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Technical Note

A Field Office Procedure for Evaluating CRP Alternatives

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Introduction

The first Conservation Reserve Program (CRP) contracts will begin to expire in 1995. Contracts covering approximately 2 million acres expire by the end of fiscal year 1995 and contracts covering over 13 million additional acres expire in fiscal year 1996. A total of over 36 million acres were enrolled in the CRP in just over 375,000 contracts. Most CRP contracts are scheduled to expire by the year 2000.

The Soil Conservation Service is interested in providing information to producers that will help them determine what to do with their land when their CRP contracts expire. This note provides a procedure that can be used by field offices to do a quick and easy economic comparison of the alternatives a producer is likely to face. The procedure uses information that is generally available in the field office or may be easily collected from the producer.

This technical note was developed from the work of Hal Gordon, economist in Oregon, and David Archer, economist in Washington.

Key Steps of the Evaluation Procedure

1. Identify the producer's situation. Some good questions are:
 - How many acres of CRP do you have?
 - Describe your operation before acreage was enrolled in CRP.
 - Describe your operation now.
 - What options are you considering to use when CRP contracts expire?
 - If you bring all of your CRP land back in to crop production will you need to acquire more machinery or hire more help?
 - Will your available base acres allow you to bring all of your CRP land back into crop production?
 - Are you considering bringing CRP land back into crop production simply to protect your base?
 - Do you have livestock or are you willing to consider using livestock in your operation?
 - If you use your CRP land for grazing, will you try to acquire more livestock?

2. Collect the data necessary to fill out the economic worksheet:

From the FOTG, Extension Budgets, or CARE Budgets:

Crop Budgets for the crops the producer is considering

Livestock Budgets for the livestock operation the producer is considering

Fencing costs

Cost of water development

From other sources:

Land prices for both crop land and range land

Rental or lease rates for crop land, hay land, and range land

Cost and returns estimates for alternatives other than cropping or grazing
(e.g., fee hunting, timber cutting, biomass for ethanol production)

Cost of acquiring additional machinery, equipment, or livestock

Value of machinery

Value of home, farmstead and out buildings

Tax rates and payments for different landuses

3. Fill out the economics worksheet (Appendix A).

4. Compare the annual returns for each alternative, subject to any constraints that may have come up in talking to the producer. (For example, if the highest annual net returns are for grazing CRP, but the producer does not like livestock for other reasons, then he or she will likely choose the alternative with the next highest annual net returns.)

Step 1 is designed to gather basic information about the producer so that the evaluation is tailored to his or her specific situation. This step is also important for capturing some of the factors outside of economics that might have a significant effect on his or her decision.

Step 2 gives a complete list of the data needed to complete the economic evaluation. The procedure can be used with generic data such as published Extension budgets, however the analysis will be more reliable if this data is customized to fit the individual producer. Costs of production should exclude any land or management costs. The operations involved in breaking out CRP are likely to vary for different regions. It may be necessary to consult an agronomist for a set of operations that would be used in a specific area. Some sample sets of operations are listed in Appendix B. Only costs that are not a part of the normal expected crop rotation should be included in the break out costs, for example, extra tillage necessary for seed bed preparation in established CRP sod, repair to existing conservation practices like terraces, and additional herbicide and cultivations for initial weed control.

Step 3 is designed to summarize the annual net returns for each alternative. Fill in each of the blanks with the relevant data, entering all receipts as positive numbers and all costs as negative numbers. One-time costs or revenues are all converted to annual values amortizing over 20 years with an interest rate of 8%. After the annual net returns for each alternative are calculated, they are converted to per acre annual net returns at the end of the worksheet. At this point each alternative should be ranked with the highest annual net return ranked number 1, the second highest annual net return ranked number 2, etc. Appendix C is a sample worksheet using a case study conducted by Hal Gordon in Oregon.

Step 4 is the interpretation stage. Each alternative in the summary section has been given a ranking. Neglecting any other constraints, the alternative with the highest annual net return (ranked number 1) is economically the most favorable. The producer's ultimate decision may be affected by things such as base acreage constraints, time constraints, or risk attitude. Also, there may be other considerations that are equally important to the producer. In presenting this information to the producer SCS should also indicate the environmental effects of each alternative so the producer can include this information in his or her decision.

The "Sell it" alternative is presented as a benchmark alternative for comparing the value of the landowner's resources used in crop production. Some factors that make selling the land a possible alternative are the percent of the farm enrolled in CRP, nonfarm alternative uses of the landowner's resources, and changing career or retirement objectives of the landowner. The comparison is based on the income-capitalization approach of market valuation, that is, the market value of a property should equal the discounted present value of the expected future flow of its annual net returns. The flow of annual net returns are expected to be even and extend into the distant future. No land speculation value is included in this calculation.

Appendix A: Worksheet for Comparing Alternative Uses of CRP Land

Sell it: _____ acres x _____ \$/acre = \$ _____
 Home, Farmstead, Out Buildings = \$ _____
 Farm Machinery = \$ _____
 Sum of One-time costs = \$ _____ x 0.10185 = _____ \$/year
TOTAL 1 = \$/year

Farm it: "Break out" CRP:
 _____ acres x _____ \$/acre = \$ _____
 Other One-time costs (e.g. equip. purchase) = \$ _____
 Sum of One-time costs = _____ x 0.10185 = _____ \$/year
 Crop 1 net returns _____ \$/acre/year x _____ acres = _____ \$/year
 Crop 2 net returns _____ \$/acre/year x _____ acres = _____ \$/year
 Crop 3 net returns _____ \$/acre/year x _____ acres = _____ \$/year
 Crop 4 net returns _____ \$/acre/year x _____ acres = _____ \$/year
TOTAL 2 = \$/year

Rent to farmer: "Break out" CRP:
 1200 acres x _____ \$/acre = \$ _____
 Other One-time costs = \$ _____
 Sum of One-time costs = _____ x 0.10185 = _____ \$/year
 Cropland rent _____ \$/acre/year x _____ acres = _____ \$/year
TOTAL 3 = \$/year

Hay it: "Break out" CRP and/or replant;
 _____ acres x _____ \$/acre = \$ _____
 Other One-time costs = \$ _____
 Sum of One-time costs = _____ x 0.10185 = _____ \$/year
 Hay crop net returns _____ \$/acre/year x _____ acres = _____ \$/year
TOTAL 4 = \$/year

Rent for Hay: "Break out" CRP and/or replant:
 _____ acres x _____ \$/acre = \$ _____
 Other One-time costs = \$ _____
 Sum of One-time costs = _____ x 0.10185 = _____ \$/year
 Hay crop rent _____ \$/acre/year x _____ acres = _____ \$/year
TOTAL 5 = \$/year

Graze it: Preconditioning and/or replanting:
 _____ acres x _____ \$/acre = \$ _____
 Border fence: _____ miles x _____ \$/mile = \$ _____
 Cross-fencing: _____ miles x _____ \$/mile = \$ _____
 Water development: _____ site(s) x _____ \$/site = \$ _____
 Purchase additional livestock:
 _____ head x _____ \$/head = \$ _____
 _____ head x _____ \$/head = \$ _____
 _____ head x _____ \$/head = \$ _____
 Other One-time costs = \$ _____
 Sum of One-time costs = _____ x 0.10185 = _____ \$/year
 Livestock net returns: _____ acres x _____ AUM/acre x _____ \$/AUM = _____ \$/year
TOTAL 6 = \$/year

Rent to Rancher: Preconditioning and/or replanting:

_____ acres	x _____ \$/acre	= \$ _____	
Border fence:			
_____ 6 miles	x _____ \$/mile	= \$ _____	
Cross-fencing:			
_____ miles	x _____ \$/mile	= \$ _____	
Water development:			
_____ 2 site(s)	x _____ \$/site	= \$ _____	
Other One-time costs		= \$ _____	
	Sum of One-time costs	= _____ x 0.10185 = _____ \$/year	
Grazing rent:			
_____ 1200 acres	x _____ AUM/acre	x _____ \$/AUM	= _____ \$/year
			TOTAL 7 = <input type="text"/> \$/year

Wildlife habitat: One-time costs	= \$ _____	
One-time income (e.g. cost-share)	= \$ _____	
	Sum of One-time income & costs = _____	x 0.10185 = _____ \$/year
Net Return to Wildlife (incl. hunting revenue & other annual payments or costs)	= _____	\$/year
		TOTAL 8 = <input type="text"/> \$/year

Other: One-time costs	= \$ _____	
One-time income (e.g. cost-share)	= \$ _____	
	Sum of One-time income & costs = _____	x 0.10185 = _____ \$/year
Annual Net Returns (incl. any other annual payments or costs)	= _____	\$/year
		TOTAL 9 = <input type="text"/> \$/year

Summary:

	TOTAL	= \$	/	_____ acres	= \$	\$/Ac./Yr.	Rank
Net Returns to Selling It	TOTAL 1	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____
Net Returns to Farming It	TOTAL 2	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____
Net Returns to Renting to Farmer	TOTAL 3	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____
Net Returns to Haying It	TOTAL 4	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____
Net Returns to Renting for Hay	TOTAL 5	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____
Net Returns to Grazing It	TOTAL 6	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____
Net Returns to Renting to Rancher	TOTAL 7	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____
Net Returns to Wildlife Habitat	TOTAL 8	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____
Net Returns to Other	TOTAL 9	= \$	/	_____ acres	= \$	\$/Ac./Yr.	_____

* Amortization factor for a 20 year planning horizon at 8% interest

Appendix B: Sample Practices for "Breaking Out" CRP Land

Rainfall Area	Operation	Month	Cost (\$/Ac/Yr)
Low (10-12 Inches)			
	Disk Harrow	Sep	15.69
	Herbicide	Mar	6.42
	Chisel Plow w/Sweeps	Apr	9.74
	Cultiweed	May	3.82
	Rodweed	Jul	3.82
	Rodweed	Aug	3.82
	Grain Drill	Sep	<u>0.00</u>
		Total	43.31
Moderate (14-16 Inches)			
	Burn	Apr	5.00
	Moldboard	Apr	16.45
	Disk (2 times)	May	31.48
	Rodweed	Jul	3.82
	Rodweed	Aug	3.82
	Grain Drill	Sep	<u>0.00</u>
		Total	60.57
High (18+ Inches)			
	Burn	Apr	5.00
	Herbicide	Jul	12.68
	Herbicide	Aug	12.68
	No-till Drill	Sep	<u>0.00</u>
		Total	30.36

Appendix C: Case Information for "Breaking Out" CRP Land

Pre CRP:

- 300 head cow - calf ranch
- 1,200 acres wheat / fallow cropland
- Grow wheat on rented land

CRP Contract:

- Put 1,200 acres cropland into CRP
- Quit cow - calf operation
- Pheasant hunting operation
- Grow wheat on rented land

Post CRP Alternatives:

- Quit pheasant hunting operation
- Lease grazing land to other ranchers
- Leave 1,200 acres of CRP cropland in grass and sell to another farmer and buy more productive lands to farm
- Grow wheat on rented land

Before signing the CRP contract, the family ran a 300 head cow - calf operation and farmed 1,200 acres wheat / fallow land and occasionally rented additional wheatland. Wheat yields were about 30 bushels per acre.

After signing their CRP contract, they put 1,200 acres into CRP and sold the cow - calf operation. They believe they can make a better income farming. They are thinking about leaving 1,200 acres of CRP land in grass and selling it to another farmer, who would probably plow most of it out and farm it. They would then try to purchase and farm more productive land. They would not go back to the cow - calf operation and would lease all grazing land to other ranchers. If the 1,200 acres were leased for grazing, they would require additional fencing and water development.

Crop, livestock, and pheasant hunting enterprise budget information for this operation is presented Appendix D.

The completed worksheet for this case follows.

Sample Worksheet for Comparing Alternative Uses of CRP Land

Sell it: 1200 acres x 350 \$/acre = \$ 420000
 Home, Farmstead, Out Buildings = \$ 0
 Farm Machinery = \$ 0
 Sum of One-time costs = \$ 420000 x 0.10185 = 42777 \$/year
 TOTAL 1 = 42777 \$/year

Farm it: "Break out" CRP:
1200 acres x -43.31 \$/acre = \$ -51972
 Other One-time costs (e.g. equip. purchase) = \$ -1272
 Sum of One-time costs = \$ -53244 x 0.10185 = -5423 \$/year
 Crop 1 net returns 84.34 \$/acre/year x 600 acres = 50604 \$/year
 Crop 2 net returns -57.81 \$/acre/year x 600 acres = -34686 \$/year
 Crop 3 net returns _____ \$/acre/year x _____ acres = 0 \$/year
 Crop 4 net returns _____ \$/acre/year x _____ acres = 0 \$/year
 TOTAL 2 = 10495 \$/year

Rent to farmer: "Break out" CRP:
1200 acres x -43.31 \$/acre = \$ -51972
 Other One-time costs = \$ -1272
 Sum of One-time costs = \$ -53244 x 0.10185 = -5423 \$/year
 Cropland rent 20 \$/acre/year x 1200 acres = 24000 \$/year
 TOTAL 3 = 18577 \$/year

Hay it: "Break out" CRP and/or replant:
 _____ acres x _____ \$/acre = \$ _____
 Other One-time costs = \$ _____
 Sum of One-time costs = _____ x 0.10185 = _____ \$/year
 Hay crop net returns _____ \$/acre/year x _____ acres = _____ \$/year
 TOTAL 4 = _____ \$/year

Rent for Hay: "Break out" CRP and/or replant:
 _____ acres x _____ \$/acre = \$ _____
 Other One-time costs = \$ _____
 Sum of One-time costs = _____ x 0.10185 = _____ \$/year
 Hay crop rent: _____ \$/acre/year x _____ acres = _____ \$/year
 TOTAL 5 = _____ \$/year

Graze it: Preconditioning and/or replanting:
 _____ acres x _____ \$/acre = \$ _____
 Border fence: _____ miles x _____ \$/mile = \$ _____
 Cross-fencing: _____ miles x _____ \$/mile = \$ _____
 Water development: _____ site(s) x _____ \$/site = \$ _____
 Purchase additional livestock:
 _____ head x _____ \$/head = \$ _____
 _____ head x _____ \$/head = \$ _____
 _____ head x _____ \$/head = \$ _____
 Other One-time costs = \$ _____
 Sum of One-time costs = _____ x 0.10185 = _____ \$/year
 Livestock net returns:
 _____ acres x _____ AUM/acre x _____ \$/AUM = _____ \$/year
 TOTAL 6 = _____ \$/year

Rent to Rancher: Preconditioning and/or replanting:

_____ acres	x _____ \$/acre	= \$ _____ 0
Border fence:		
<u>5</u> miles	x <u>-3000</u> \$/mile	= \$ <u>-18000</u>
Cross-fencing:		
_____ miles	x _____ \$/mile	= \$ _____ 0
Water development:		
<u>2</u> site(s)	x <u>-10000</u> \$/site	= \$ <u>-20000</u>
Other One-time costs		= \$ _____ 0
	Sum of One-time costs	= <u>-38000</u> x 0.10185 = <u>-3870</u> \$/year
Grazing rent:		
<u>1200</u> acres	x <u>0.3333</u> AUM/acre	x _____ 8 \$/AUM = <u>3200</u> \$/year
		TOTAL 7 = <u>-671</u> \$/year

Wildlife habitat: One-time costs	= \$ <u>75000</u>	
One-time income (e.g. cost-share)	= \$ <u>0</u>	
	Sum of One-time income & costs = <u>-75000</u> x 0.10185 = <u>-7639</u> \$/year	
Net Return to Wildlife (incl. hunting revenue & other annual payments or costs)		= <u>30000</u> \$/year
		TOTAL 8 = <u>22361</u> \$/year

Other: One-time costs	= \$ _____	
One-time income (e.g. cost-share)	= \$ _____	
	Sum of One-time income & costs = _____ x 0.10185 = _____ \$/year	
Annual Net Returns (incl. any other annual payments or costs)		= _____ \$/year
		TOTAL 9 = _____ \$/year

Summary:

	TOTAL				Rank
Net Returns to Selling It	TOTAL 1 = \$	<u>42777</u> /	<u>1200</u> acres	= \$ <u>35.65</u> \$/Ac./Yr.	<u>1</u>
Net Returns to Farming It	TOTAL 2 = \$	<u>10495.0986</u> /	<u>1200</u> acres	= \$ <u>8.75</u> \$/Ac./Yr.	<u>4</u>
Net Returns to Renting to Farmer	TOTAL 3 = \$	<u>18577.0986</u> /	<u>1200</u> acres	= \$ <u>15.48</u> \$/Ac./Yr.	<u>3</u>
Net Returns to Haying It	TOTAL 4 = \$	<u>0</u> /	<u>1200</u> acres	= \$ <u>-</u> \$/Ac./Yr.	
Net Returns to Renting for Hay	TOTAL 5 = \$	<u>0</u> /	<u>1200</u> acres	= \$ <u>-</u> \$/Ac./Yr.	
Net Returns to Grazing It	TOTAL 6 = \$	<u>0</u> /	<u>1200</u> acres	= \$ <u>-</u> \$/Ac./Yr.	
Net Returns to Renting to Rancher	TOTAL 7 = \$	<u>-670.62</u> /	<u>1200</u> acres	= \$ <u>-0.56</u> \$/Ac./Yr.	<u>5</u>
Net Returns to Wildlife Habitat	TOTAL 8 = \$	<u>22361.25</u> /	<u>1200</u> acres	= \$ <u>18.63</u> \$/Ac./Yr.	<u>2</u>
Net Returns to Other	TOTAL 9 = \$	<u>0</u> /	<u>1200</u> acres	= \$ <u>-</u> \$/Ac./Yr.	

* Amortization factor for a 20 year planning horizon at 8% interest

Table 1: Winter Wheat Enterprise Budget

Oct-93

Gross Receipts	Wheat	Price	Unit	Quantity	Returns	Approx. Ownership		Operating Costs	Labor	Service	Materials	Total Costs	Comments
						Date	Costs						
		\$4.00	Bushels	35	\$140.00								
<u>Cultural Operations</u>													
Drill Grain		\$2.81				Sep-93	\$7.56	\$0.36			\$5.20	\$15.93	300 HP-WT, Drill 60', 65 lb \$0.08
Herbicide		\$0.87				May-94	\$1.63	\$0.17			\$3.62	\$6.29	300HP-WT, Sprayer 100', 1pt 2.4-D
Combine		\$6.65				Aug-94	\$14.10	\$1.02				\$21.77	Combine 30'
Haul						Sep-94		\$0.90	\$2.63			\$3.53	Custom \$2.50/ton
<u>Other Charges</u>													
Pick-up						Season			\$5.00			\$5.00	3/4 Ton
Crop Insurance						Season			\$3.15			\$3.15	\$2.25/ \$100 Gross Returns
Land Cost						Season			\$0.00			\$0.00	Land Rent / Ownership
Overhead						Season			\$0.00			\$0.00	Legal, Accounting, Etc. 1%
Management						Season			\$0.00			\$0.00	6% of Gross Returns
Interest Charge						Season			\$0.00			\$0.00	Cost of borrowing Money
Total costs per Acre							\$23.29	\$2.45	\$10.78	\$8.82		\$55.67	
Gross Receipts												\$140.00	
Net Returns												\$84.33	

Table 2: Summer Fallow Enterprise Budget

Oct-93

<u>Gross Receipts</u>		<u>Price</u>	<u>Unit</u>	<u>Quantity</u>	<u>Returns</u>			
None		\$0.00	Bushels	0	\$0.00			
<u>Cultural Operations</u>	<u>Approx. Date</u>	<u>Ownership Costs</u>	<u>Operating Costs</u>	<u>Labor</u>	<u>Service</u>	<u>Materials</u>	<u>Total Costs</u>	<u>Comments</u>
Disk	Sep-92	\$7.35	\$6.94	\$1.40			\$15.69	300 HP-WT, Disk 24'
Herbicide	Apr-93	\$1.63	\$0.87	\$0.17		\$3.75	\$6.42	300HP-WT, 100' Sprayer, 1pt Round-up
Chisel	Apr-93	\$3.58	\$5.20	\$0.96			\$9.74	300HP-WT, Chisel 22'
Cultiweed/Fertilize	Jun-93	\$1.34	\$2.12	\$0.36		\$9.50	\$13.32	50 lbs N \$0.19/lb W/ Cultiweeder
Cultiweed	Jun-93	\$1.34	\$2.12	\$0.36			\$3.82	300HP-WT, Cultiweeder 36'
Cultiweed	Aug-93	\$1.34	\$2.12	\$0.36			\$3.82	300HP-WT, Cultiweeder 36'
Other Charges								
Pickup	Season				\$5.00		\$5.00	3/4 Ton 4x4
Land Cost	Season				\$0.00		\$0.00	Land Rent / Ownership Cost
Overhead	Season				\$0.00		\$0.00	6% of Gross Returns
Managment	Season				\$0.00		\$0.00	Cost of borrowing Money
Interest Charges	Season				\$0.00		\$0.00	
Total costs per Acre		\$16.58	\$19.37	\$3.61	\$5.00	\$13.25	\$57.81	
Gross Receipts							\$0.00	
Net Returns							(\$57.81)	

Table 3: Cow/Calf Ranch Budget.

Brood Cow Herd:

100

Returns	Quantity/Ut	Quantity	Unit	\$/ Unit	Total	\$/Cow
Cull Bulls	18	1	cwt	\$60.00	\$1,080.00	\$10.80
Cull Cows	12	20	cwt	\$45.00	\$10,800.00	\$108.00
Heifer Calves	5	45	cwt	\$95.00	\$21,375.00	\$213.75
Steer Calves	5	45	cwt	\$95.00	\$21,375.00	\$213.75
					\$54,630.00	\$546.30

Variable Cost	Quantity	Unit	\$/ Unit	Total	\$/Cow
Cash Cost:					
Bull Purchase	1	Hd	\$1,500.00	\$1,500.00	\$15.00
Heifer Purchase	20	Hd	\$750.00	\$15,000.00	\$150.00
Fence Repair	1	\$	\$500.00	\$500.00	\$5.00
Repairs				\$500.00	\$5.00
Fuel and Lube				\$400.00	\$4.00
Forest Lease	600	AUM	\$5.00	\$3,000.00	\$30.00
General Labor	1	Mo	\$1,500.00	\$1,500.00	\$15.00
Hay Purchase	100	Ton	\$70.00	\$7,000.00	\$70.00
Private Range Lease	0	AUM	\$8.00	\$0.00	\$0.00
Trucking Cost	100	HD	\$6.00	\$600.00	\$6.00
Utilities	1	\$	\$50.00	\$50.00	\$0.50
Implants	75	HD	\$0.90	\$67.50	\$0.68
Vaccine - Calves	95	HD	\$0.80	\$76.00	\$0.76
Pour-on	115	HD	\$0.70	\$80.50	\$0.81
Salt and Minerals	4000		\$0.08	\$320.00	\$3.20
Vaccine - Cows	100	HD	\$6.50	\$650.00	\$6.50
Vet & Preg Test	115	HD	\$3.00	\$345.00	\$3.45
Vaccine - Bulls	5	HD	\$2.50	\$12.50	\$0.13
Vibo, Trich, Semen	5	HD	\$30.00	\$150.00	\$1.50
Supplies	1	\$	\$100.00	\$100.00	\$1.00
Accounting & Legal	1	\$	\$546.30	\$546.30	\$5.46
Non-Cash Costs:					
Loan Interest				\$2,268.00	\$22.68
Owner Interest				\$4,000.00	\$40.00
Total Variable Cost:				\$38,665.80	\$386.66

Fixed Costs:					
Cash Costs:					
Machine / Equip Insurance				\$0.00	\$0.00
Livestock Insurance				\$0.00	\$0.00
Property Taxes				\$0.00	\$0.00
Non-Cash Costs:					
Interest / Dep Livestock				\$0.00	\$0.00
Interest / Dep Mach / Equip				\$0.00	\$0.00
Land Interest Charge				\$0.00	\$0.00
Total Fixed Costs:				\$0.00	\$0.00
Total Costs:				\$38,665.80	\$386.66
Net Returns:				\$15,964.20	\$159.64

Table 4: Pheasant Hunting Enterprise Information:

Estimated Pheasant Hunting Income		
2 Hunting Parties per 1200 acres		
2 Parties per Week		
6 Month Hunting Season (24 Weeks)		
\$2000 per Party		
Total Hunting Revenue		\$96,000
Estimated Pheasant Hunting Costs		
Hunting Lodge & Facilities		
\$75000, 20 yr, 8% =	\$7,639	
Pheasant Purchase		
1000 birds, \$10 @	10000	
Hunting Guide Fees	30,000	
Kennel (6 Dogs)	6,000	
Guest Meals, Chef, Transportaton	20,000	
Total Hunting Costs		\$73,639
Net Returns to Hunting		\$22,361