

2010 Estimated Production Costs and Returns - Onions 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>      |       |                    |          |                        |                               |           |
| ONIONS                                     | CWT   | 12.20              | 380.00   | 4636.00                |                               |           |
| <b>TOTAL RECEIPTS</b>                      |       |                    |          | <b>4636.00</b>         | <b>12.20</b>                  |           |
| <b>DIRECT COSTS</b>                        |       |                    |          |                        |                               |           |
| <b>Operating Costs</b>                     |       |                    |          |                        |                               |           |
| CROP INSURANCE                             | ACRE  | 143.00             | 1        | 143.00                 | 0.38                          |           |
| PLOW                                       | ACRE  | 25.00              | 1        | 25.00                  | 0.07                          |           |
| ROLLER HARROW (3 TIMES)                    | ACRE  | 15.00              | 3        | 45.00                  | 0.12                          |           |
| DRY FERTILIZER 11-52-0                     | LBS   | 0.25               | 250      | 62.50                  | 0.16                          |           |
| FERTILIZER APPLICATION                     | ACRE  | 6.00               | 2        | 12.00                  | 0.03                          |           |
| TANDEM DISC                                | ACRE  | 15.00              | 1        | 15.00                  | 0.04                          |           |
| LAND PLANE                                 | ACRE  | 15.00              | 1        | 15.00                  | 0.04                          |           |
| HERBICIDE                                  | ACRE  | 110.00             | 1        | 110.00                 | 0.29                          |           |
| HERBICIDE APPLICATION                      | ACRE  | 6.00               | 1        | 6.00                   | 0.02                          |           |
| GRASS CONTROL                              | ACRE  | 27.20              | 1        | 27.20                  | 0.07                          |           |
| CREASE                                     | ACRE  | 12.00              | 1        | 12.00                  | 0.03                          |           |
| PLANT                                      | ACRE  | 15.00              | 1        | 15.00                  | 0.04                          |           |
| SEED                                       | SEEDS | 0.0014             | 130000   | 182.00                 | 0.48                          |           |
| HERBICIDE APPLIED                          | ACRE  | 44.40              | 1        | 44.40                  | 0.12                          |           |
| INSECTICIDE                                | ACRE  | 50.25              | 5        | 251.25                 | 0.66                          |           |
| CULTIVATE (2 TIMES)                        | ACRE  | 15.00              | 2.00     | 30.00                  | 0.08                          |           |
| IRRIGATION WATER                           | ACRE  | 30.00              | 1.00     | 30.00                  | 0.08                          |           |
| IRRIGATION EXPENSE                         | ACRE  | 25.00              | 1.00     | 25.00                  | 0.07                          |           |
| FERTILIZER (32-0-0)                        | GAL   | 2.50               | 60.00    | 150.00                 | 0.39                          |           |
| SEASONAL WEEDING (2 TIMES)                 | ACRE  | 120.00             | 2.00     | 240.00                 | 0.63                          |           |
| FUNGICIDE                                  | ACRE  | 31.50              | 7.00     | 220.50                 | 0.58                          |           |
| HARVEST/STORAGE                            | CWT   | 3.45               | 380.00   | 1311.00                | 3.45                          |           |
| HAULING                                    | CWT   | 0.17               | 380.00   | 64.60                  | 0.17                          |           |
| INTEREST EXPENSE <sup>1</sup>              | DOLS  |                    |          | 121.46                 | 0.32                          |           |
| <b>Total Operating Costs</b>               |       |                    |          | <b>3157.91</b>         | <b>8.31</b>                   |           |
| <b>Property and Ownership Costs</b>        |       |                    |          |                        |                               |           |
| MACHINERY OWNERSHIP COSTS                  | DOLS  |                    |          | 73.36                  | 0.19                          |           |
| REAL ESTATE TAXES                          | DOLS  |                    |          | 15.00                  | 0.04                          |           |
| GENERAL FARM OVERHEAD                      | DOLS  |                    |          | 25.00                  | 0.07                          |           |
| <b>Total Property and Ownership Costs</b>  | DOLS  |                    |          | <b>113.36</b>          | <b>0.30</b>                   |           |
| <b>TOTAL DIRECT COSTS:</b>                 |       |                    |          | <b>3271.27</b>         | <b>8.61</b>                   |           |
| <b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b> |       |                    |          | <b>1364.73</b>         | <b>3.59</b>                   |           |
| <b>FACTOR PAYMENTS</b>                     |       |                    |          |                        |                               |           |
| LAND @ 4.00% <sup>3</sup>                  | DOLS  |                    |          | 9.00                   | 0.02                          |           |
| <b>RETURN TO MANAGEMENT AND RISK</b>       | DOLS  |                    |          | <b>1355.73</b>         | <b>3.57</b>                   |           |

<sup>1</sup> Interest on Operating Capital is calculated on 1/2 of pre-harvest operating costs at 8%

<sup>2</sup> Hauling Machinery & Labor Charges = \$0.17/Cwt

<sup>3</sup> Includes allocation of fallow acres in the rotation

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

|                    |      | <b>ALTERNATIVE PRICES</b> |             |             |             |             |             |  |  |
|--------------------|------|---------------------------|-------------|-------------|-------------|-------------|-------------|--|--|
|                    |      | <b>\$/BU</b>              |             |             |             |             |             |  |  |
|                    |      | -25%                      | -10%        |             | +10%        | +25%        |             |  |  |
|                    |      | \$ 9.15                   | \$ 10.98    | \$ 12.20    | \$ 13.42    | \$ 15.25    |             |  |  |
| ALTERNATIVE YIELDS | -25% | 285.0                     | \$ (663.52) | \$ (141.97) | \$ 205.73   | \$ 553.43   | \$ 1,074.98 |  |  |
|                    | -10% | 342.0                     | \$ (141.97) | \$ 483.89   | \$ 901.13   | \$ 1,318.37 | \$ 1,944.23 |  |  |
| BUSHELS            |      | 380.0                     | \$ 205.73   | \$ 901.13   | \$ 1,364.73 | \$ 1,828.33 | \$ 2,523.73 |  |  |
|                    | +10% | 418.0                     | \$ 553.43   | \$ 1,318.37 | \$ 1,828.33 | \$ 2,338.29 | \$ 3,103.23 |  |  |
|                    | +25% | 475.0                     | \$ 1,074.98 | \$ 1,944.23 | \$ 2,523.73 | \$ 3,103.23 | \$ 3,972.48 |  |  |