

Table 21. 2006 Estimated Production Costs and Returns - Irrigated Alfalfa in Northeastern Colorado.

	Unit	Price or Cost/Unit	Quantity	Value or Cost Per Acre	Value or Cost/Unit Production	Your Farm
GROSS RECEIPTS FROM PRODUCTION:						
ALFALFA (Round Bales)	TONS	133.00	5.50	731.50		
TOTAL RECEIPTS				731.50	133.00	
DIRECT COSTS						
Operating Preharvest						
ESTABLISHMENT ALLOCATION (5 Years)	DOLS	17.16	1.00	17.16	3.12	
FERTILIZER	DOLS	77.10	1.00	77.10	14.02	
HERBICIDE	DOLS	21.90	1.00	21.90	3.98	
CUSTOM APPLICATION	DOLS	4.00	1.00	4.00	0.73	
INSECTICIDE	DOLS	15.00	1.00	15.00	2.73	
IRRIGATION ENERGY	DOLS	68.04	1.00	68.04	12.37	
IRRIGATION REPAIR	DOLS	10.00	1.00	10.00	1.82	
SPRINKLER LEASE	DOLS	60.00	1.00	60.00	10.91	
CUSTOM AERIAL SPRAY	DOLS	4.50	1.00	4.50	0.82	
INTEREST EXPENSE ³	DOLS			9.72	1.77	
Total Preharvest	DOLS			287.41	52.26	
Operating Harvest						
FUEL	DOLS			3.09	0.56	
REPAIR & MAINTENANCE	DOLS			7.71	1.40	
LABOR	DOLS			3.78	1.00	
BALING ¹	DOLS			80.00	14.55	
HAULING/STACKING ²	DOLS			12.00	2.18	
Total Harvest				106.58	19.38	
Total Operating Costs				393.99	71.63	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			15.12	2.75	
GENERAL FARM OVERHEAD	DOLS			10.00	1.82	
REAL ESTATE TAXES	DOLS			10.00	1.82	
Total Property and Ownership Costs	DOLS			35.12	6.39	
TOTAL DIRECT COSTS				429.11	78.02	
NET RECEIPTS BEFORE FACTOR PAYMENTS				302.39	54.98	
FACTOR PAYMENTS						
LAND @ 4.00%	DOLS			52.00	9.45	
RETURN TO MANAGEMENT AND RISK	DOLS			250.39	45.53	

1 Baling = \$10/Bale (Round Baler)

2 Hauling/Stacking = \$1.5/Bale

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

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

		ALTERNATIVE PRICES				
		\$/TON				
		-25%	-10%	\$133.00	+10%	+25%
		\$ 99.75	\$ 119.70	\$ 133.00	\$ 146.30	\$ 166.25
ALTERNATIVE YIELDS	-25%	\$ (17.64)	\$ 64.65	\$ 119.51	\$ 174.38	\$ 256.67
	-10%	\$ 64.65	\$ 163.40	\$ 229.24	\$ 295.07	\$ 393.83
	TONS	5.5	\$ 119.51	\$ 229.24	\$ 302.39	\$ 485.26
	+10%	6.1	\$ 174.38	\$ 295.07	\$ 375.54	\$ 576.70
	+25%	6.9	\$ 256.67	\$ 393.83	\$ 485.26	\$ 576.70