

TABLE 1. Acreage Summary, Eddy County, Artesia Lake Arthur Area, Actual 2025

ARTESIA-LAKE ARTHUR AREA			
BUDGET AREA.....	ARTESIA-LAKE ARTHUR AREA		
FARM SIZE.....	500.00 ACRES		
IRRIGATION TYPE.....	FLOOD		
NUMBER OF CROPS.....	5		
		WATER USE	
ACREAGE SUMMARY:	LAND USE (ACRES)	AC.IN. PER AC.	TOTAL AC.IN.
ALFALFA ESTABLISHMENT	52.00 *	8	416
ALFALFA	343.00	50	17,150
WHEAT HAY	17.00	28	476
OAT HAY	20.00	28	560
CORN SILAGE	68.00	30	2,040
	TOTAL		20,642
	ACRE FEET PER ACRE OF WATER RIGHTS		3.44

*DOUBLE-CROPPED: Of the 395 acres of alfalfa, 52 acres are in establishment (8 inches), while the remaining 343 acres of mature alfalfa are calculated at 50 inches.

TABLE 2. Basic cost information for the Artesia-Lake Arthur area, Actual 2023

Item		
Labor Wage Rate:		
Equipment operators	\$/hour	\$20.00
General & Irrigators	\$/hour	\$16.90
Purchased Inputs:		
Fertilizer:		
Nitrogen (N)	\$/pound	\$0.92
Phosphate (P ₂ O ₅)	\$/pound	\$0.93
Fertilizer Blend(N-P-K-S)	\$/lb.	\$0.43
Seed:		
Alfalfa	\$/pound	\$4.60
Cotton picker	\$/pound	\$7.00
stripper	\$/pound	\$7.00
Wheat	\$/pound	\$0.56
Oats	\$/pound	\$0.76
Red Chile	\$/pound	\$125.00
Twine	\$/lb.	\$2.00
Natural gas	\$/MCF	\$6.27
(service charge)	\$/month	\$10.00
Diesel fuel	\$/gallon	\$3.33
Gasoline	\$/gallon	\$2.68
Electricity	cents/Kwhr	5.90
LP Gas	\$/gallon	\$2.55
Employee Liability Insurance	\$/ \$1000 wages	\$0.72
Employee Benefits	percent/wages	18.00%
Labor Downtime	percent	25.00%
Financial Rates:		
Operating Capital Interest Rate	percent	8.75%
Land Interest Rate	percent	7.95%
Equipment Interest Rate	percent	6.45%
Real Interest Rate	percent	1.72%
Land Taxes	\$250.00 /acre (full value)	\$1.79
Personal Property Tax Rate	- NR	-\$/\$1,000 (Assessed Value)
	- R	\$21.42
		\$19.14
Supervision Factors		
Field Crop-Irrigation	\$/labor hour	\$0.06
Field Crop-Equipment & General	\$/labor hour	\$0.03
Vegetable Crop-Irrigation	\$/labor hour	\$0.00
Vegetable Crop-Equip. & General	\$/labor hour	\$0.00
Management Rate		
Field Crops	percent/GR	7.00%
Vegetable Crops	percent/TOE	10.00%

TABLE 3. Overhead cost information for the Artesia-Lake Arthur area, Actual 2025

Item		
Electricity (Domestic & Shop)	\$307.20 per month	\$3,686
Telephone	\$224.00 per month	\$2,688
Accounting & Legal		\$3,386
Misc. Supplies & Hand Tools		\$4,326
Pickup and Auto	25,600 @ \$0.700 per mile	\$17,920
Insurance		
- general liability (non-employee)		\$1,907
- fire/theft		\$2,874
Property Taxes		
- non-planted land		\$0
- other than land & machinery		\$0
Building repairs and maintenance		\$0
Dues, fees, publications		\$1,446
Farmstead Equipment		\$435
	Total	\$38,669
	Total Per Planted Acre	\$77.34

TABLE 6. Alfalfa establishment, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2025

Planting dates: September 1 - September 30

ITEM	PRICE	QUANTITY	PURCHASED INPUTS				TOTAL		
<u>PURCHASED INPUTS</u>									
SEED	\$4.60	30 LBS					\$138.00		
HERBICIDE	\$32.40	1 ACRE					\$32.40		
PUMP WATER		8 AC. IN.					\$170.40		
SUBTOTAL							\$170.40		
<u>PREHARVEST OPERATIONS</u>									
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL	
PLOW	145 HP	0.48 HR		\$9.60	\$13.17	\$3.24	\$11.87	\$37.87	
DISC (2X)	145 HP	0.34 HR		\$6.80	\$9.33	\$2.29	\$7.57	\$25.99	
PLANE (3X)	145 HP	0.57 HR		\$11.40	\$15.63	\$2.32	\$22.14	\$51.50	
DISC	145 HP	0.17 HR		\$3.40	\$4.66	\$1.15	\$3.79	\$13.00	
FLOAT (2X)	70 HP	0.32 HR		\$6.40	\$6.48	\$0.29	\$1.63	\$14.80	
DRILL (2X)	70 HP	0.42 HR		\$8.40	\$8.50	\$0.82	\$25.60	\$43.32	
IRRIGATE (2X)		1.00 HR		\$16.90	\$10.88	\$1.45	\$2.39	\$31.62	
SUBTOTAL		3.30 HR		\$62.90	\$68.65	\$11.56	\$75.00	\$218.11	
<u>OVERHEAD EXPENSES</u>									
DOWNTIME		0.46 HR		\$9.10				\$9.10	
EMPLOYEE BENEFITS				\$11.32				\$11.32	
INSURANCE				\$0.05				\$0.05	
SUPERVISION AND MANAGEMENT				\$27.31				\$27.31	
SUBTOTAL		0.46 HR		\$0.05	\$47.73			\$47.77	
TOTAL OPERATING EXPENSES		3.76 HR		\$170.44	\$110.63	\$68.65	\$11.56	\$75.00	\$436.28

TABLE 7. Alfalfa hay, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2025
Harvesting dates: May 5 - November 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
ALFALFA HAY	\$305.00	6.10 TONS (STACKED)						\$1,860.50
GRAZING	\$40.00							\$40.00
TOTAL							\$1,900.50	
PURCHASED INPUTS								
	PRICE	QUANTITY	PURCHASED INPUTS				FIXED COST	TOTAL
INSECTICIDE (CUSTOM)	\$25.02	2 X/ACRE	\$50.05					\$50.05
HERBICIDE (CUSTOM)	\$36.36	1 ACRE	\$36.36					\$36.36
INSECT SCOUTING	\$5.25	1 ACRE	\$5.25					\$5.25
FERTILIZER (5-26-30)	\$0.21	200 LBS	\$42.00					\$42.00
TWINE	\$2.00	20 LBS	\$40.00					\$40.00
DRYING AGENT (AGRI-DRY)	\$8.26	1 /TON	\$50.36					\$50.36
ESTABLISHMENT: Principal		5 YEARS					\$87.26	\$87.26
Interest							\$20.03	\$20.03
PUMP WATER*		50 AC. IN.						
SUBTOTAL			\$224.02				\$107.28	\$331.31
PREHARVEST OPERATIONS								
	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
IRRIGATE (7X)		3.50 HR		\$59.15	\$68.00	\$9.05	\$14.96	\$151.16
SUBTOTAL		3.50 HR		\$59.15	\$68.00	\$9.05	\$14.96	\$151.16
HARVEST OPERATIONS								
SWATHER (5X)	16 FT SP	0.55 HR		\$11.00	\$6.85	\$0.76	\$10.52	\$29.12
RAKE (5X)	70 HP	0.25 HR		\$5.00	\$20.25	\$0.46	\$1.29	\$27.00
BALER (5X)	96 HP	1.25 HR		\$25.00	\$25.31	\$1.32	\$2.79	\$54.41
BALE WAGON (5X)	SP	1.00 HR		\$20.00	\$20.80	\$15.35	\$6.50	\$62.64
SUBTOTAL		3.05 HR		\$61.00	\$73.20	\$17.88	\$21.09	\$173.18
OVERHEAD EXPENSES								
DOWNTIME		0.70 HR		\$14.00				\$14.00
EMPLOYEE BENEFITS				\$21.63				\$21.63
INSURANCE			\$0.09					\$0.09
LAND TAXES							\$1.79	\$1.79
SUPERVISION AND MANAGEMENT				\$133.33				\$133.33
OTHER EXPENSES			\$77.34					\$77.34
SUBTOTAL		0.70 HR		\$77.42	\$168.95		\$1.79	\$248.16
TOTAL OPERATING EXPENSES		7.25 HR		\$301.45	\$289.10	\$141.20	\$26.93	\$903.81
NET OPERATING PROFIT								\$996.69
INTEREST ON OPERATING CAPITAL		(\$138.87	@	8.75%)		\$12.15
INTEREST ON EQUIPMENT INVESTMENT								\$14.87
RETURN TO LAND AND RISK								\$969.67

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

BUDGET SUMMARY

GROSS RETURN		\$1,900.50	
VARIABLE OPERATING EXPENSES	\$469.59		
RETURN OVER VARIABLE EXPENSES		\$1,430.91	(GROSS MARGIN)
FIXED EXPENSES	\$145.12		
NET FARM INCOME		\$1,285.79	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$289.10		
NET OPERATING PROFIT		\$996.69	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$27.02		
RETURN TO LAND AND RISK		\$969.67	

TABLE 8. Wheat Hay, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2025
 Planting dates: August 15 - November 1
 Harvesting dates: June 15 - July 1

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
WHEAT HAY	\$184.00	3.00 TON						\$552.00
TOTAL							\$552.00	
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.56	100 LBS	\$56.00					\$56.00
FERTILIZER (16-20-0)	\$0.17	150 LBS	\$25.50					\$25.50
PUMP WATER*		28 AC. IN.						
SUBTOTAL			\$81.50					\$81.50
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$9.60	\$13.17	\$3.24	\$11.87	\$37.87
DISC	145 HP	0.34 HR		\$6.80	\$9.33	\$2.29	\$7.57	\$25.99
FLOAT	70 HP	0.16 HR		\$3.20	\$3.24	\$0.15	\$0.82	\$7.40
FERTILIZE (CUSTOM)			\$0.00					\$0.00
DRILL	70 HP	0.21 HR		\$4.20	\$4.25	\$0.41	\$12.80	\$21.66
IRRIGATE (4X)		2.00 HR		\$33.80	\$3.01	\$0.40	\$0.66	\$37.87
SUBTOTAL		3.19 HR		\$57.60	\$32.99	\$6.49	\$33.72	\$130.80
HARVEST OPERATIONS								
SWATHER	16 FT	0.11 HR		\$2.20	\$0.00	\$0.18	\$4.38	\$6.76
BALER	145 HP	0.25 HR		\$5.00	\$0.00	\$0.30	\$14.90	\$20.20
BALE WAGON	S. P.	0.20 HR		\$4.00	\$0.00	\$0.56	\$1.42	\$5.98
SUBTOTAL		0.56 HR		\$11.20	\$0.00	\$1.04	\$20.70	\$32.94
OVERHEAD EXPENSES								
DOWNTIME		0.15 HR		\$2.59				\$2.59
EMPLOYEE BENEFITS				\$12.38				\$12.38
INSURANCE			\$0.05					\$0.05
LAND TAXES							\$1.79	\$1.79
SUPERVISION AND MANAGEMENT				\$38.81				\$38.81
OTHER EXPENSES			\$77.34					\$77.34
SUBTOTAL		0.15 HR		\$77.39	\$53.78		\$1.79	\$132.95
TOTAL OPERATING EXPENSES		3.90 HR		\$158.89	\$122.58	\$32.99	\$7.53	\$56.20
NET OPERATING PROFIT							\$173.81	
INTEREST ON OPERATING CAPITAL		(\$50.71 @ 8.75%)						\$4.44
INTEREST ON EQUIPMENT INVESTMENT								\$24.00
RETURN TO LAND AND RISK							\$145.37	

* Pump water costs are shown under irrigation in the preharvest operation section.
BUDGET SUMMARY

GROSS RETURN		\$552.00	
VARIABLE OPERATING EXPENSES	\$199.41		
RETURN OVER VARIABLE EXPENSES		\$352.59	(GROSS MARGIN)
FIXED EXPENSES	\$56.20		
NET FARM INCOME		\$296.39	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$122.58		
NET OPERATING PROFIT		\$173.81	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$28.44		
RETURN TO LAND AND RISK		\$145.37	

TABLE 9. Oat hay, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2025
 Planting dates: February 1 - February 28
 Harvesting dates: June 1 - June 30

ITEM	PRICE	YIELD						TOTAL
GROSS RETURNS								
OAT HAY	\$184.00	3.50 TONS (STACKED)						\$644.00
TOTAL							\$644.00	
PURCHASED INPUTS								
PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS					TOTAL
SEED	\$0.76	100 LBS	\$76.00					\$76.00
FERTILIZER (16-20-0)	\$0.17	150 LBS	\$25.50					\$25.50
PUMP WATER*		28 AC. IN.						
SUBTOTAL			\$101.50					\$101.50
PREHARVEST OPERATIONS								
PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.48 HR		\$9.60	\$13.17	\$2.00	\$11.87	\$36.63
DISC	145 HP	0.34 HR		\$6.80	\$9.33	\$2.29	\$7.57	\$25.99
FLOAT	70 HP	0.16 HR		\$3.20	\$3.24	\$0.15	\$0.82	\$7.40
FERTILIZE (CUSTOM)			\$0.00					\$0.00
DRILL	70 HP	0.21 HR		\$4.20	\$4.25	\$0.41	\$12.80	\$21.66
IRRIGATE (4X)		2.00 HR		\$33.80	\$38.08	\$5.07	\$8.38	\$85.33
SUBTOTAL	3.19 HR			\$57.60	\$68.06	\$9.92	\$41.44	\$177.02
HARVEST OPERATIONS								
SWATHER	16 FT	0.11 HR		\$2.20	\$1.37	\$0.15	\$2.10	\$5.82
BALER	126 HP	0.25 HR		\$5.00	\$6.86	\$1.03	\$4.03	\$16.92
BALE WAGON	S. P.	0.20 HR		\$4.00	\$4.16	\$3.07	\$1.30	\$12.53
SUBTOTAL	0.56 HR			\$11.20	\$12.39	\$4.25	\$7.43	\$35.27
OVERHEAD EXPENSES								
DOWNTIME		0.40 HR		\$7.95				\$7.95
EMPLOYEE BENEFITS				\$12.38				\$12.38
INSURANCE			\$0.05					\$0.05
LAND TAXES							\$1.79	\$1.79
SUPERVISION AND MANAGEMENT				\$45.25				\$45.25
OTHER EXPENSES			\$77.34					\$77.34
SUBTOTAL	0.40 HR		\$77.39	\$65.58			\$1.79	\$144.75
TOTAL OPERATING EXPENSES	4.15 HR		\$178.89	\$134.38	\$80.45	\$14.17	\$50.65	\$458.54
NET OPERATING PROFIT								\$185.46
INTEREST ON OPERATING CAPITAL		(\$71.63 @ 8.75%)					\$6.27	
INTEREST ON EQUIPMENT INVESTMENT								\$20.87
RETURN TO LAND AND RISK								\$158.32

* Pump water costs are shown under irrigation in the preharvest operation section.
 BUDGET SUMMARY

GROSS RETURN		\$644.00	
VARIABLE OPERATING EXPENSES	\$273.51		
RETURN OVER VARIABLE EXPENSES		\$370.49	(GROSS MARGIN)
FIXED EXPENSES	\$50.65		
NET FARM INCOME		\$319.84	(RETURN TO CAPITAL, LABOR, LAND & RISK)
LABOR AND MANAGEMENT COST	\$134.38		
NET OPERATING PROFIT		\$185.46	(RETURN TO CAPITAL, LAND & RISK)
CAPITAL COSTS	\$27.14		
RETURN TO LAND AND RISK		\$158.32	

TABLE 10. Corn Silage, flood-irrigated, budgeted per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2025
 Planting dates: April 15 -May 15
 Harvesting dates: July 25 - September 10

ITEM	PRICE	YIELD	TOTAL
GROSS RETURNS			
CORN SILAGE	\$28.00	23.00 TONS (STANDING)	\$644.00
TOTAL			\$644.00

PURCHASED INPUTS	PRICE	QUANTITY	PURCHASED INPUTS	TOTAL
SEED	\$0.76	100 LBS	\$76.00	\$76.00
NITROGEN(UREA 46-0-0)	\$0.92	150 LBS	\$138.59	\$138.59
HERBICIDE		1 ACRE	\$20.00	\$20.00
PUMP WATER*		30 AC. IN.		
SUBTOTAL			\$234.59	\$234.59

PREHARVEST OPERATIONS	POWER UNIT	ACCOMPLISHMENT RATE	PURCHASED INPUTS	LABOR	FUEL & LUBE	REPAIRS	FIXED COST	TOTAL
PLOW	145 HP	0.67 HR		\$13.40	\$18.38	\$4.52	\$16.56	\$52.86
DISC (2x)	145 HP	0.17 HR		\$3.40	\$4.66	\$1.15	\$3.79	\$13.00
LAND PLANE	70 HP	0.24 HR		\$4.80	\$4.86	\$0.24	\$6.23	\$16.13
LISTER/PLANTER	70 HP	0.26 HR		\$5.20	\$5.26	\$0.66	\$10.95	\$22.08
CULTIVATOR (2X)	70 HP	0.42 HR		\$8.40	\$8.50	\$3.13	\$55.16	\$75.19
HERBICIDE APP.	70 HP	0.21 HR		\$4.20	\$4.25	\$0.29	\$3.86	\$12.60
IRRIGATE (8X)		2.16 HR		\$36.50	\$3.25	\$0.43	\$0.71	\$40.90
SUBTOTAL		4.13 HR		\$75.90	\$49.17	\$10.42	\$97.27	\$232.76

OVERHEAD EXPENSES

DOWNTIME		0.49 HR		\$9.85				\$9.85
EMPLOYEE BENEFITS				\$13.66				\$13.66
INSURANCE			\$0.05					\$0.05
LAND TAXES							\$1.79	\$1.79
SUPERVISION AND MANAGEMENT				\$45.26				\$45.26
OTHER EXPENSES			\$77.34					\$77.34
SUBTOTAL		0.49 HR	\$77.39	\$68.78			\$1.79	\$147.95

TOTAL OPERATING EXPENSES 4.62 HR \$311.98 \$144.68 \$49.17 \$10.42 \$99.05 \$615.30

NET OPERATING PROFIT \$28.70

INTEREST ON OPERATING CAPITAL (\$132.19 @ 8.75%) \$11.57
 INTEREST ON EQUIPMENT INVESTMENT \$28.16

RETURN TO LAND AND RISK (\$11.03)

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

BUDGET SUMMARY

GROSS RETURN		\$644.00	
VARIABLE OPERATING EXPENSES	\$371.56		
RETURN OVER VARIABLE EXPENSES	\$272.44	(GROSS MARGIN)	
FIXED EXPENSES	\$99.05		
NET FARM INCOME	\$173.38	(RETURN TO CAPITAL, LABOR, LAND & RISK)	
LABOR AND MANAGEMENT COST	\$144.68		
NET OPERATING PROFIT	\$28.70	(RETURN TO CAPITAL, LAND & RISK)	
CAPITAL COSTS	\$39.73		
RETURN TO LAND AND RISK		(\$11.03)	

TABLE 11. Summary of per acre costs and returns for a 500 acre farm with above average management, Artesia-Lake Arthur area, Actual 2025

	ALFALFA ESTABLISHMENT	ALFALFA HAY	WHEAT HAY	OAT HAY	CORN SILAGE
		TONS	CWT	TONS	LBS
PRIMARY YIELD		6.10	3.00	3.50	23.00
PRIMARY PRICE		\$305.00	\$184.00	\$184.00	\$28.00
GOVERNMENT PAYMENTS		\$0.00	\$0.00	\$0.00	\$0.00
SECOND INCOME		\$40.00	\$0.00	\$0.00	\$0.00
GROSS RETURN		\$1,900.50	\$552.00	\$644.00	\$644.00
CASH OPERATING EXPENSES					
SEED	\$138.00	\$0.00	\$56.00	\$76.00	\$76.00
FERTILIZER	\$0.00	\$42.00	\$25.50	\$25.50	\$138.59
CHEMICALS	\$32.40	\$86.41	\$0.00	\$0.00	\$20.00
CROP INSURANCE					
OTHER PURCHASED INPUTS		\$95.61			
CANAL WATER					
FUEL, OIL & LUBRICANTS-EQUIPMENT	\$57.77	\$73.20	\$32.99	\$42.37	\$45.92
FUEL-IRRIGATION	\$10.88	\$68.00	\$0.00	\$38.08	\$3.25
REPAIRS	\$11.56	\$26.93	\$7.53	\$14.17	\$10.42
CUSTOM CHARGES			\$0.00		\$0.00
LAND TAXES		\$1.79	\$1.79	\$1.79	\$1.79
OTHER EXPENSES	\$0.05	\$77.42	\$77.39	\$77.39	\$77.39
TOTAL CASH EXPENSES	\$250.66	\$471.37	\$201.19	\$275.29	\$373.35
RETURN OVER CASH EXPENSES	(\$250.66)	\$1,429.13	\$350.81	\$368.71	\$270.65
FIXED EXPENSES	\$75.00	\$143.33	\$54.42	\$48.87	\$97.27
TOTAL EXPENSES	\$325.65	\$614.71	\$255.61	\$324.16	\$470.62
NET FARM INCOME	(\$325.65)	\$1,285.79	\$296.39	\$319.84	\$173.38
LABOR AND MANAGEMENT COSTS	\$110.63	\$289.10	\$122.58	\$134.38	\$144.68
NET OPERATING PROFIT	(\$436.28)	\$996.69	\$173.81	\$185.46	\$28.70
CAPITAL COSTS					
INTEREST ON OPERATING CAPITAL		\$12.15	\$4.44	\$6.27	\$11.57
INTEREST ON EQUIPMENT INVESTMENT		\$14.87	\$24.00	\$20.87	\$28.16
TOTAL CAPITAL COSTS	\$0.00	\$27.02	\$28.44	\$27.14	\$39.73
RETURN TO LAND AND RISK	(\$436.28)	\$969.67	\$145.37	\$158.32	(\$11.03)

TABLE 12. Whole farm summary, Artesia-Lake Arthur area,
Actual 2025

GROSS RETURNS		
ALFALFA HAY CROP	343 ACRES	\$651,872
WHEAT HAY CROP	17 ACRES	\$9,384
OAT HAY CROP	20 ACRES	\$12,880
CORN SILAGE CROP	68 ACRES	\$43,792
GROSS RETURN		<u>\$717,928</u>
CASH OPERATING EXPENSES		
SEED		\$14,816
FERTILIZER		\$24,773
CHEMICALS		\$32,684
CROP INSURANCE		\$0
OTHER PURCHASED INPUTS		\$32,795
CANAL WATER		\$0
FUEL, OIL & LUBRICANTS-EQUIPMENT		\$32,644
FUEL-IRRIGATION		\$24,872
REPAIRS		\$10,960
CUSTOM CHARGES		\$0
LAND TAXES		\$800
OTHER EXPENSES		\$34,685
TOTAL CASH EXPENSES		<u>\$194,212</u>
RETURN OVER CASH EXPENSES		\$523,715
FIXED EXPENSES		\$31,651
TOTAL EXPENSES		\$225,863
NET FARM INCOME		\$492,064
LABOR AND MANAGEMENT COSTS		\$119,525
NET OPERATING PROFIT		\$372,539
CAPITAL COSTS		
INTEREST ON OPERATING CAPITAL		\$5,155
INTEREST ON EQUIPMENT INVESTMENT		\$7,841
TOTAL CAPITAL COSTS		<u>\$12,996</u>
RETURN TO LAND AND RISK		<u>\$359,543</u>

LAND VALUE	RETURN TO RISK*	RETURN ON INVESTMENT**
\$1,000 /ACRE	\$350,968	58.12%
\$2,500 /ACRE	\$338,106	26.78%
\$4,000 /ACRE	\$325,243	17.40%
\$5,500 /ACRE	\$312,381	12.89%

* 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)