

Table 3. 2012 Estimated Production Costs and Returns - Irrigated Alfalfa in Northeastern Colorado.

	Unit	Price or Cost/Unit	Quantity	Value or Cost Per Acre	Value or Cost/Unit Production	Your Farm
GROSS RECEIPTS FROM PRODUCTION:						
ALFALFA (Round Bales)	TONS	210.00	4.90	1029.00		
TOTAL RECEIPTS				1029.00	210.00	
DIRECT COSTS						
Operating Preharvest						
ESTABLISHMENT ALLOCATION (5 Years)	DOLS	52.25	1.00	52.25	10.66	
FERTILIZER	DOLS	102.84	1.00	102.84	20.99	
HERBICIDE	DOLS	26.32	1.00	26.32	5.37	
CUSTOM APPLICATION	DOLS	7.00	1.00	7.00	1.43	
INSECTICIDE	DOLS	18.79	1.00	18.79	3.83	
IRRIGATION ENERGY	DOLS	96.08	1.00	96.08	19.61	
IRRIGATION REPAIR	DOLS	10.24	1.00	10.24	2.09	
SPRINKLER LEASE	DOLS	70.00	1.00	70.00	14.29	
CUSTOM AERIAL SPRAY	DOLS	8.00	1.00	8.00	1.63	
INTEREST EXPENSE ³	DOLS			13.70	2.80	
Total Preharvest	DOLS			405.22	82.70	
Operating Harvest						
FUEL	DOLS			4.83	0.99	
REPAIR & MAINTENANCE	DOLS			8.64	1.76	
LABOR	DOLS			4.21	1.00	
BALING ¹	DOLS			98.00	20.00	
HAULING/STACKING ²	DOLS			19.60	4.00	
Total Harvest				135.28	27.61	
Total Operating Costs				540.50	110.31	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			16.43	3.35	
GENERAL FARM OVERHEAD	DOLS			10.00	2.04	
REAL ESTATE TAXES	DOLS			15.42	3.15	
Total Property and Ownership Costs	DOLS			41.85	8.54	
TOTAL DIRECT COSTS				582.35	118.85	
NET RECEIPTS BEFORE FACTOR PAYMENTS				446.65	91.15	
FACTOR PAYMENTS						
LAND @ 4.00%	DOLS			162.50	33.16	
RETURN TO MANAGEMENT AND RISK	DOLS			284.15	57.99	

1 Baling = \$15/Bale (Round Baler)

2 Hauling/Stacking = \$3/Bale

3 Interest on Operating Capital is calculated on 1/2 of pre-harvest operating costs at 7%

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

		ALTERNATIVE PRICES				
		\$/TON				
		-25%	-10%		+10%	+25%
		\$ 157.50	\$ 189.00	\$ 210.00	\$ 231.00	\$ 262.50
ALTERNATIVE YIELDS	-25%	\$ (3.54)	\$ 112.22	\$ 189.40	\$ 266.57	\$ 382.33
	-10%	\$ 112.22	\$ 251.14	\$ 343.75	\$ 436.36	\$ 575.27
	TONS	4.9	\$ 189.40	\$ 343.75	\$ 446.65	\$ 549.55
		4.9	\$ 343.75	\$ 446.65	\$ 549.55	\$ 703.90
	+10%	5.4	\$ 266.57	\$ 436.36	\$ 549.55	\$ 662.74
	+25%	6.1	\$ 382.33	\$ 575.27	\$ 703.90	\$ 832.52
					\$ 832.52	\$1,025.46