

**2008 Estimated Production Costs and Returns - Irrigated Corn for Grain 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>						
CORN	BU	4.00	171.50	686.00		
				0.00		
<b>TOTAL RECEIPTS</b>				<b>686.00</b>	<b>4.00</b>	
<b>DIRECT COSTS</b>						
<b>Operating Harvest</b>						
SEED	DOLS	48.50	1.00	48.50	0.28	
FERTILIZER	DOLS	100.80	1.00	100.80	0.59	
HERBICIDE (APPLIED)	DOLS	32.62	1.00	32.62	0.19	
INSECTICIDE	DOLS	13.80	1.00	13.80	0.08	
IRRIGATION WATER	DOLS	25.00	1.00	25.00	0.15	
IRRIGATION LABOR	DOLS	53.00	1.00	53.00	0.31	
CROP INSURANCE	DOLS	26.68	1.00	26.68	0.16	
CUSTOM APPLICATION	DOLS	12.00	1.00	12.00	0.07	
CUSTOM AERIAL SPRAY	DOLS	8.00	1.00	8.00	0.05	
CROP CONSULTANT	DOLS	6.00	1.00	6.00	0.03	
FUEL	DOLS			14.69	0.09	
REPAIR & MAINTENANCE	DOLS			6.78	0.04	
LABOR	DOLS			7.55	0.04	
INTEREST EXPENSE <sup>2</sup>	DOLS			12.44	0.07	
<b>Total Preharvest</b>	DOLS			<b>367.86</b>	<b>2.14</b>	
<b>Operating Harvest</b>						
FUEL	DOLS			5.54	0.03	
REPAIR & MAINTENANCE	DOLS			4.53	0.03	
LABOR	DOLS			1.49	0.01	
HAULING <sup>1</sup>	DOLS			29.15	0.17	
<b>Total Harvest</b>				<b>40.71</b>	<b>0.24</b>	
<b>Total Operating Costs</b>				<b>408.57</b>	<b>2.38</b>	
<b>Property and Ownership Costs</b>						
MACHINERY OWNERSHIP COSTS	DOLS			48.55	0.28	
GENERAL FARM OVERHEAD	DOLS			10.00	0.06	
REAL ESTATE TAXES	DOLS			11.64	0.07	
<b>Total Property and Ownership Costs</b>	DOLS			<b>70.19</b>	<b>0.41</b>	
<b>TOTAL DIRECT COSTS:</b>				<b>478.76</b>	<b>2.79</b>	
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>207.24</b>	<b>1.21</b>	
<b>FACTOR PAYMENTS</b>						
LAND @ 4.00%	DOLS			52.00	0.30	
<b>RETURN TO MANAGEMENT AND RISK</b>				<b>155.24</b>	<b>0.91</b>	

1 Hauling Machinery & Labor Charges = \$0.17/BU

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

3 Capital and Labor Payments are included in Machinery Operating and Ownership Costs.

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

			ALTERNATIVE PRICES				
			\$/CWT				
			-25%	-10%		+10%	+25%
			\$ 3.00	\$ 3.60	\$ 4.00	\$ 4.40	\$ 5.00
ALTERNATIVE YIELDS	-25%	128.6	\$ (92.88)	\$ (15.71)	\$ 35.74	\$ 87.19	\$ 164.37
	-10%	154.4	\$ (15.71)	\$ 76.90	\$ 138.64	\$ 200.38	\$ 292.99
	CWT	171.5	\$ 35.74	\$ 138.64	\$ 207.24	\$ 275.84	\$ 378.74
	+10%	188.7	\$ 87.19	\$ 200.38	\$ 275.84	\$ 351.30	\$ 464.49
	+25%	214.4	\$ 164.37	\$ 292.99	\$ 378.74	\$ 464.49	\$ 593.12