

**2006 Estimated Production Costs and Returns - Irrigated Alfalfa in Southeastern 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 (Small Squares)	TONS	133.00	4.30	571.90		
<b>TOTAL RECEIPTS</b>				<b>571.90</b>	<b>133.00</b>	
<b>DIRECT COSTS</b>						
<b>Operating Preharvest</b>						
PHOSPHATE (ALLOCATED COST)	LB	0.37	40.00	14.80	3.44	
INSECTICIDE	ACRE	15.00	1.00	15.00	3.49	
CUSTOM APPLICATION	ACRE	5.00	1.00	5.00	1.16	
SEED (ALLOCATED COST)	ACRE	8.00	1.00	8.00	1.86	
IRRIGATION WATER	ACRE	22.00	1.00	22.00	5.12	
IRRIGATION LABOR	HR.	10.00	4.00	40.00	9.30	
MACH FUEL & LUBE	ACRE	8.04	1.00	8.04	1.87	
MACH REPAIRS	ACRE	4.58	1.00	4.58	1.07	
INTEREST EXPENSE	DOLS			5.24	1.22	
<b>Total Preharvest</b>	DOLS			<b>122.66</b>	<b>28.53</b>	
<b>Operating Harvest</b>						
BALING <sup>1</sup>	TONS			61.43	14.29	
HAULING/STACKING <sup>2</sup>	TONS			47.30	11.00	
SWATHING <sup>3</sup>	ACRE			10.00	1.00	
INTEREST EXPENSE	ACRE			2.08		
<b>Total Harvest</b>				<b>120.81</b>	<b>28.09</b>	
<b>Total Operating Costs</b>				<b>243.47</b>	<b>56.62</b>	
<b>Property and Ownership Costs</b>						
MACHINERY OWNERSHIP COSTS	DOLS			19.43	4.52	
GENERAL FARM OVERHEAD	DOLS			15.00	3.49	
REAL ESTATE TAXES	DOLS			6.00	1.40	
<b>Total Property and Ownership Costs</b>	DOLS			<b>40.43</b>	<b>9.40</b>	
<b>TOTAL DIRECT COSTS</b>				<b>283.90</b>	<b>66.02</b>	
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>288.00</b>	<b>66.98</b>	
<b>FACTOR PAYMENTS</b>						
LAND @ 4.00%	DOLS			44.00	10.23	
<b>RETURN TO MANAGEMENT AND RISK</b>	DOLS			<b>244.00</b>	<b>56.75</b>	

<sup>1</sup> Baling = \$0.50/Bale (70 Lb Bale)

<sup>2</sup> Hauling/Stacking = \$11/Ton

<sup>3</sup> Swathing = \$10/Acre

FLOOD IRRIGATED - SMALL SQUARE BALES  
SEED AND PHOSPHATE COSTS ALLOCATED OVER 5 YEARS

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

		ALTERNATIVE PRICES				
		\$/TON				
		-25%	-10%		+10%	+25%
		\$ 99.75	\$ 119.70	\$ 133.00	\$ 146.30	\$ 166.25
ALTERNATIVE YIELDS	-25%	\$ 37.80	\$ 102.14	\$ 145.03	\$ 187.92	\$ 252.26
	-10%	\$ 102.14	\$ 179.34	\$ 230.81	\$ 282.28	\$ 359.49
	TONS	\$ 145.03	\$ 230.81	\$ 288.00	\$ 345.19	\$ 430.98
	+10%	\$ 187.92	\$ 282.28	\$ 345.19	\$ 408.10	\$ 502.47
	+25%	\$ 252.26	\$ 359.49	\$ 430.98	\$ 502.47	\$ 609.70