

MICROCOMPUTER CROP COST AND RETURN GENERATOR

BUDGET AREA..... DRY CIMARRON AREA, UNION COUN Projected 2010.
FARM SIZE..... 80.00 ACRES
IRRIGATION TYPE..... FLOOD
NUMBER OF CROPS..... 2

VERSION 1.0

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TABLE 1. Acreage Summary, Union County,
Projected 2010.

BUDGET AREA..... DRY CIMARRON AREA, UNION COUNTY			
FARM SIZE..... 80 ACRES			
IRRIGATION TYPE..... FLOOD			
NUMBER OF CROPS... 2			
WATER USE			
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	4	4.5	18
ALFALFA	40	24	960
NATIVE GRASS	40	18	720
TOTAL	84		1,698
ACRE FEET PER ACRE OF WATER RIGHTS			1.68

TABLE 2. Basic cost information for Dry Cimarron area, Union County,
Projected 2010.

Item			
Labor Wage Rate:			
Equipment operators		\$/hour	\$8.55
General & Irrigators		\$/hour	\$7.25
Purchased Inputs:			
Seed:			
Alfalfa		\$/pound	\$3.75
Natural gas		\$/MCF	\$5.89
Diesel fuel		\$/gallon	\$2.80
Gasoline		\$/gallon	\$2.50
Electricity		cents/KwHr	7.10
LP Gas		\$/gallon	\$2.40
Baling Wire		\$/pound	\$0.61
Employee Liability Insurance		\$/ \$1,000 wages	\$20.00
Employee Benefits		percent/wages	18.00%
Labor Downtime		percent	25.00%
Financial Rates:			
Operating Capital Interest Rate		percent	7.50%
Land Interest Rate		percent	7.00%
Equipment Interest Rate		percent	7.50%
Real Interest Rate		percent	3.00%
Land Taxes		\$27.00 /acre (full value)	\$0.24
Personal Property Tax Rate	-NR - R	\$/ \$1,000 (Assessed Value)	\$26.91 \$24.79
Supervision Factors			
Field Crop-Irrigation		\$/labor hour	\$1.00
Field Crop-Equipment & General		\$/labor hour	\$0.50
Management Rate		percent	7.00%

TABLE 3. Overhead cost information for the Dry Cimarron area,
Projected 2010.

Item			
Electricity (Domestic & Shop)		\$118.00 per month	\$1,416
Telephone		\$94.40 per month	\$1,133
Accounting & Legal			\$531
Misc. Supplies & Hand Tools			\$873
Pickup and Auto			
miles	12,154	@ \$0.415 per mile	\$5,044
Insurance			
- general liability (non-employee)			\$1,133
- fire/theft			\$738
Property Taxes			
- other than land & machinery			\$6,010
Building repairs and maintenance			\$561
Dues, fees, publications			\$283
Farmstead Equipment			\$89
Total			\$17,809
Total per planted acre			\$222.62

TABLE 4. Pumping costs and data for irrigation wells, Dry-Cimarron area, Union County, Proposed 2010.

INPUT DATA	
DEPTH CHARACTERISTICS:	
STATIC	50
DEWY DOWN	15
TOTAL HEAD	65
CAVING	75
GALLONS PER MINUTE (GPM)	900
WORK HORSEPOWER	15
EFFICIENCY FACTOR:	
ELECTRICITY	0.540
NATURAL GAS	0.154
LP GAS	0.154
DIESEL	0.160
FUEL COST PER UNIT:	7.10 CENTS/KWH
ELECTRICITY	
NATURAL GAS	\$2.80 SMCF
LP GAS	\$2.40 S/GAL
DIESEL	\$2.80 S/GAL
FUEL PLUMBING COSTS	
ELECTRIC WELL	
COST PER HOUR	\$1.48
COST PER ACRE INCH	\$0.74
NATURAL GAS WELL	
COST PER HOUR	\$1.61
COST PER ACRE INCH	\$0.81
LP GAS WELL	
COST PER HOUR	\$6.40
COST PER ACRE INCH	\$3.22
DIESEL WELL	
COST PER HOUR	\$4.66
COST PER ACRE INCH	\$2.35

TABLE 5. Equipment summary for an 80 acre per-time flood-irrigated farm, Dry-Cimarron area, Union County, Proposed 2010.

EQUIPMENT	ITEM #	ANNUAL HOURS OF USE	NUMBER	TOTAL VALUE	VARIABLE COSTS				FIXED COSTS			TOTAL PER HR
					FUEL OIL	REPAIR	FUEL OIL PER HR	REPAIR PER HR	DEPRECIATION	TAXES		
TRACTOR	40 HP	142	1	\$8,344	\$1,492	\$154	\$10.47	\$1.08	\$260	\$91	\$3.08	
MOVER		74	1	\$1,300	\$27	\$27	\$0.36		\$130	\$12	\$1.91	
BALER	2 WIRE	42	1	\$1,800	\$6	\$6	\$0.15		\$285	\$28	\$6.99	
RAKE		24	1	\$1,560	\$10	\$10	\$0.43		\$155	\$14	\$7.04	
CHISEL (BORROWED)	2 FT	1	1	\$0	\$0	\$0	\$0.00		\$0	\$0	\$0.00	
DISC (BORROWED)	12 FT	1	1	\$0	\$0	\$0	\$0.00		\$0	\$0	\$0.00	
CHISEL (BORROWED)	10 FT	1	1	\$0	\$0	\$0	\$0.00		\$0	\$0	\$0.00	
TRUCK	2.5 TON	244	1	\$10,000	\$4,340	\$2,028	\$17.79	\$6.31	\$2,800	\$117	\$11.13	
BALE LOADER		244	1	\$2,500	\$165	\$165	\$0.68		\$250	\$23	\$1.74	
ELECTRIC WELL		282	1	\$11,500	\$417	\$0	\$1.48	\$0.00	\$920	\$103	\$3.63	
					\$38,044	\$6,249	\$2,391		\$4,800	\$363		

EQUIPMENT LIST

ITEM	NEW VALUE	USED VALUE	YEARS LIFE	EQUIP CODE	MAX HOURS	FUEL UNIT/HR	LUBE COEF	ACCLM HOURS	INTEREST AGE	EXPENSE	
TRACTOR	40 HP	1795.00	6544.00	50.00	1.00	800.00	3.40	0.10	2137.20	15.00	674.06
MOVER		2600.00	1300.00	20.00	6.00	300.00	0.00	0.00	110.00	15.00	32.00
BALER	2 WIRE	7700.00	1900.00	20.00	2.00	500.00	0.00	0.00	786.00	18.00	268.75
RAKE		3100.00	1500.00	20.00	6.00	500.00	0.00	0.00	360.00	15.00	118.25
CHISEL (BORROWED)	2 FT	0.00	0.00	15.00	3.00	300.00	0.00	0.00	7.80	17.00	0.00
DISC (BORROWED)	12 FT	0.00	0.00	15.00	3.00	300.00	0.00	0.00	11.56	17.00	0.00
CHISEL (BORROWED)	10 FT	0.00	0.00	15.00	3.00	300.00	0.00	0.00	16.00	16.00	0.00
TRUCK	2.5 TON	26000.00	13000.00	10.00	5.00	800.00	6.00	0.00	2684.00	11.00	975.00
BALE LOADER		2500.00	2500.00	20.00	3.00	300.00	0.00	0.00	2600.00	15.00	73.25
ELECTRIC WELL		23000.00	11500.00	25.00	0.00	8742.00	0.00	0.00	4224.27	15.00	852.50

USAGE LIST

ALFALFA	ALFALFA	NATIVE GRASS	PER ACRE
EST	REV	REV	TOTALS
-----Hours per acre-----			
0.82	2.10	1.46	4.12
0.00	1.11	0.74	1.85
0.00	0.43	0.42	1.85
0.00	0.38	0.24	0.60
0.25	0.00	0.00	0.25
0.17	0.00	0.00	0.17
0.25	0.00	0.00	0.25
0.00	4.50	1.80	6.10
0.00	4.5	1.8	6.10
0.00	4.02	3.02	7.04

INTEREST PROPORTION

ALFALFA	NATIVE GRASS
PER	PER
2.00	6.62
0.00	0.88
0.00	2.89
0.00	1.16
0.00	0.00
0.00	0.00
0.00	6.39
0.00	1.52
0.00	9.24
2.00	28.54

ALFALFA ESTABLISHMENT

ACRES:	4	PUMP WATER:
POWER	TIMES	ACCOMPLISHMENT
MACHINE	UNIT	OVER RATE TOTAL CUSTOM
CHISEL	40 HP	1.00 0.20 0.20
DISC	40 HP	1.00 0.17 0.17
DITCH MAINTENANCE	40 HP	1.00 0.25 0.25
IRRIGATE (IX)	1.00	0.50 0.00

ALFALFA HAY

ACRES:	40	PUMP WATER:	8.00
POWER	TIMES	ACCOMPLISHMENT	
MACHINE	UNIT	OVER RATE TOTAL CUSTOM	
DITCH MAINTENANCE			0.5
IRRIGATE (IX)	8.00	0.50 4.02	
MOVER (IX)	40 HP	3.00 0.37 1.11	
RAKE (IX)	40 HP	3.00 0.12 0.38	
BALER (IX)	40 HP	3.00 0.21 0.63	
HALL (IX)	1 TON TRUC	3.00 1.50 4.50	

NATIVE GRASS HAY

ACRES:	40	PUMP WATER:	6.00
POWER	TIMES	ACCOMPLISHMENT	
MACHINE	UNIT	OVER RATE TOTAL CUSTOM	
DITCH MAINTENANCE			0.5
IRRIGATE (IX)	5.00	0.50 3.02	
MOVER (IX)	40 HP	2.00 0.37 0.74	
RAKE (IX)	40 HP	2.00 0.12 0.24	
BALER (IX)	40 HP	2.00 0.21 0.42	
HALL (IX)	1 TON TRUC	2.00 0.80 1.60	

ANNUAL REPAIR COSTS AS A PERCENT OF NEW VALUE

Hours of Use	1	2	3	4	5	6	7	8	9
0	0.000000	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020
50	0.000060	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020
100	0.000060	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020
200	0.000030	0.000030	0.000040	0.000040	0.000180	0.000260	0.000110	0.000510	0.000240
300	0.000030	0.000020	0.000020	0.000020	0.000020	0.000120	0.000140	0.000520	0.000450
400	0.000030	0.000080	0.000070	0.000060	0.000280	0.000340	0.000150	0.000710	0.000450
500	0.000030	0.000070	0.000020	0.000100	0.000280	0.000370	0.000110	0.000600	0.000600
600	0.000030	0.000090	0.000040	0.000120	0.000310	0.000390	0.000190	0.000880	0.000530
700	0.000030	0.000100	0.000040	0.000130	0.000320	0.000410	0.000200	0.000910	0.000660
800	0.000030	0.000110	0.000020	0.000150	0.000350	0.000440	0.000210	0.000980	0.000690
900	0.000030	0.000120	0.000020	0.000160	0.000370	0.000460	0.000220	0.001020	0.000690
1000	0.000090	0.000130	0.000170	0.000180	0.000390	0.000480	0.000230	0.001070	0.000690
1200	0.000045	0.000145	0.000035	0.000205	0.000425	0.000480	0.000245	0.001135	0.000710
1400	0.000045	0.000170	0.000035	0.000225	0.000425	0.000490	0.000245	0.001160	0.000740
1500	0.000150	0.000170	0.000030	0.000230	0.000425	0.000490	0.000245	0.001160	0.000740
1600	0.000150	0.000190	0.000030	0.000240	0.000425	0.000490	0.000245	0.001160	0.000740
1800	0.000075	0.000190	0.000025	0.000285	0.000425	0.000490	0.000245	0.001280	0.000765
2000	0.000110	0.000260	0.000025	0.000345	0.000425	0.000500	0.000245	0.001275	0.000800
2500	0.000056								
3000	0.000070								
3500	0.000062								
4000	0.000056								
4500	0.000100								
5000	0.000122								
5500	0.000136								
6000	0.000148								
6500	0.000178								
7000	0.000178								
7500	0.000188								
8000	0.000204								

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

** Based on "Agricultural Machinery Data" in Agricultural Engineers Yearbook, 1983.

- Codes
- 1 tractors
 - 2 balers, combines, forage harvesters, windrowers, pickups
 - 3 rotary law, disks, moldboard plows, chisels, field cultivators, row cultivators, laser plans
 - 4 harrows, weepers, flails, rakes, roller, water wheels, and
 - 5 implements, cotton pickers, cotton strippers, corn pickers, gun hawks, forage equipment, rotary mowers, stalk choppers, hay mowers, lawn mowers
 - 6 mowers, cultural mowers
 - 7 field water pumps, manure spreaders
 - 8 planters, drills, seeding equipment, mounted sprayers
 - 9 fertilizer distributing equipment

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2010.
Planting dates: August 15 - September 15

ITEM	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
PURCHASED INPUTS								
SEED	\$3.75	18 LBS		\$67.50				\$67.50
CANAL WATER		5 AC. IN.						
SUBTOTAL				\$67.50				\$67.50
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
CHISEL	40 HP	0.20 HR		\$1.71	\$2.09	\$0.22	\$0.62	\$4.64
DISC	40 HP	0.17 HR		\$1.45	\$1.78	\$0.18	\$0.53	\$3.94
DRILL	40 HP	0.25 HR		\$2.14	\$2.62	\$0.27	\$0.77	\$5.80
DITCH MAINTENANCE		0.50 HR		\$4.28				\$4.28
IRRIGATE (1X)		0.75 HR		\$5.44				\$5.44
SUBTOTAL		1.87 HR		\$15.01	\$6.49	\$0.67	\$1.92	\$24.09
OVERHEAD EXPENSES								
DOWNTIME		0.16 HR		\$1.33				\$1.33
EMPLOYEE BENEFITS				\$2.70				\$2.70
INSURANCE			\$0.30					\$0.30
SUPERVISION AND MANAGEMENT				\$7.47				\$7.47
SUBTOTAL		0.16 HR	\$0.30	\$11.50				\$11.80
TOTAL OPERATING EXPENSES		2.03 HR	\$67.80	\$26.51	\$6.49	\$0.67	\$1.92	\$103.39

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2010.

Harvesting dates: May 15 - September 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALF FA HAY	\$140.00	4.00 TONS (STACKED)						\$560.00
GRAZING	\$15.00	1.00 ACRE						\$15.00
TOTAL							\$575.00	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
LIVESTOCK FAC & EQUIP ESTABLISHMENT: Principal		10.00 YEARS					\$4.00	\$4.00
Interest							\$10.34	\$10.34
BALING WIRE	\$0.61	34.28 LBS	\$20.91				\$4.64	\$4.64
CANAL WATER		16.00 AC. IN.	\$5.00					\$20.91
PUMP WATER*		8.00 AC. IN.						\$5.00
SUBTOTAL			\$25.91				\$18.97	\$44.89
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DITCH MAINTENANCE		0.50 HR		\$4.28				\$4.28
IRRIGATE (8X)		4.00 HR		\$29.00	\$5.95	\$0.00	\$14.62	\$49.57
SUBTOTAL		4.50 HR		\$33.28	\$5.95	\$0.00	\$14.62	\$53.84
HARVEST OPERATIONS								
MOWER (3X)	40 HP	1.11 HR		\$9.49	\$11.62	\$1.60	\$5.55	\$28.27
RAKE (3X)	40 HP	0.36 HR		\$3.08	\$3.77	\$0.54	\$3.65	\$11.04
BALER (3X)	40 HP	0.63 HR		\$5.39	\$6.60	\$0.78	\$8.24	\$21.00
HAUL (3X)	1 TON TRUCK	4.50 HR		\$38.48	\$80.04	\$37.46	\$55.23	\$211.20
SUBTOTAL		6.60 HR		\$56.43	\$102.03	\$40.38	\$72.66	\$271.51
OVERHEAD EXPENSES								
DOWNTIME		1.65 HR		\$14.11				\$14.11
EMPLOYEE BENEFITS				\$16.15				\$16.15
INSURANCE			\$1.79					\$1.79
LAND TAXES							\$0.24	\$0.24
SUPERVISION AND MANAGEMENT				\$47.55				\$47.55
OTHER EXPENSES			\$222.62					\$222.62
SUBTOTAL		1.65 HR	\$224.41	\$77.80			\$0.24	\$302.46
TOTAL OPERATING EXPENSES		12.75 HR	\$250.32	\$167.51	\$107.99	\$40.38	\$106.50	\$672.70
NET OPERATING PROFIT							(\$97.70)	
INTEREST ON OPERATING CAPITAL		(\$26.31	@	7.50%)	\$1.97	
INTEREST ON EQUIPMENT INVESTMENT							\$2.93	
RETURN TO LAND AND RISK							(\$102.60)	

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

BUDGET SUMMARY

GROSS RETURN		\$575.00	
VARIABLE OPERATING EXPENSES	\$398.69		
RETURN OVER VARIABLE EXPENSES		\$176.31	(GROSS MARGIN)
FIXED EXPENSES	\$106.50		
NET FARM INCOME		\$69.81	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$167.51		
NET OPERATING PROFIT		(\$97.70)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$4.91		
RETURN TO LAND AND RISK		(\$102.60)	

TABLE 8. Native grass hay, flood-irrigated, budgeted per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2010.
Harvesting dates: July 20 - September 15

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
HAY	\$125.00	1.50 TONS (STACKED)						\$187.50
GRAZING	\$13.00	1.00 ACRE						\$13.00
TOTAL							\$200.50	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
LIVESTOCK FAC & EQUIP							\$4.00	\$4.00
BALING WIRE	\$0.61	13 LBS	\$7.84					\$7.84
CANAL WATER		12 AC. IN.	\$5.00					\$5.00
PUMP WATER*		6 AC. IN.						
SUBTOTAL			\$12.84				\$4.00	\$16.84
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
DITCH MAINTENANCE		0.50 HR		\$4.28				\$4.28
IRRIGATE (5X)		2.50 HR		\$21.38	\$4.46	\$0.00	\$10.96	\$36.80
SUBTOTAL		3.00 HR		\$25.65	\$4.46	\$0.00	\$10.96	\$41.08
HARVEST OPERATIONS								
MOWER (2X)	40 HP	0.74 HR		\$6.33	\$7.75	\$1.07	\$3.70	\$18.85
RAKE (2X)	40 HP	0.24 HR		\$2.05	\$2.51	\$0.36	\$2.43	\$7.36
BALER, 1-TON (2X)	40 HP	0.42 HR		\$3.59	\$4.40	\$0.52	\$5.49	\$14.00
HAUL (2X)	TRUCK	1.60 HR		\$13.68	\$28.46	\$13.32	\$19.64	\$75.10
SUBTOTAL		3.00 HR	\$0.00	\$25.65	\$43.12	\$15.27	\$31.26	\$115.30
OVERHEAD EXPENSES								
DOWNTIME		0.75 HR		\$6.41				\$6.41
EMPLOYEE BENEFITS				\$9.23				\$9.23
INSURANCE			\$1.03					\$1.03
LAND TAXES							\$0.24	\$0.24
SUPERVISION AND MANAGEMENT				\$15.54				\$15.54
OTHER EXPENSES			\$222.62					\$222.62
SUBTOTAL		0.75 HR	\$223.64	\$31.18			\$0.24	\$255.07
TOTAL OPERATING EXPENSES		3.75 HR	\$236.49	\$82.48	\$47.58	\$15.27	\$46.47	\$428.28
NET OPERATING PROFIT							(\$227.78)	
INTEREST ON OPERATING CAPITAL		(\$12.40 @ 7.50%)						\$0.93
INTEREST ON EQUIPMENT INVESTMENT								\$28.54
RETURN TO LAND AND RISK							(\$257.25)	

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

BUDGET SUMMARY

GROSS RETURN		\$200.50	
VARIABLE OPERATING EXPENSES	\$299.34		
RETURN OVER VARIABLE EXPENSES		(\$98.84)	(GROSS MARGIN)
FIXED EXPENSES	\$46.47		
NET FARM INCOME		(\$145.30)	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$82.48		
NET OPERATING PROFIT		(\$227.78)	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$29.47		
RETURN TO LAND AND RISK		(\$257.25)	

TABLE 9. Summary of per acre costs and returns for an 80 acre part-time farm, Dry Cimarron area, Union County, Projected 2010.

	ALFALFA ESTABLISHMENT	ALFALFA HAY	NATIVE GRASS HAY
		TONS	TONS
PRIMARY YIELD		4.00	1.50
PRIMARY PRICE		\$140.00	\$125.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00
SECOND INCOME		\$15.00	\$13.00
GROSS RETURN		\$575.00	\$200.50
CASH OPERATING EXPENSES			
SEED	\$67.50		
FERTILIZER			
CHEMICALS			
CROP INSURANCE			
OTHER PURCHASED INPUTS		\$20.91	\$7.84
CANAL WATER		\$5.00	\$5.00
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$6.49	\$102.03	\$43.12
FUEL-IRRIGATION		\$5.95	\$4.46
REPAIRS	\$0.67	\$40.38	\$15.27
CUSTOM CHARGES			
LAND TAXES		\$0.24	\$0.24
OTHER EXPENSES	\$0.30	\$224.41	\$223.64
TOTAL CASH EXPENSES	\$74.96	\$398.93	\$299.58
RETURN OVER CASH EXPENSES	(\$74.96)	\$176.07	(\$99.08)
FIXED EXPENSES	\$1.92	\$106.25	\$46.22
TOTAL EXPENSES	\$76.88	\$505.19	\$345.80
NET FARM INCOME	(\$76.88)	\$69.81	(\$145.30)
LABOR AND MANAGEMENT COSTS	\$26.51	\$167.51	\$82.48
NET OPERATING PROFIT	(\$103.39)	(\$97.70)	(\$227.78)
CAPITAL COSTS			
INTEREST ON OPERATING CAPITAL		\$1.97	\$0.93
INTEREST ON EQUIPMENT INVESTMENT		\$2.93	\$28.54
TOTAL CAPITAL COSTS	\$0.00	\$4.91	\$29.47
RETURN TO LAND AND RISK	(\$103.39)	(\$102.60)	(\$257.25)

TABLE 10. Whole farm summary, Union County,
Projected 2010.

GROSS RETURNS		
ALFALFA HAY	40 ACRES	
CROP		\$22,400
GRAZING		\$600
NATIVE GRASS HAY	40 ACRES	
CROP		\$7,500
GRAZING		\$520
GROSS RETURN		<u>\$31,020</u>
CASH OPERATING EXPENSES		
SEED		\$270
FERTILIZER		\$0
CHEMICALS		\$0
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$1,150
CANAL WATER		\$400
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$5,832
FUEL-IRRIGATION		\$417
REPAIRS		\$2,229
CUSTOM CHARGES		\$0
LAND TAXES		\$19
OTHER EXPENSES		\$17,923
TOTAL CASH EXPENSES		<u>\$28,240</u>
RETURN OVER CASH EXPENSES		\$2,780
FIXED EXPENSES		\$5,693
TOTAL EXPENSES		\$33,934
NET FARM INCOME		(\$2,914)
LABOR AND MANAGEMENT COSTS		\$10,106
NET OPERATING PROFIT		(\$13,019)
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$116
INTEREST ON EQUIPMENT INVESTMENT		\$1,259
TOTAL CAPITAL COSTS		<u>\$1,375</u>
RETURN TO LAND AND RISK		<u>(\$14,394)</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$200 /ACRE	(\$14,874)	-24.09%
\$350 /ACRE	(\$15,234)	-19.71%
\$500 /ACRE	(\$15,594)	-16.68%

* 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)