

**2009 Estimated Production Costs and Returns - Grass Legume Hay in Western Colorado**

	Unit	Price or Cost/Unit	Quantity	Value or Cost Per Acre	Value or Cost/Unit Production
<b>GROSS RECEIPTS FROM PRODUCTION:</b>					
Grass/Legume Hay	TONS	136.00	2.60	353.60	
<b>TOTAL RECEIPTS</b>				<b>353.60</b>	<b>136.00</b>
<b>DIRECT COSTS</b>					
<b>Operating Preharvest</b>					
FERTILIZER	DOLS	51.70	1.00	51.70	19.88
FERTILIZER APPLICATION	DOLS	7.00	1.00	7.00	2.69
MACHINE FUEL AND LUBE	DOLS	4.00	1.00	4.00	1.54
MACHINE REPAIRS	DOLS	2.00	1.00	2.00	0.77
INTEREST EXPENSE <sup>1</sup>	DOLS			2.26	0.87
<b>Total Preharvest</b>	DOLS			<b>66.96</b>	<b>25.76</b>
<b>Operating Harvest</b>					
FUEL	DOLS			2.12	0.82
REPAIR AND MAINTENANCE	DOLS			7.71	2.97
LABOR	DOLS			16.00	6.15
BALING <sup>2</sup>	DOLS			55.71	21.43
HAULING/STACKING <sup>3</sup>	DOLS			31.20	12.00
<b>Total Harvest</b>				<b>112.74</b>	<b>43.36</b>
<b>Total Operating Costs</b>				<b>179.71</b>	<b>69.12</b>
<b>Property and Ownership Costs</b>					
MACHINERY OWNERSHIP COSTS	DOLS			15.12	5.82
GENERAL FARM OVERHEAD	DOLS			10.00	3.85
REAL ESTATE TAXES	DOLS			10.00	3.85
<b>Total Property and Ownership Costs</b>	DOLS			<b>35.12</b>	<b>13.51</b>
<b>TOTAL DIRECT COSTS</b>				<b>214.83</b>	<b>82.63</b>
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>138.77</b>	<b>53.37</b>
<b>FACTOR PAYMENTS</b>					
LAND @ 4.00%	DOLS			52.00	20.00
<b>RETURN TO MANAGEMENT AND RISK</b>	DOLS			<b>86.77</b>	<b>33.37</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

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

				<b>ALTERNATIVE PRICES</b>			
				<b>\$/TON</b>			
				<b>-25%</b>	<b>-10%</b>	<b>\$ 136.00</b>	<b>+10%</b>
				\$ 102.00	\$ 122.40	\$ 136.00	\$ 149.60
ALTERNATIVE YIELDS	-25%	2.0	\$ (15.93)	\$ 23.85	\$ 50.37	\$ 76.89	
	-10%	2.3	\$ 23.85	\$ 71.59	\$ 103.41	\$ 135.24	
	TONS	2.6	\$ 50.37	\$ 103.41	\$ 138.77	\$ 174.13	
	+10%	2.9	\$ 76.89	\$ 135.24	\$ 174.13	\$ 213.03	
	+25%	3.3	\$ 116.67	\$ 182.97	\$ 227.17	\$ 271.37	

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**Your Farm**

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+25%
\$ 170.00
\$ 116.67
\$ 182.97
\$ 227.17
\$ 271.37
\$ 337.67