

**Table 19. 2011 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
<b>GROSS RECEIPTS FROM PRODUCTION:</b>					
ALFALFA (Round Bales)	TONS	180.00	5.20	936.00	
<b>TOTAL RECEIPTS</b>				<b>936.00</b>	<b>180.00</b>
<b>DIRECT COSTS</b>					
<b>Operating Preharvest</b>					
ESTABLISHMENT ALLOCATION (5 Years)	DOLS	41.47	1.00	41.47	7.98
FERTILIZER	DOLS	100.68	1.00	100.68	19.36
HERBICIDE	DOLS	25.16	1.00	25.16	4.84
CUSTOM APPLICATION	DOLS	7.00	1.00	7.00	1.35
INSECTICIDE	DOLS	17.83	1.00	17.83	3.43
IRRIGATION ENERGY	DOLS	77.61	1.00	77.61	14.93
IRRIGATION REPAIR	DOLS	10.00	1.00	10.00	1.92
SPRINKLER LEASE	DOLS	60.00	1.00	60.00	11.54
CUSTOM AERIAL SPRAY	DOLS	8.00	1.00	8.00	1.54
INTEREST EXPENSE <sup>3</sup>	DOLS			12.17	2.34
<b>Total Preharvest</b>	DOLS			<b>359.92</b>	<b>69.22</b>
<b>Operating Harvest</b>					
FUEL	DOLS			4.62	0.89
REPAIR & MAINTENANCE	DOLS			8.44	1.62
LABOR	DOLS			4.04	1.00
BALING <sup>1</sup>	DOLS			104.00	20.00
HAULING/STACKING <sup>2</sup>	DOLS			20.80	4.00
<b>Total Harvest</b>				<b>141.90</b>	<b>27.29</b>
<b>Total Operating Costs</b>				<b>501.82</b>	<b>96.50</b>
<b>Property and Ownership Costs</b>					
MACHINERY OWNERSHIP COSTS	DOLS			15.42	2.97
GENERAL FARM OVERHEAD	DOLS			10.00	1.92
REAL ESTATE TAXES	DOLS			14.76	2.84
<b>Total Property and Ownership Costs</b>	DOLS			<b>40.18</b>	<b>7.73</b>
<b>TOTAL DIRECT COSTS</b>				<b>542.00</b>	<b>104.23</b>
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>394.00</b>	<b>75.77</b>
<b>FACTOR PAYMENTS</b>					
LAND @ 4.00%	DOLS			120.00	23.08
<b>RETURN TO MANAGEMENT AND RISK</b>	DOLS			<b>274.00</b>	<b>52.69</b>

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)**

		<b>ALTERNATIVE PRICES</b>				
		<b>\$/TON</b>				
		<b>-25%</b>	<b>-10%</b>	<b>\$ 180.00</b>	<b>+10%</b>	<b>+25%</b>
		\$ 135.00	\$ 162.00	\$ 180.00	\$ 198.00	\$ 225.00
ALTERNATIVE YIELDS	-25%	\$ (15.50)	\$ 89.80	\$ 160.00	\$ 230.20	\$ 335.50
	-10%	\$ 89.80	\$ 216.16	\$ 300.40	\$ 384.64	\$ 511.00
	TONS	\$ 160.00	\$ 300.40	\$ 394.00	\$ 487.60	\$ 628.00
	+10%	\$ 230.20	\$ 384.64	\$ 487.60	\$ 590.56	\$ 745.00
	+25%	\$ 335.50	\$ 511.00	\$ 628.00	\$ 745.00	\$ 920.50