



Northeastern Colorado-Irrigated Alfalfa

Estimated Production Costs & Returns

2015

GROSS RECEIPTS FROM PRODUCTION

GROSS RECEIPTS	Unit	Price	Yield	Per Acre	Per TON	YOUR FARM
ALFALFA (Round Bales)	TONS	\$178.00	6.0	\$1,068.00	\$178.00	
Total Receipts				\$1,068.00	\$178.00	\$0

DIRECT COSTS

	Unit	Cost/ Unit	Quantity	Cost Per Acre	Cost Per TON	YOUR FARM
<i>OPERATING PREHARVEST</i>						
ESTABLISHMENT ALLOCATION (5 year)	DOLS	36.57	1.00	36.57	6.10	
FERTILIZER	DOLS	66.33	1.00	66.33	11.06	
HERBICIDE	DOLS	26.32	1.00	26.32	4.39	
CUSTOM APPLICATION	DOLS	7.00	1.00	7.00	1.17	
INSECTICIDE	DOLS	18.79	1.00	18.79	3.13	
IRRIGATION ENERGY	DOLS	83.15	1.00	83.15	13.86	
IRRIGATION REPAIR	DOLS	11.26	1.00	11.26	1.88	
SPRINKLER LEASE	DOLS	70.00	1.00	70.00	11.67	
CUSTOM AERIAL SPRAY	DOLS	8.00	1.00	8.00	1.33	
INTEREST EXPENSE ³	DOLS	11.46	1.00	11.46	1.91	
Total Pre-Harvest Expenses				338.88	56.48	\$0
<i>HARVEST COSTS</i>						
FUEL	DOLS	2.93	1.00	2.93	0.49	
REPAIR & MAINTENANCE	DOLS	8.64	1.00	8.64	1.44	
LABOR	DOLS	4.21	1.00	4.21	0.70	
BALING ¹	DOLS	120.00	1.00	120.00	20.00	
HAULING ²	DOLS	24.00	1.00	24.00	4.00	
Total Harvest Costs				159.78	26.63	
Total Operating Costs				498.66	83.11	\$0
<i>PROPERTY & OWNERSHIP COSTS</i>						
MACHINERY OWNERSHIP COSTS	DOLS	16.43	1.00	16.43	2.74	
GENERAL FARM OVERHEAD	DOLS	10.00	1.00	10.00	1.67	
REAL ESTATE TAXES	DOLS	15.42	1.00	15.42	2.57	
Total Property & Ownership Costs				41.85	6.98	\$0
Total Direct Costs				540.51	90.09	\$0
NET RECEIPTS BEFORE FACTOR PAYMENTS				527.49	87.92	\$0
<i>FACTOR PAYMENTS</i>						
Land @ 4%				200.00	33.33	
RETURN TO MANAGEMENT & RISK				327.49	54.58	\$0

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				
ALTERNATIVE YIELDS		-25%	-10%	\$178.00	+10%	+25%
		\$ 133.50	\$ 160.20	\$ 178.00	\$ 195.80	\$ 222.50
-25%	4.50	\$60.24	\$180.39	\$260.49	\$340.59	\$460.74
-10%	5.40	\$180.39	\$324.57	\$420.69	\$516.81	\$660.99
TONS	6.00	\$260.49	\$420.69	\$527.49	\$634.29	\$794.49
+10%	6.60	\$340.59	\$516.81	\$634.29	\$751.77	\$927.99
+25%	7.50	\$460.74	\$660.99	\$794.49	\$927.99	\$1,128.24