

2010 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	126.00	3.90	491.40	
TOTAL RECEIPTS				491.40	126.00
DIRECT COSTS					
Operating Preharvest					
SEED (ALLOCATED COST)	LBS	3.50	6.25	21.88	5.61
PHOSPHATE (ALLOCATED COST)	LBS	0.25	67.50	16.88	4.33
FERTILIZER APPLICATION	ACRE	6.00	1.00	6.00	1.54
IRRIGATION WATER	AC/IN	25.00	1.20	30.00	7.69
HERBICIDE	ACRE	2.35	1.00	2.35	0.60
HERBICIDE APPLICATION	ACRE	6.00	1.00	6.00	1.54
INSECTICIDE	ACRE	10.80	1.00	10.80	2.77
INSECTICIDE APPLICATION (AERIAL)	ACRE	10.00	1.00	10.00	2.56
MACH FUEL & LUBE	ACRE	5.53	1.00	5.53	1.42
MACHINE REPAIRS	ACRE	4.72	1.00	4.72	1.21
INTEREST EXPENSE ¹	DOLS			4.57	1.17
Total Preharvest	DOLS			118.72	30.44
Operating Harvest					
BALING ²	TONS			83.57	21.43
HAULING/STACKING ³	TONS			54.60	14.00
SWATHING ⁴	ACRE			14.00	1.00
INTEREST EXPENSE ¹				3.04	
Total Harvest				155.21	39.80
Total Operating Costs				273.93	70.24
Property and Ownership Costs					
MACHINERY OWNERSHIP COSTS	DOLS			19.43	4.98
GENERAL FARM OVERHEAD	DOLS			20.00	5.13
REAL ESTATE TAXES	DOLS			10.00	2.56
Total Property and Ownership Costs	DOLS			49.43	12.67
TOTAL DIRECT COSTS				323.36	82.91
NET RECEIPTS BEFORE FACTOR PAYMENTS				168.04	43.09
FACTOR PAYMENTS					
LAND @ 4.00%	DOLS			32.00	8.21
RETURN TO MANAGEMENT AND RISK	DOLS			136.04	34.88

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

² Baling = \$0.75/Bale (70 Lb Bale)

³ Hauling/Stacking = \$14/Ton

⁴ Swathing = \$14/Acre

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

		ALTERNATIVE PRICES				
		\$/TON				
		-25%	-10%		+10%	+25%
		\$ 94.50	\$ 113.40	\$ 126.00	\$ 138.60	\$ 157.50
ALTERNATIVE YIELDS	-25%	\$ (46.95)	\$ 8.33	\$ 45.19	\$ 82.04	\$ 137.33
	-10%	\$ 8.33	\$ 74.67	\$ 118.90	\$ 163.13	\$ 229.46
	TONS	3.9	\$ 45.19	\$ 118.90	\$ 168.04	\$ 217.18
	+10%	4.3	\$ 82.04	\$ 163.13	\$ 217.18	\$ 271.23
	+25%	4.9	\$ 137.33	\$ 229.46	\$ 290.89	\$ 352.31
				\$ 290.89	\$ 352.31	\$ 444.45