

**2009 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
<b>GROSS RECEIPTS FROM PRODUCTION:</b>						
ALFALFA (Small Squares)	TONS	138.60	3.30	457.38		
<b>TOTAL RECEIPTS</b>				<b>457.38</b>	<b>138.60</b>	
<b>DIRECT COSTS</b>						
<b>Operating Preharvest</b>						
SEED (ALLOCATED COST)	LBS	9.60	1.00	9.60	2.91	
PHOSPHATE (ALLOCATED COST)	LBS	0.44	67.50	29.70	9.00	
FERTILIZER APPLICATION	ACRE	6.00	1.00	6.00	1.82	
IRRIGATION WATER	AC/IN	25.00	1.20	30.00	9.09	
HERBICIDE	OUNCES	2.40	1.00	2.40	0.73	
HERBICIDE APPLICATION	ACRE	6.00	1.00	6.00	1.82	
INSECTICIDE	PINTS	11.10	1.00	11.10	3.36	
INSECTICIDE APPLICATION (AERIAL)	ACRE	8.00	1.00	8.00	2.42	
MACH FUEL & LUBE	ACRE	5.27	1.00	5.27	1.60	
MACHINE REPAIRS	ACRE	4.58	1.00	4.58	1.39	
INTEREST EXPENSE <sup>1</sup>	DOLS			3.94	1.19	
<b>Total Preharvest</b>	DOLS			<b>116.59</b>	<b>35.33</b>	
<b>Operating Harvest</b>						
BALING <sup>2</sup>	TONS			70.71	21.43	
HAULING/STACKING <sup>3</sup>	TONS			39.60	12.00	
SWATHING <sup>4</sup>	ACRE			14.00	1.00	
INTEREST EXPENSE	ACRE			1.79	1.00	
<b>Total Harvest</b>				<b>126.10</b>	<b>38.21</b>	
<b>Total Operating Costs</b>				<b>242.70</b>	<b>73.54</b>	
<b>Property and Ownership Costs</b>						
MACHINERY OWNERSHIP COSTS	DOLS			19.43	5.89	
GENERAL FARM OVERHEAD	DOLS			20.00	6.06	
REAL ESTATE TAXES	DOLS			10.00	3.03	
<b>Total Property and Ownership Costs</b>	DOLS			<b>49.43</b>	<b>14.98</b>	
<b>TOTAL DIRECT COSTS</b>				<b>292.13</b>	<b>88.52</b>	
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>165.25</b>	<b>50.08</b>	
<b>FACTOR PAYMENTS</b>						
LAND @ 4.00%	DOLS			32.00	9.70	
<b>RETURN TO MANAGEMENT AND RISK</b>	DOLS			<b>133.25</b>	<b>40.38</b>	

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

<sup>2</sup> Baling = \$0.75/Bale (70 Lb Bale)

<sup>3</sup> Hauling/Stacking = \$12/Ton

<sup>4</sup> Swathing = \$14/Acre

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

		<b>ALTERNATIVE PRICES</b>				
		<b>\$/TON</b>				
		-25%	-10%		+10%	+25%
		\$ 103.95	\$ 124.74	\$ 138.60	\$ 152.46	\$ 173.25
ALTERNATIVE YIELDS	-25%	\$ (34.85)	\$ 16.60	\$ 50.91	\$ 85.21	\$ 136.67
	-10%	\$ 16.60	\$ 78.35	\$ 119.51	\$ 160.68	\$ 222.43
	TONS	\$ 50.91	\$ 119.51	\$ 165.25	\$ 210.99	\$ 279.60
	+10%	\$ 85.21	\$ 160.68	\$ 210.99	\$ 261.30	\$ 336.77
	+25%	\$ 136.67	\$ 222.43	\$ 279.60	\$ 336.77	\$ 422.53