

## Ag Management Guide

2014

### Western CO - Grass Hay

#### Estimated Production Costs & Returns

##### GROSS RECEIPTS FROM PRODUCTION

GROSS RECEIPTS	Unit	Price	Yield	Per Acre	Per TON	YOUR FARM
Alfalfa	TON	\$ 135.00	3.15	\$425.25	\$135.00	_____
NET GOVT PAYMENTS	ACRE			\$0.00	\$0.00	_____
<b>Total Receipts</b>				<b>\$425.25</b>	<b>\$135.00</b>	

##### DIRECT COSTS

	Unit	Cost/ Unit	Quantity	Cost Per Acre	Cost Per TON	YOUR FARM
<i>OPERATING PREHARVEST</i>						
FERTILIZER	DOLS	68.00	1.00	68.00	21.59	_____
CUSTOM APPLICATION	DOLS	6.50	1.00	6.50	2.06	_____
INTEREST EXPENSE (6 mths @ 7.5%)	DOLS	2.79	1.00	2.79	0.89	_____
<b>Total Pre-Harvest Expenses</b>				<b>77.29</b>	<b>24.54</b>	
<i>HARVEST COSTS</i>						
<sup>1</sup> CUSTOM SWATHING	ACRE	15.00	1.00	15.00	4.76	_____
<sup>2</sup> CUSTOM BALING	BALE	8.00	4.20	33.60	10.67	_____
<sup>3</sup> CUSTOM HAUL/STACK	BALE	10.00	4.20	42.00	13.33	_____
Total Harvest Costs				90.60	28.76	
<b>Total Operating Costs</b>				<b>167.89</b>	<b>53.30</b>	
<i>PROPERTY &amp; OWNERSHIP COSTS</i>						
GENERAL FARM OVERHEAD	DOLS	20.00	1.00	20.00	6.35	_____
OWNERSHIP COSTS	DOLS	60.00	1.00	60.00	19.05	_____
REAL ESTATE TAXES	DOLS	14.00	1.00	14.00	4.44	_____
Total Property & Ownership Costs				94.00	29.84	
<b>Total Direct Costs</b>				<b>261.89</b>	<b>83.14</b>	
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>163.36</b>	<b>51.86</b>	
<i>FACTOR PAYMENTS</i>						
Land @ 4%				100.00	31.75	
<b>RETURN TO MANAGEMENT &amp; RISK</b>				<b>63.36</b>	<b>20.11</b>	

<sup>1</sup> Swathing = \$15/Acre

<sup>2</sup> Baling = \$8/Bale (1,800 lb. Bale)

<sup>3</sup> Hauling/Stacking = \$10/Bale

#### BREAKEVEN ANALYSIS - PER ACRE RETURNS OVER TOTAL DIRECT COSTS (\$/ACRE)

		ALTERNATIVE PRICES				
		\$/TON				
ALTERNATIVE YIELDS		-25%	-10%	+10%	+25%	
		\$ 101.25	\$ 121.50	\$ 135.00	\$ 148.50	\$ 168.75
-25%	2.36	-\$22.69	\$25.15	\$57.05	\$88.94	\$136.78
-10%	2.84	\$25.15	\$82.56	\$120.84	\$159.11	\$216.52
TON	3.15	\$57.05	\$120.84	\$163.36	\$205.89	\$269.67
+10%	3.47	\$88.94	\$159.11	\$205.89	\$252.66	\$322.83
+25%	3.94	\$136.78	\$216.52	\$269.67	\$322.83	\$402.56