

2006 Estimated Production Costs and Returns - Irrigated Alfalfa in Western Colorado

	Unit	Price or Cost/Unit	Quantity	Value or Cost Per Acre	Value or Cost/Unit Production Your Farm
GROSS RECEIPTS FROM PRODUCTION:					
ALFALFA (Small Squares)	TONS	133.00	2.95	392.35	
TOTAL RECEIPTS				392.35	133.00
DIRECT COSTS					
Operating Preharvest					
SEED (ALLOCATED COST)	LBS	8.00	1.00	8.00	2.71
PHOSPHATE (ALLOCATED COST)	LBS	0.37	67.50	24.98	8.47
FERTILIZER APPLICATION	ACRE	5.00	1.00	5.00	1.69
IRRIGATION WATER	AC/IN	25.00	1.20	30.00	10.17
HERBICIDE	OUNCES	2.00	1.00	2.00	0.68
HERBICIDE APPLICATION	ACRE	5.00	1.00	5.00	1.69
INSECTICIDE	PINTS	9.20	1.00	9.20	3.12
INSECTICIDE APPLICATION (AERIAL)	ACRE	8.00	1.00	8.00	2.71
MACH FUEL & LUBE	ACRE	8.04	1.00	8.04	2.73
MACH REPAIRS	ACRE	4.58	1.00	4.58	1.55
INTEREST EXPENSE	DOLS			5.98	2.03
Total Preharvest	DOLS			110.78	37.55
Operating Harvest					
BALING ¹	TONS			54.79	18.57
HAULING/STACKING ²	TONS			35.40	12.00
SWATHING ³	ACRE			12.00	1.00
INTEREST EXPENSE	ACRE			1.79	1.00
Total Harvest				103.97	35.25
Total Operating Costs				214.75	72.80
Property and Ownership Costs					
MACHINERY OWNERSHIP COSTS	DOLS			19.43	6.59
GENERAL FARM OVERHEAD	DOLS			20.00	6.78
Total Property and Ownership Costs	DOLS			39.43	13.37
TOTAL DIRECT COSTS				254.18	86.16
NET RECEIPTS BEFORE FACTOR PAYMENTS				138.17	46.84
FACTOR PAYMENTS					
LAND @ 4.00%	DOLS			32.00	10.85
RETURN TO MANAGEMENT AND RISK	DOLS			106.17	35.99

¹ Baling = \$0.65/Bale (70 Lb Bale)

² Hauling/Stacking = \$12/Ton

³ Swathing = \$12/Acre

SEED AND PHOSPHATE COSTS ALLOCATED OVER 5 YEARS

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

		ALTERNATIVE PRICES				
		\$/TON				
		-25%	-10%		+10%	+25%
		\$ 99.75	\$ 119.70	\$ 133.00	\$ 146.30	\$ 166.25
ALTERNATIVE YIELDS	-25%	\$ (33.48)	\$ 10.66	\$ 40.08	\$ 69.51	\$ 113.65
	-10%	\$ 10.66	\$ 63.62	\$ 98.94	\$ 134.25	\$ 187.21
	TONS	\$ 40.08	\$ 98.94	\$ 138.17	\$ 177.41	\$ 236.26
	+10%	\$ 69.51	\$ 134.25	\$ 177.41	\$ 220.56	\$ 285.30
	+25%	\$ 113.65	\$ 187.21	\$ 236.26	\$ 285.30	\$ 358.87