

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... OTERO COUNTY Projected 2008.  
FARM SIZE..... 320.00 ACRES  
IRRIGATION TYPE..... SPRINKLER  
NUMBER OF CROPS..... 4

VERSION 1.0

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TABLE 1. Acreage Summary, Otero County,  
Projected 2008.

BUDGET AREA..... TULAROSA BASIN, OTERO COUNTY			
FARM SIZE.....	50 ACRES		
IRRIGATION TYPE.....	SPRINKLER		
NUMBER OF CROPS...	3		
	WATER USE		
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	4.00 *	8	32
ALFALFA HAY	40.00	45	1,800
OAT HAY	5.00	18	90
SORGHUM/SUDAN	5.00 *	16	80
ROADS, DITCHES, HOMESTEAD	5.00		
	TOTAL		2,002
	ACRE FEET PER ACRE OF WATER RIGHTS		3.34

\* DOUBLE-CROPPED

TABLE 2. Basic cost information for Tularosa Basin, Otero County,  
Projected 2008.

Item		
<b>Labor Wage Rate:</b>		
Equipment operators	\$/hour	\$6.65
General & Irrigators	\$/hour	\$6.35
<b>Purchased Inputs:</b>		
<b>Fertilizer:</b>		
Nitrogen (N)	\$/pound	\$0.63
<b>Seed:</b>		
Alfalfa	\$/pound	\$3.45
Oats for Hay	\$/pound	\$0.30
Natural Gas (Gas NM) (service charge)	\$/MCF \$/month	\$3.26 \$10.00
Diesel fuel	\$/gallon	\$3.05
Gasoline	\$/gallon	\$2.80
Electricity (Otero Coop)	cents/KwHr	9.73
Employee Liability Insurance	\$/ \$1,000 wages	\$12.00
Employee Benefits	percent/wages	12.00%
Labor Downtime	percent	25.00%
<b>Financial Rates:</b>		
Operating Capital Interest Rate	percent	7.75%
Land Interest Rate	percent	7.75%
Equipment Interest Rate	percent	7.75%
Expected Inflation Rate	percent	3.00%
Land Taxes	\$300.00 /acre (full value)	\$2.89
Personal Property Tax Rate	- NR - R	\$/ \$1,000 (Assessed Value) \$22.83
<b>Supervision Factors</b>		
Field Crop-Irrigation	\$/acre	\$1.00
Field Crop-Equipment & General	\$/acre	\$0.50
<b>Management Rate</b>	percent	4.00%

TABLE 3. Overhead cost information for Tularosa Basin, Otero County,  
Projected 2008.

Item		
Electricity (Domestic & Shop)		\$72.80 per month \$874
Telephone		\$78.40 per month \$941
Accounting & Legal		\$168
Misc. Supplies & Hand Tools		\$582
Pickup and Auto		
miles	5,768 @	\$0.415 per mile \$2,394
<b>Insurance</b>		
- general liability (non-employee)		\$269
- fire/theft		\$179
<b>Property Taxes</b>		
- non-planted land		\$0
- other than land & machinery		\$6,010
Building repairs and maintenance		\$269
Dues, fees, publications		\$146
Farmstead Equipment		\$179
	Total	\$12,010
	Total per planted acre	\$266.89

TABLE 4. Pumping costs and data for irrigation wells, Tularosa Basin, Ohio County, West Virginia 2008

WELL DATA
DELIVERY PIP
SPRINKLER
DEPTTH CHARACTERISTICS
STATIC
PRESSURE
TOTAL HEAD
CASING
GALLONS PER MINUTE (GPM)
WORK HORSEPOWER
EFFICIENCY FACTOR
ELECTRICITY
NATURAL GAS
DIESEL
FUEL COST PER HOUR
ELECTRICITY
NATURAL GAS
DIESEL
PUMPING COSTS
ELECTRICAL WELL
COST PER HOUR
COST PER ACRE INCH
NATURAL GAS WELL
COST PER HOUR
COST PER ACRE INCH
BUTANE WELL
COST PER HOUR
COST PER ACRE INCH
DIESEL WELL
COST PER HOUR
COST PER ACRE INCH

TABLE 5. Equipment summary for a 50 acre part-time farm, Tularosa Basin, Ohio County, West Virginia 2008

EQUIPMENT
ITEM # SIZE
ANNUAL HOURS OF USE
TOTAL VALUE
FUEL OIL
LUBRICANT
REPAIR
PER HR
FIXED COSTS
DEPRECIATION
TAXES
TOTAL PER HR

USAGE LIST

EQUIPMENT LIST
ITEM
NEW VALUE
USED VALUE
YEARS LIFE
EQUIP CODE
MAX HOURS
FUEL CONSUMPTION
LUBE COEF
ACCUUM HOURS
INTEREST EXPENSE
ALFALFA ESTABLISHMENT
ALFALFA HAY
OATS FOR HAY
SORGHUM FOR HAY
PUMP WATER: 8.00
PUMP WATER: 40
PUMP WATER: 5
PUMP WATER: 5

INTEREST PROBATION

ALFALFA FOR HAY
OATS FOR HAY
SORGHUM FOR HAY
PUMP WATER: 8.00
PUMP WATER: 40
PUMP WATER: 5
PUMP WATER: 5

ALFALFA ESTABLISHMENT
MACHINE
POWER UNIT
TIMES OVER
RATE
TOTAL CUSTOM

ALFALFA HAY
MACHINE
POWER UNIT
TIMES OVER
RATE
TOTAL CUSTOM

OATS FOR HAY
MACHINE
POWER UNIT
TIMES OVER
RATE
TOTAL CUSTOM

SWATHING
MACHINE
POWER UNIT
TIMES OVER
RATE
TOTAL CUSTOM

SUDAN HAY
MACHINE
POWER UNIT
TIMES OVER
RATE
TOTAL CUSTOM

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use
1 2 3 4 5 6 7 8 9
0 0.00000 0.00020 0.00050 0.00080 0.00100 0.00140 0.00180 0.00230 0.00280
25 0.00080 0.00120 0.00180 0.00250 0.00320 0.00400 0.00500 0.00600 0.00700

\* Based on unpublished data of D. R. Harl, Department of Agricultural Engineering, University of Illinois.

\*\* Based on 'Agricultural Machinery Data' in Agricultural Engineers' Yearbook, 1955.

- Codes
1 tractors
2 balers, combines, forage harvesters, windrowers, pick-ups
3 row crop, disk, moldboard plows, chisels, field cultivators
4 harrows, weathers, flares, hoes, bug, roller, water farm
5 bed shaper
6 corn heads, forage pickers, cotton strippers, corn pickers
7 disk, multi-harrow, rotary mowers, muck choppers, feed wagon, farm truck
8 disk, combine harrow
9 fertilizer distributing equipment

TABLE 6. Alfalfa establishment, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2008.

Planting dates: September 1 - November 1

ITEM	PRICE	QUANTITY	PURCHASED INPUTS						TOTAL
<u>PURCHASED INPUTS</u>									
ALFALFA SEED	\$3.45	30 LBS	\$103.50						\$103.50
PUMP WATER*		8 AC. IN.							
SUBTOTAL			\$103.50						\$103.50
<u>PREHARVEST OPERATIONS</u>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
DISC	50 HP	0.39 HR		\$2.59	\$4.08	\$0.42	\$3.20	\$10.29	
PLOW	50 HP	1.05 HR		\$6.98	\$11.00	\$1.46	\$17.42	\$36.85	
DISC (2X)	50 HP	0.78 HR		\$5.19	\$8.17	\$1.52	\$12.56	\$27.43	
FLOAT (2X)	50 HP	0.64 HR		\$4.26	\$6.70	\$0.70	\$8.23	\$19.89	
DRILL	50 HP	0.21 HR		\$1.40	\$2.20	\$0.45	\$34.64	\$38.68	
IRRIGATE (4X)		2.00 HR		\$12.70	\$15.36	\$0.00	\$6.57	\$34.64	
SUBTOTAL		5.07 HR		\$33.12	\$47.51	\$4.54	\$82.61	\$167.78	
<u>OVERHEAD EXPENSES</u>									
DOWNTIME		0.77 HR		\$5.10					\$5.10
EMPLOYEE BENEFITS				\$3.97					\$3.97
FARM INSURANCE			\$0.40					\$0.40	
SUPERVISION AND MANAGEMENT				\$14.39					\$14.39
SUBTOTAL		0.77 HR	\$0.40	\$23.46					\$23.86
<u>TOTAL OPERATING EXPENSES</u>		5.84 HR	\$103.90	\$56.58	\$47.51	\$4.54	\$82.61	\$295.15	

TABLE 7. Alfalfa hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2008.  
Harvesting dates: May 10 - October 15

ITEM	PRICE	YIELD						TOTAL	
<b>GROSS RETURNS</b>									
ALFALFA HAY	\$140.00	6.00 TONS (STACKED)						\$840.00	
<b>TOTAL</b>							<b>\$840.00</b>		
<b>PURCHASED INPUTS</b>									
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL	
FERT. (ALFALFA MIX)	\$0.16	250 LBS	\$40.00					\$40.00	
INSECTICIDE	\$23.97	1 ACRE	\$23.97					\$23.97	
WIRE	\$0.36	56 LBS	\$20.16					\$20.16	
ESTABLISHMENT: Principal		10 YEARS					\$29.51	\$29.51	
: Interest							\$10.06	\$10.06	
PUMP WATER*		45 AC. IN.							
<b>SUBTOTAL</b>			<b>\$84.13</b>				<b>\$39.58</b>	<b>\$123.71</b>	
<b>PREHARVEST OPERATIONS</b>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
IRRIGATE (11X)		5.50 HR		\$34.93	\$86.42	\$0.00	\$36.97	\$158.32	
<b>SUBTOTAL</b>		<b>5.50 HR</b>		<b>\$34.93</b>	<b>\$86.42</b>	<b>\$0.00</b>	<b>\$36.97</b>	<b>\$158.32</b>	
<b>HARVEST OPERATIONS</b>									
SWATHER (5X)	14 FT	0.80 HR		\$5.32	\$0.00	\$0.22	\$17.85	\$23.39	
BALER, PTO (5X)	50 HP	1.05 HR		\$6.98	\$11.00	\$1.29	\$18.30	\$37.57	
BALEWAGON, PTO (5X)	50 HP	1.00 HR		\$6.65	\$10.47	\$2.36	\$28.47	\$47.96	
<b>SUBTOTAL</b>		<b>2.85 HR</b>		<b>\$18.95</b>	<b>\$21.47</b>	<b>\$3.88</b>	<b>\$64.62</b>	<b>\$108.92</b>	
<b>OVERHEAD EXPENSES</b>									
DOWNTIME		0.71 HR		\$4.74				\$4.74	
EMPLOYEE BENEFITS				\$6.47				\$6.47	
FARM INSURANCE			\$0.65					\$0.65	
LAND TAXES							\$2.89	\$2.89	
SUPERVISION AND MANAGEMENT				\$40.53				\$40.53	
OTHER EXPENSES			\$266.89					\$266.89	
<b>SUBTOTAL</b>		<b>0.71 HR</b>		<b>\$267.54</b>	<b>\$51.73</b>			<b>\$2.89</b>	<b>\$322.16</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>9.06 HR</b>		<b>\$351.67</b>	<b>\$105.61</b>	<b>\$107.89</b>	<b>\$3.88</b>	<b>\$144.06</b>	<b>\$713.10</b>
<b>NET OPERATING PROFIT</b>								<b>\$126.90</b>	
INTEREST ON OPERATING CAPITAL		( \$65.78 @ 7.75%						\$5.10	
INTEREST ON EQUIPMENT INVESTMENT								\$72.72	
<b>RETURN TO LAND AND RISK</b>							<b>\$49.08</b>		

\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN		\$840.00	
VARIABLE OPERATING EXPENSES	\$468.54		
RETURN OVER VARIABLE EXPENSES	\$371.46		(GROSS MARGINS)
FIXED EXPENSES	\$144.06		
NET FARM INCOME	\$227.41		(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$105.61		
NET OPERATING PROFIT	\$121.80		(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$72.72		
RETURN TO LAND AND RISK	\$49.08		

TABLE 8. Oats for hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2008.  
 Planting dates: September 1 - November 1  
 Harvesting dates: April 15 - May 15

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
OATS FOR HAY	\$100.00	3.00 TONS (STACKED)						\$300.00
<b>TOTAL</b>								\$300.00
<hr/>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
OAT SEED	\$0.30	100 LBS	\$30.00					\$30.00
NITROGEN (N)	\$0.63	100 LBS	\$63.00					\$63.00
PUMP WATER*		18 AC. IN.						
<b>SUBTOTAL</b>			\$93.00					\$93.00
<hr/>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	50 HP	0.39 HR		\$2.59	\$4.08	\$0.76	\$6.28	\$13.71
PLOW	50 HP	1.05 HR		\$6.98	\$11.00	\$1.46	\$17.42	\$36.85
DISC (2X)	50 HP	0.78 HR		\$5.19	\$8.17	\$1.52	\$12.56	\$27.43
FLOAT (2X)	50 HP	0.64 HR		\$4.26	\$6.70	\$0.70	\$8.23	\$19.89
DRILL	50 HP	0.21 HR		\$1.40	\$2.20	\$0.45	\$34.64	\$38.68
IRRIGATE (4X)		2.00 HR		\$12.70	\$34.57	\$0.00	\$14.79	\$62.06
<b>SUBTOTAL</b>		5.07 HR		\$33.12	\$66.72	\$4.88	\$93.91	\$198.62
<hr/>								
<b>HARVEST OPERATIONS</b>								
SWATHER	14 FT	0.16 HR		\$1.06	\$0.00	\$0.04	\$3.57	\$4.68
BALER, PTO	50 HP	0.21 HR		\$1.40	\$2.20	\$0.26	\$3.66	\$7.51
BALE WAGON	50 HP	0.20 HR		\$1.33	\$2.09	\$0.47	\$5.69	\$9.59
<b>SUBTOTAL</b>		0.57 HR		\$3.79	\$4.29	\$0.78	\$12.92	\$21.78
<hr/>								
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.91 HR		\$6.05				\$6.05
EMPLOYEE BENEFITS				\$4.43				\$4.43
FARM INSURANCE			\$0.44					\$0.44
LAND TAXES							\$1.45	\$1.45
SUPERVISION AND MANAGEMENT				\$15.82				\$15.82
OTHER EXPENSES			\$133.45					\$133.45
<b>SUBTOTAL</b>		0.91 HR	\$133.89	\$26.30			\$1.45	\$161.63
<b>TOTAL OPERATING EXPENSES</b>		6.55 HR	\$226.89	\$63.21	\$71.01	\$5.66	\$108.28	\$475.04
<b>NET OPERATING PROFIT</b>								(\$175.04)
INTEREST ON OPERATING CAPITAL								\$5.02
INTEREST ON EQUIPMENT INVESTMENT								\$56.41
<b>RETURN TO LAND AND RISK</b>								(\$236.47)

\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN	\$300.00	
VARIABLE OPERATING EXPENSES	\$308.58	
RETURN OVER VARIABLE EXPENSES	(\$8.58)	(GROSS MARGINS)
FIXED EXPENSES	\$108.28	
NET FARM INCOME	(\$116.86)	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$63.21	
NET OPERATING PROFIT	(\$180.07)	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$56.41	
<b>RETURN TO LAND AND RISK</b>	<b>(\$236.47)</b>	

TABLE 9. Sorghum-sudan hay, sprinkler-irrigated, budgeted per acre costs and returns for a 50 acre part-time farm, Tularosa Basin, Otero County, Projected 2008.  
 Planting dates: May 1 - June 1  
 Harvesting dates: June 1 - August 1

ITEM	PRICE	YIELD						TOTAL
<b>GROSS RETURNS</b>								
SORGHUM/SUDAN HAY	\$120.00	5.00 TONS (STACKED)						\$600.00
<b>TOTAL</b>							<b>\$600.00</b>	
<b>PURCHASED INPUTS</b>								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS		FIXED COST		TOTAL	
SEED	\$1.04	50 LBS	\$52.00				\$52.00	
NITROGEN (N)	\$0.63	100 LBS	\$63.00				\$63.00	
PUMP WATER*		16 AC. IN.						
<b>SUBTOTAL</b>			<b>\$115.00</b>				<b>\$115.00</b>	
<b>PREHARVEST OPERATIONS</b>								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DISC	50 HP	0.39 HR		\$2.59	\$4.08	\$0.76	\$6.28	\$13.71
FLOAT (2X)	50 HP	0.64 HR		\$4.26	\$6.70	\$0.70	\$8.23	\$19.89
DRILL	50 HP	0.21 HR		\$1.40	\$2.20	\$0.45	\$3.64	\$8.68
IRRIGATE (4X)		2.00 HR		\$12.70	\$30.73	\$0.00	\$13.15	\$56.57
<b>SUBTOTAL</b>		<b>3.24 HR</b>		<b>\$20.95</b>	<b>\$43.71</b>	<b>\$1.91</b>	<b>\$62.29</b>	<b>\$128.86</b>
<b>HARVEST OPERATIONS</b>								
SWATHER (2X)	14 FT	0.32 HR		\$2.13	\$0.00	\$0.09	\$7.14	\$9.36
BALER, PTO (2X)	50 HP	0.42 HR		\$2.79	\$4.40	\$0.52	\$7.32	\$15.03
BALE WAGON (2X)	50 HP	0.40 HR		\$2.66	\$4.19	\$0.94	\$11.39	\$19.18
<b>SUBTOTAL</b>		<b>1.14 HR</b>		<b>\$7.58</b>	<b>\$8.59</b>	<b>\$1.55</b>	<b>\$25.85</b>	<b>\$43.57</b>
<b>OVERHEAD EXPENSES</b>								
DOWNTIME		0.60 HR		\$3.96				\$3.96
EMPLOYEE BENEFITS				\$3.42				\$3.42
FARM INSURANCE			\$0.34					\$0.34
LAND TAXES						\$1.45		\$1.45
SUPERVISION AND MANAGEMENT				\$27.19				\$27.19
OTHER EXPENSES			\$133.45					\$133.45
<b>SUBTOTAL</b>		<b>0.60 HR</b>	<b>\$133.79</b>	<b>\$34.57</b>			<b>\$1.45</b>	<b>\$169.80</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>4.98 HR</b>	<b>\$248.79</b>	<b>\$63.10</b>	<b>\$52.30</b>	<b>\$3.46</b>	<b>\$89.59</b>	<b>\$457.23</b>
<b>NET OPERATING PROFIT</b>							<b>\$142.77</b>	
INTEREST ON OPERATING CAPITAL		( \$69.75 @ 7.75% )						\$5.41
INTEREST ON EQUIPMENT INVESTMENT								\$50.50
<b>RETURN TO LAND AND RISK</b>							<b>\$86.86</b>	

\* Pump water costs are shown under irrigation in the preharvest operations section.

**BUDGET SUMMARY**

GROSS RETURN		\$600.00	
VARIABLE OPERATING EXPENSES	\$309.95		
RETURN OVER VARIABLE EXPENSES		\$290.05	(GROSS MARGINS)
FIXED EXPENSES	\$89.59		
NET FARM INCOME		\$200.46	(RETURNS TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$63.10		
NET OPERATING PROFIT		\$137.37	(RETURNS TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$50.50		
RETURN TO LAND AND RISK		\$86.86	

TABLE 10. Summary of per acre costs and returns, 50-acre part-time farm, Tularosa Basin, Otero County, Projected 2008.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	OATS FOR HAY	SORGHUM SUDAY HAY
		TONS	TONS	TONS
PRIMARY YIELD		6.00	3.00	5.00
PRIMARY PRICE		\$140.00	\$100.00	\$120.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00
SECOND INCOME		\$0.00	\$0.00	\$0.00
GROSS RETURN		\$840.00	\$300.00	\$600.00
CASH OPERATING EXPENSES				
SEED	\$103.50		\$30.00	\$52.00
FERTILIZER		\$40.00	\$63.00	\$63.00
CHEMICALS		\$23.97		
CROP INSURANCE				
OTHER PURCHASED INPUTS		\$20.16		
CANAL WATER				
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$32.15	\$21.47	\$36.44	\$21.57
FUEL-IRRIGATION	\$15.36	\$86.42	\$34.57	\$30.73
REPAIRS	\$4.54	\$3.88	\$5.66	\$3.46
CUSTOM CHARGES				
LAND TAXES		\$2.89	\$1.45	\$1.45
OTHER EXPENSES	\$0.40	\$267.54	\$133.89	\$133.79
TOTAL CASH EXPENSES	\$155.95	\$466.33	\$305.00	\$305.99
RETURN OVER CASH EXPENSES	(\$155.95)	\$373.67	(\$5.00)	\$294.01
FIXED EXPENSES	\$82.61	\$141.17	\$106.83	\$88.14
TOTAL EXPENSES	\$238.57	\$607.50	\$411.84	\$394.13
NET FARM INCOME	(\$238.57)	\$232.50	(\$111.84)	\$205.87
LABOR AND MANAGEMENT COSTS	\$56.58	\$105.61	\$63.21	\$63.10
NET OPERATING PROFIT	(\$295.15)	\$126.90	(\$175.04)	\$142.77
CAPITAL COSTS				
INTEREST ON OPERATING CAPITAL		\$5.10	\$5.02	\$5.41
INTEREST ON EQUIPMENT INVESTMENT		\$72.72	\$56.41	\$50.50
TOTAL CAPITAL COSTS	\$0.00	\$77.82	\$61.43	\$55.91
RETURN TO LAND AND RISK	(\$295.15)	\$49.08	(\$236.47)	\$86.86



TABLE 11. Whole farm summary, Tularosa Basin, Otero County,  
Projected 2008.

GROSS RETURNS		
ALFALFA HAY	40.00 ACRES	
CROP		\$33,600
OATS FOR HAY	5.00 ACRES	
CROP		\$1,500
SORGHUM/SUDAN	5.00 ACRES	
CROP		\$3,000
GROSS RETURN		<u>\$38,100</u>
CASH OPERATING EXPENSES		
SEED		\$824
FERTILIZER		\$2,230
CHEMICALS		\$959
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$806
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$1,277
FUEL-IRRIGATION		\$3,845
REPAIRS		\$219
CUSTOM CHARGES		\$0
LAND TAXES		\$130
OTHER EXPENSES		\$12,041
TOTAL CASH EXPENSES		<u>\$22,332</u>
RETURN OVER CASH EXPENSES		\$15,768
FIXED EXPENSES		\$5,331
TOTAL EXPENSES		\$27,663
NET FARM INCOME		\$10,437
LABOR AND MANAGEMENT COSTS		\$5,082
NET OPERATING PROFIT		\$5,355
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$256
INTEREST ON EQUIPMENT INVESTMENT		\$3,443
TOTAL CAPITAL COSTS		<u>\$3,700</u>
RETURN TO LAND AND RISK		<u>\$1,656</u>

LAND VALUE	RETURNS TO RISK*	RETURN ON INVESTMENT**
\$700 /ACRE	\$606	8.15%
\$900 /ACRE	\$306	7.08%
\$1,100 /ACRE	\$6	6.25%
\$1,300 /ACRE	(\$294)	5.60%
\$1,500 /ACRE	(\$594)	5.07%
\$1,700 /ACRE	(\$894)	4.63%
\$1,900 /ACRE	(\$1,194)	4.26%
\$2,100 /ACRE	(\$1,494)	3.95%

\* 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)