

Ag Management Guide

2014

Western CO - Irrigated Alfalfa

Estimated Production Costs & Returns

GROSS RECEIPTS FROM PRODUCTION

GROSS RECEIPTS	Unit	Price	Yield	Per Acre	Per TON	YOUR FARM
Alfalfa	TON	\$190.00	5.40	\$1,026.00	\$190.00	_____
NET GOV'T PAYMENTS	ACRE			\$0.00	\$0.00	_____
Total Receipts				\$1,026.00	\$190.00	

DIRECT COSTS

	Unit	Cost/ Unit	Quantity	Cost Per Acre	Cost Per TON	YOUR FARM
<i>OPERATING PREHARVEST</i>						
ESTABLISHMENT ALLOCATION	DOLS	51.00	1.00	51.00	9.44	_____
FERTILIZER	DOLS	81.60	1.00	81.60	15.11	_____
HERBICIDE	DOLS	22.80	1.00	22.80	4.22	_____
INSECTICIDE	DOLS	9.75	1.00	9.75	1.81	_____
CUSTOM APPLICATION	DOLS	6.50	1.00	6.50	1.20	_____
IRRIGATION	DOLS	29.00	1.00	29.00	5.37	_____
IRRIGATION LABOR	DOLS	21.00	1.00	21.00	3.89	_____
LABOR	DOLS	6.50	1.00	6.50	1.20	_____
INTEREST EXPENSE (6 mths @ 7.5%)	DOLS	8.56	1.00	8.56	1.58	_____
Total Pre-Harvest Expenses				236.71	43.83	
<i>HARVEST COSTS</i>						
¹ CUSTOM SWATHING	ACRE	15.00	1.00	15.00	2.78	_____
² CUSTOM BALING	BALE	8.00	6.00	48.00	8.89	_____
³ CUSTOM HAUL/STACK	BALE	10.00	6.00	60.00	11.11	_____
Total Harvest Costs				123.00	22.78	_____
Total Operating Costs				359.71	66.61	
<i>PROPERTY & OWNERSHIP COSTS</i>						
GENERAL FARM OVERHEAD	DOLS	20.00	1.00	20.00	3.70	_____
OWNERSHIP COSTS	DOLS	60.00	1.00	60.00	11.11	_____
REAL ESTATE TAXES	DOLS	14.00	1.00	14.00	2.59	_____
Total Property & Ownership Costs				94.00	17.41	_____
Total Direct Costs				453.71	84.02	
NET RECEIPTS BEFORE FACTOR PAYMENTS				572.29	105.98	
<i>FACTOR PAYMENTS</i>						
Land @ 4%				100.00	18.52	_____
RETURN TO MANAGEMENT & RISK				472.29	87.46	

¹ Swathing = \$15/Acre

² Baling = \$8/Bale (1,800 lb. Bale)

³ Hauling/Stacking = \$10/Bale

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

		ALTERNATIVE PRICES				
		\$/TON				
ALTERNATIVE YIELDS		-25%	-10%	\$190.00	+10%	+25%
-25%	4.05	\$ 142.50	\$ 171.00	\$ 190.00	\$ 209.00	\$ 237.50
-10%	4.86	\$238.84	\$238.84	\$315.79	\$392.74	\$508.17
TON	5.40	\$315.79	\$377.35	\$469.69	\$562.03	\$700.54
+10%	5.94	\$392.74	\$469.69	\$572.29	\$674.89	\$828.79
+25%	6.75	\$508.17	\$562.03	\$674.89	\$787.75	\$957.04
		\$508.17	\$700.54	\$828.79	\$957.04	\$1,149.42