



Northeastern Colorado - Irrigated Alfalfa

2016

Estimated Production Costs & Returns

GROSS RECEIPTS FROM PRODUCTION

GROSS RECEIPTS	UNIT	PRICE	YIELD	PER ACRE	PER TON	YOUR FARM
Alfalfa (Round Bales)	tons	\$117.00	6	\$702	\$117.00	
Other						
Total Receipts				\$702		\$0

DIRECT COSTS

	UNIT	COST PER UNIT	QUANTITY	PER ACRE	PER TON	YOUR FARM
OPERATING PREHARVEST						
Seed						
Establishment Allocation (5 yrs)	dollars	32.18	1.00	32.18	5.36	
Crop Protection						
Fertilizer	dollars	58.37	1	58.37	9.73	
Herbicide	acre	25.53	1	25.53	4.26	
Custom Application	dollars	7.00	1	7.00	1.17	
Insecticide	dollars	18.22	1	18.22	3.04	
Irrigation						
Irrigation Energy	dollars	75.65	1	75.65	12.61	
Irrigation Repairs	acre	11.26	1	11.26	1.88	
Sprinkler Lease	dollars	70.00	1	70.00	11.67	
Custom Aerial Spray	dollars	8.00	1	8.00	1.33	
Interest (6 months @ 6.0%)	dollars	11.48	1	11.48	1.91	
Total Pre-Harvest Expenses				\$317.69	\$52.95	\$0.00
HARVEST COSTS						
Fuel	dollars	2.66	1	2.66	0.44	
Repair & Maintenance	dollars	8.64	1	8.64	1.44	
Labor	dollars	4.33	1	4.33	0.72	
Baling ¹	dollars	120.00	1	120.00	20.00	
Hauling/Stacking ²	dollars	24.00	1	24.00	4.00	
Total Harvest Costs				\$159.63	\$26.61	\$0.00
Total Operating Costs				\$477.32	\$79.55	\$0.00
PROPERTY & OWNERSHIP COSTS						
General Farm Overhead	dollars	10.00	1	10.00	1.67	
Machinery Ownership Costs	dollars	52.79	1	16.43	2.74	
Real Estate Taxes	dollars	15.42	1	15.42	2.57	
Total Property & Ownership Costs				\$41.85	\$6.98	\$0.00
TOTAL DIRECT COSTS				\$519.17	\$86.53	\$0.00
NET RECEIPTS BEFORE FACTOR PAYMENTS				\$182.83	\$30.47	\$0.00
FACTOR PAYMENTS						
Land (\$5,000 @ 4%)				200.00	33.33	
RETURN TO MANAGEMENT & RISK				(\$17.17)	(\$2.86)	\$0.00

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%	
ALTERNATIVE YIELDS		\$87.75	\$105.30	\$117.00	\$128.70	\$146.25
-25%	4.50	(\$124.30)	(\$45.32)	\$7.33	\$59.98	\$138.96
-10%	5.40	(\$45.32)	\$49.45	\$112.63	\$175.81	\$270.58
TONS	6.00	\$7.33	\$112.63	\$182.83	\$253.03	\$358.33
	10%	\$59.98	\$175.81	\$253.03	\$330.25	\$446.08
	25%	\$138.96	\$270.58	\$358.33	\$446.08	\$577.71