

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
GROSS RECEIPTS FROM PRODUCTION:						
ALFALFA (Small Squares)	TONS	133.00	4.30	571.90		
TOTAL RECEIPTS				571.90	133.00	
DIRECT COSTS						
Operating Preharvest						
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	
Total Preharvest	DOLS			122.66	28.53	
Operating Harvest						
BALING ¹	TONS			61.43	14.29	
HAULING/STACKING ²	TONS			47.30	11.00	
SWATHING ³	ACRE			10.00	1.00	
INTEREST EXPENSE	ACRE			2.08		
Total Harvest				120.81	28.09	
Total Operating Costs				243.47	56.62	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			19.43	4.52	
GENERAL FARM OVERHEAD	DOLS			15.00	3.49	
REAL ESTATE TAXES	DOLS			6.00	1.40	
Total Property and Ownership Costs	DOLS			40.43	9.40	
TOTAL DIRECT COSTS				283.90	66.02	
NET RECEIPTS BEFORE FACTOR PAYMENTS				288.00	66.98	
FACTOR PAYMENTS						
LAND @ 4.00%	DOLS			44.00	10.23	
RETURN TO MANAGEMENT AND RISK	DOLS			244.00	56.75	

¹ Baling = \$0.50/Bale (70 Lb Bale)

² Hauling/Stacking = \$11/Ton

³ 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