

2009 Estimated Production Costs and Returns - Grass Hay 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:						
Grass Hay	TONS	132.00	2.18	287.76		
TOTAL RECEIPTS				287.76	132.00	
DIRECT COSTS						
Operating Preharvest						
FERTILIZER	DOLS	51.70	1.00	51.70	23.72	
FERTILIZER APPLICATION	DOLS	7.00	1.00	7.00	3.21	
MACHINE FUEL AND LUBE	DOLS	4.00	1.00	4.00	1.83	
MACHINE REPAIRS	DOLS	2.00	1.00	2.00	0.92	
INTEREST EXPENSE ¹	DOLS			2.26	1.04	
Total Preharvest	DOLS			66.96	30.72	
Operating Harvest						
FUEL	DOLS			2.12	0.97	
REPAIR AND MAINTENANCE	DOLS			7.71	3.54	
LABOR	DOLS			16.00	7.34	
BALING ²	DOLS			46.71	21.43	
HAULING/STACKING ³	DOLS			26.16	12.00	
Total Harvest				98.70	45.28	
Total Operating Costs				165.67	75.99	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			15.12	6.94	
GENERAL FARM OVERHEAD	DOLS			10.00	4.59	
REAL ESTATE TAXES	DOLS			10.00	4.59	
Total Property and Ownership Costs	DOLS			35.12	16.11	
TOTAL DIRECT COSTS				200.79	92.10	
NET RECEIPTS BEFORE FACTOR PAYMENTS				86.97	39.90	
FACTOR PAYMENTS						
LAND @ 4.00%	DOLS			52.00	23.85	
RETURN TO MANAGEMENT AND RISK	DOLS			34.97	16.04	

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

² Baling = \$0.75/Bale (70 Lb Bale)

³ Hauling/Stacking = \$12/Ton

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

			ALTERNATIVE PRICES				
			\$/TON				
			-25%	-10%		+10%	+25%
			\$ 99.00	\$ 118.80	\$ 132.00	\$ 145.20	\$ 165.00
ALTERNATIVE YIELDS	-25%	1.6	\$ (38.92)	\$ (6.55)	\$ 15.03	\$ 36.61	\$ 68.99
	-10%	2.0	\$ (6.55)	\$ 32.30	\$ 58.20	\$ 84.09	\$ 122.94
TONS		2.2	\$ 15.03	\$ 58.20	\$ 86.97	\$ 115.75	\$ 158.91
	+10%	2.4	\$ 36.61	\$ 84.09	\$ 115.75	\$ 147.40	\$ 194.88
	+25%	2.7	\$ 68.99	\$ 122.94	\$ 158.91	\$ 194.88	\$ 248.84