8.22	26.10
DISC (2X)	65 HP	0.62 HR		4.00	4.07	0.78	17.32	26.16
LAND PLANE (2X)	65 HP	0.72 HR		4.64	4.73	0.31	24.43	34.11
CORRUGATE	65 HP	0.54 HR		3.48	3.54	0.21	6.78	14.02
DRILL	65 HP	0.41 HR		2.64	2.69	0.35	34.96	40.65
IRRIGATE (3X)		2.25 HR		13.28				13.28
SUBTOTAL		5.85 HR		36.50	23.63	2.48	91.72	154.32
<u>OVERHEAD EXPENSES</u>								
DOWNTIME		0.90 HR		5.81				5.81
EMPLOYEE BENEFITS				6.57				6.57
INSURANCE			0.73					0.73
SUPERVISION AND MANAGEMENT				17.23				17.23
SUBTOTAL		0.90 HR	0.73	29.60				30.33
<u>TOTAL OPERATING EXPENSES</u>		<u>6.75 HR</u>	<u>50.73</u>	<u>66.10</u>	<u>23.63</u>	<u>2.48</u>	<u>91.72</u>	<u>234.66</u>

TABLE 8. Permanent pasture, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with above average management, Grant and Catron Counties Projected 2012.
Harvesting dates: March 1 - September 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
PASTURE	12.00	12.00	AUMS					144.00
TOTAL								<u>144.00</u>
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
ESTABLISHMENT: Principal		15.00	YEARS				15.64	15.64
: Interest							7.17	7.17
CANAL WATER		32.00	AC. IN.	10.00				10.00
SUBTOTAL								<u>32.81</u>
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
MOWER	65 HP	0.45	HR	2.90	2.95	0.34	14.51	20.71
IRRIGATE (8X)		5.25	HR	30.98				30.98
SUBTOTAL								<u>51.68</u>
OVERHEAD EXPENSES								
DOWNTIME		0.11	HR	0.73				0.73
EMPLOYEE BENEFITS				6.10				6.10
INSURANCE				0.68				0.68
LAND TAXES							2.02	2.02
SUPERVISION AND MANAGEMENT				12.71				12.71
OTHER EXPENSES				189.87				189.87
SUBTOTAL								<u>212.09</u>
TOTAL OPERATING EXPENSES								<u>296.59</u>
NET OPERATING PROFIT								<u>-152.59</u>
INTEREST ON OPERATING CAPITAL	(5.82	@	0.08				0.47
INTEREST ON EQUIPMENT INVESTMENT								11.62
RETURN TO LAND AND RISK								<u>-164.68</u>

BUDGET SUMMARY

GROSS RETURN		144.00	
VARIABLE OPERATING EXPENSES	203.84		
RETURN OVER VARIABLE EXPENSES		-59.84	(GROSS MARGIN)
FIXED EXPENSES	39.35		
NET FARM INCOME		-99.18	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	53.41		
NET OPERATING PROFIT		-152.59	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	12.09		
RETURN TO LAND AND RISK		-164.68	

TABLE 9. Small grains pasture, flood-irrigated, budgeted per acre costs and returns for a 60 acre farm with above average management, Grant and Catron Counties, Projected 2012.
 Planting dates: August 15 - September 30
 Harvesting dates: December 1 - May 30

ITEM	PRICE	YIELD						TOTAL	
GROSS RETURNS									
WHEAT PASTURE	16.00	8.00 AUMS						128.00	
TOTAL							128.00		
PURCHASED INPUTS		PRICE	QUANTITY	PURCHASED INPUTS		TOTAL			
SEED	0.13	90.00 LBS	11.70				11.70		
LIVESTOCK FAC & EQUIP				5.00			5.00		
CANAL WATER		24.00 ACRE IN.	10.00				10.00		
SUBTOTAL			21.70	5.00			26.70		
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRES	FIXED COST	TOTAL	
PLOW (MOLDBOARD)	65 HP	1.31 HR		8.45	8.60	0.83	8.22	26.10	
DISC	65 HP	0.31 HR		2.00	2.03	0.39	8.66	13.08	
CORRUGATE	65 HP	0.54 HR		3.48	3.54	0.21	6.78	14.02	
DRILL	65 HP	0.41 HR		2.64	2.69	0.35	34.96	40.65	
IRRIGATE (5X)		3.00 HR		17.70				17.70	
SUBTOTAL			5.57 HR	34.28	16.87	1.79	58.63	111.56	
OVERHEAD EXPENSES									
DOWNTIME		0.64 HR		4.14				4.14	
EMPLOYEE BENEFITS				6.17				6.17	
INSURANCE			0.69					0.69	
LAND TAXES							2.02	2.02	
SUPERVISION AND MANAGEMENT				11.75				11.75	
OTHER EXPENSES				189.87				189.87	
SUBTOTAL			0.64 HR	190.55	22.06		2.02	214.63	
TOTAL OPERATING EXPENSES			6.21 HR	212.25	56.34	16.87	1.79	65.64	352.89
NET OPERATING PROFIT							-224.89		
INTEREST ON OPERATING CAPITAL	(15.51	@	0.08			1.24		
INTEREST ON EQUIPMENT INVESTMENT							31.64		
RETURN TO LAND AND RISK							-257.77		

BUDGET SUMMARY

GROSS RETURN	128.00	
VARIABLE OPERATING EXPENSES	230.91	
RETURN OVER VARIABLE EXPENSES	-102.91	(GROSS MARGIN)
FIXED EXPENSES	65.64	
NET FARM INCOME	-168.55	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	56.34	
NET OPERATING PROFIT	-224.89	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	32.88	
RETURN TO LAND AND RISK	-257.77	

TABLE 10. Summary of per acre costs and returns, 60 acre part-time farm with above average management, Grant and Catron Counties, Projected 2012.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	PERMANENT PASTURE EST.	PERMANENT PASTURE
	-----FLOOD-----			
		TONS		AUMS
PRIMARY YIELD		3.00		12.00
PRIMARY PRICE		138.00		12.00
GOVERNMENT PAYMENTS		0.00		0.00
SECOND INCOME		10.00		0.00
GROSS RETURN		424.00		144.00
CASH OPERATING EXPENSES				
SEED	90.00		50.00	
FERTILIZER				
CHEMICALS				
CROP INSURANCE				
OTHER PURCHASED INPUTS		10.03		
CANAL WATER		10.00		10.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	23.63	31.45	23.63	2.95
FUEL-IRRIGATION				
REPAIRS	2.48	7.89	2.48	0.34
CUSTOM CHARGES				
LAND TAXES		2.02		2.02
OTHER EXPENSES	0.73	191.12	0.73	190.55
TOTAL CASH EXPENSES	116.84	252.51	76.84	205.85
RETURN OVER CASH EXPENSES	-116.84	171.49	-76.84	-61.85
FIXED EXPENSES	91.72	210.03	91.72	37.33
TOTAL EXPENSES	208.56	462.54	168.56	243.18
NET FARM INCOME	-208.56	-38.54	-168.56	-99.18
LABOR AND MANAGEMENT COSTS	68.90	115.29	66.10	53.41
NET OPERATING PROFIT	-277.46	-153.83	-234.66	-152.59
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		1.06		0.47
INTEREST ON EQUIPMENT INVESTMENT		74.77		11.62
TOTAL CAPITAL COSTS	0.00	75.83	0.00	12.09
RETURN TO LAND AND RISK	-277.46	-229.66	-234.66	-164.68

TABLE 11. Whole farm summary, Grant and Catron Counties, Projected 2012.

GROSS RETURNS		
ALFALFA HAY	25 ACRES	
CROP		10,350.00
GRAZING		250.00
PASTURE	10 ACRES	
GRAZING		1,440.00
WHEAT PASTURE	0 ACRES	
GRAZING		0.00
LIVESTOCK		51,880.60
GROSS RETURN		63,921
CASH OPERATING EXPENSES		
FORAGE		2,091.63
LIVESTOCK		17,556.78
SEED		460.00
FERTILIZER		0.00
CHEMICALS		0.00
CROP INSURANCE		0.00
OTHER PURCHASED INPUTS		250.67
CANAL WATER		350.00
FUEL, OIL & LUBRICANTS-EQUIPMENT		957.57
FUEL-IRRIGATION		0.00
REPAIRS		215.59
CUSTOM CHARGES		0.00
LAND TAXES		70.62
OTHER EXPENSES		6,687.80
TOTAL CASH EXPENSES		28,641
RETURN OVER CASH EXPENSES		35,279.95
FIXED EXPENSES		4,861.81
TOTAL EXPENSES		33,502.46
NET FARM INCOME		30,418.14
LABOR AND MANAGEMENT COSTS		3,824.11
NET OPERATING PROFIT		26,594.03
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		31.24
INTEREST ON EQUIPMENT INVESTMENT		1,985.41
TOTAL CAPITAL COSTS		2,017
RETURN TO LAND AND RISK		24,577.39

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
1,000.00 /ACRE	22,177.39	0.27
2,000.00 /ACRE	19,777.39	0.17
3,000.00 /ACRE	17,377.39	0.12
4,000.00 /ACRE	14,977.39	0.10
5,000.00 /ACRE	12,577.39	0.08

* 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)