

Table 3. 2010 Estimated Production Costs and Returns - Irrigated Alfalfa in Northeastern Colorado.

	Unit	Price or Cost/Unit	Quantity	Value or Cost Per Acre	Value or Cost/Unit Production	Your Farm
GROSS RECEIPTS FROM PRODUCTION:						
ALFALFA (Round Bales)	TONS	126.00	5.22	657.72		
TOTAL RECEIPTS				657.72		126.00
DIRECT COSTS						
Operating Preharvest						
ESTABLISHMENT ALLOCATION (5 Years)	DOLS	41.47	1.00	41.47	7.94	
FERTILIZER	DOLS	75.44	1.00	75.44	14.45	
HERBICIDE	DOLS	25.54	1.00	25.54	4.89	
CUSTOM APPLICATION	DOLS	6.00	1.00	6.00	1.15	
INSECTICIDE	DOLS	17.20	1.00	17.20	3.30	
IRRIGATION ENERGY	DOLS	74.27	1.00	74.27	14.23	
IRRIGATION REPAIR	DOLS	10.00	1.00	10.00	1.92	
SPRINKLER LEASE	DOLS	60.00	1.00	60.00	11.49	
CUSTOM AERIAL SPRAY	DOLS	8.00	1.00	8.00	1.53	
INTEREST EXPENSE ³	DOLS			11.13	2.13	
Total Preharvest	DOLS			329.05	63.04	
Operating Harvest						
FUEL	DOLS			3.40	0.65	
REPAIR & MAINTENANCE	DOLS			8.04	1.54	
LABOR	DOLS			3.98	1.00	
BALING ¹	DOLS			120.00	22.99	
HAULING/STACKING ²	DOLS			15.66	3.00	
Total Harvest				151.08	28.94	
Total Operating Costs				480.13	91.98	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			15.27	2.93	
GENERAL FARM OVERHEAD	DOLS			10.00	1.92	
REAL ESTATE TAXES	DOLS			11.26	2.16	
Total Property and Ownership Costs	DOLS			36.53	7.00	
TOTAL DIRECT COSTS				516.66	98.98	
NET RECEIPTS BEFORE FACTOR PAYMENTS				141.06	27.02	
FACTOR PAYMENTS						
LAND @ 4.00%	DOLS			120.00	22.99	
RETURN TO MANAGEMENT AND RISK	DOLS			21.06	4.04	

1 Baling = \$15/Bale (Round Baler)

2 Hauling/Stacking = \$3/Bale

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

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%	\$ (146.69)	\$ (72.70)	\$ (23.37)	\$ 25.96	\$ 99.96
	-10%	\$ (72.70)	\$ 16.10	\$ 75.29	\$ 134.49	\$ 223.28
	TONS	\$ (23.37)	\$ 75.29	\$ 141.06	\$ 206.83	\$ 305.49
	+10%	\$ 25.96	\$ 134.49	\$ 206.83	\$ 279.18	\$ 387.71
	+25%	\$ 99.96	\$ 223.28	\$ 305.49	\$ 387.71	\$ 511.03