

2011 Estimated Production Costs and Returns - Irrigated Alfalfa 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:					
ALFALFA (Small Squares)	TONS	195.00	4.20	819.00	
TOTAL RECEIPTS				819.00	195.00
DIRECT COSTS					
Operating Preharvest					
SEED (ALLOCATED COST)	LBS	4.00	6.25	25.00	5.95
PHOSPHATE (ALLOCATED COST)	LBS	0.31	67.50	20.93	4.98
FERTILIZER APPLICATION	ACRE	7.50	1.00	7.50	1.79
IRRIGATION WATER	AC/IN	25.00	1.20	30.00	7.14
HERBICIDE	ACRE	2.95	1.00	2.95	0.70
HERBICIDE APPLICATION	ACRE	7.50	1.00	7.50	1.79
INSECTICIDE	ACRE	13.50	1.00	13.50	3.21
INSECTICIDE APPLICATION (AERIAL)	ACRE	10.00	1.00	10.00	2.38
MACH FUEL & LUBE	ACRE	7.22	1.00	7.22	1.72
MACHINE REPAIRS	ACRE	5.02	1.00	5.02	1.20
INTEREST EXPENSE ¹	DOLS			5.18	1.23
Total Preharvest	DOLS			134.80	32.10
Operating Harvest					
BALING ²	ACRE			114.00	27.14
HAULING/STACKING ³	ACRE			69.30	16.50
SWATHING ⁴	ACRE			17.35	1.00
INTEREST EXPENSE ¹	ACRE			4.01	
Total Harvest				204.66	48.73
Total Operating Costs				339.46	80.82
Property and Ownership Costs					
MACHINERY OWNERSHIP COSTS	DOLS			19.43	4.63
GENERAL FARM OVERHEAD	DOLS			20.00	4.76
REAL ESTATE TAXES	DOLS			10.00	2.38
Total Property and Ownership Costs	DOLS			49.43	11.77
TOTAL DIRECT COSTS				388.89	92.59
NET RECEIPTS BEFORE FACTOR PAYMENTS				430.11	102.41
FACTOR PAYMENTS					
LAND @ 4.00%	DOLS			120.00	28.57
RETURN TO MANAGEMENT AND RISK	DOLS			310.11	73.84

¹ Interest on Operating Capital is calculated on 1/2 of pre-harvest operating costs at 8%

² Baling = \$0.95/Bale (70 Lb Bale)

³ Hauling/Stacking = \$16.50/Ton

⁴ Swathing = \$17.35/Acre

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

		ALTERNATIVE PRICES				
		\$/TON				
		-25%	-10%		+10%	+25%
		\$ 146.25	\$ 175.50	\$ 195.00	\$ 214.50	\$ 243.75
ALTERNATIVE YIELDS	-25%	\$ 71.79	\$ 163.93	\$ 225.36	\$ 286.78	\$ 378.92
	-10%	\$ 163.93	\$ 274.50	\$ 348.21	\$ 421.92	\$ 532.48
	TONS	\$ 225.36	\$ 348.21	\$ 430.11	\$ 512.01	\$ 634.86
	+10%	\$ 286.78	\$ 421.92	\$ 512.01	\$ 602.10	\$ 737.23
	+25%	\$ 378.92	\$ 532.48	\$ 634.86	\$ 737.23	\$ 890.79