

2009 Estimated Production Costs and Returns - Grass Legume Hay in Western Colorado

	Unit	Price or Cost/Unit	Quantity	Value or Cost Per Acre	Value or Cost/Unit Production
GROSS RECEIPTS FROM PRODUCTION:					
Grass/Legume Hay	TONS	136.00	2.60	353.60	
TOTAL RECEIPTS				353.60	136.00
DIRECT COSTS					
Operating Preharvest					
FERTILIZER	DOLS	51.70	1.00	51.70	19.88
FERTILIZER APPLICATION	DOLS	7.00	1.00	7.00	2.69
MACHINE FUEL AND LUBE	DOLS	4.00	1.00	4.00	1.54
MACHINE REPAIRS	DOLS	2.00	1.00	2.00	0.77
INTEREST EXPENSE ¹	DOLS			2.26	0.87
Total Preharvest	DOLS			66.96	25.76
Operating Harvest					
FUEL	DOLS			2.12	0.82
REPAIR AND MAINTENANCE	DOLS			7.71	2.97
LABOR	DOLS			16.00	6.15
BALING ²	DOLS			55.71	21.43
HAULING/STACKING ³	DOLS			31.20	12.00
Total Harvest				112.74	43.36
Total Operating Costs				179.71	69.12
Property and Ownership Costs					
MACHINERY OWNERSHIP COSTS	DOLS			15.12	5.82
GENERAL FARM OVERHEAD	DOLS			10.00	3.85
REAL ESTATE TAXES	DOLS			10.00	3.85
Total Property and Ownership Costs	DOLS			35.12	13.51
TOTAL DIRECT COSTS				214.83	82.63
NET RECEIPTS BEFORE FACTOR PAYMENTS				138.77	53.37
FACTOR PAYMENTS					
LAND @ 4.00%	DOLS			52.00	20.00
RETURN TO MANAGEMENT AND RISK	DOLS			86.77	33.37

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%	\$ 136.00	+10%
				\$ 102.00	\$ 122.40	\$ 136.00	\$ 149.60
ALTERNATIVE YIELDS	-25%	2.0	\$ (15.93)	\$ 23.85	\$ 50.37	\$ 76.89	
	-10%	2.3	\$ 23.85	\$ 71.59	\$ 103.41	\$ 135.24	
	TONS	2.6	\$ 50.37	\$ 103.41	\$ 138.77	\$ 174.13	
	+10%	2.9	\$ 76.89	\$ 135.24	\$ 174.13	\$ 213.03	
	+25%	3.3	\$ 116.67	\$ 182.97	\$ 227.17	\$ 271.37	

