

Table 3. 2007 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	138.00	5.35	738.30		
TOTAL RECEIPTS				738.30	138.00	
DIRECT COSTS						
Operating Preharvest						
ESTABLISHMENT ALLOCATION (5 Years)	DOLS	41.47	1.00	41.47	7.75	
FERTILIZER	DOLS	93.67	1.00	93.67	17.51	
HERBICIDE	DOLS	22.79	1.00	22.79	4.26	
CUSTOM APPLICATION	DOLS	5.25	1.00	5.25	0.98	
INSECTICIDE	DOLS	15.64	1.00	15.64	2.92	
IRRIGATION ENERGY	DOLS	72.11	1.00	72.11	13.48	
IRRIGATION REPAIR	DOLS	10.00	1.00	10.00	1.87	
SPRINKLER LEASE	DOLS	60.00	1.00	60.00	11.21	
CUSTOM AERIAL SPRAY	DOLS	7.00	1.00	7.00	1.31	
INTEREST EXPENSE ³	DOLS			11.48	2.15	
Total Preharvest	DOLS			339.41	63.44	
Operating Harvest						
FUEL	DOLS			3.23	0.60	
REPAIR & MAINTENANCE	DOLS			7.71	1.44	
LABOR	DOLS			3.78	1.00	
BALING ¹	DOLS			120.00	22.43	
HAULING/STACKING ²	DOLS			20.00	3.74	
Total Harvest				154.72	28.92	
Total Operating Costs				494.13	92.36	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			15.12	2.83	
GENERAL FARM OVERHEAD	DOLS			10.00	1.87	
REAL ESTATE TAXES	DOLS			10.00	1.87	
Total Property and Ownership Costs	DOLS			35.12	6.56	
TOTAL DIRECT COSTS				529.25	98.92	
NET RECEIPTS BEFORE FACTOR PAYMENTS				209.05	39.08	
FACTOR PAYMENTS						
LAND @ 4.00%	DOLS			52.00	9.72	
RETURN TO MANAGEMENT AND RISK	DOLS			157.05	29.36	

1 Baling = \$15/Bale (Round Baler)

2 Hauling/Stacking = \$2.5/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%	\$138.00	+10%	+25%
		\$ 103.50	\$ 124.20	\$ 138.00	\$ 151.80	\$ 172.50
ALTERNATIVE YIELDS	-25%	\$ (113.95)	\$ (30.90)	\$ 24.48	\$ 79.85	\$ 162.91
	-10%	\$ (30.90)	\$ 68.78	\$ 135.22	\$ 201.67	\$ 301.34
	TONS	\$ 24.48	\$ 135.22	\$ 209.05	\$ 282.88	\$ 393.63
	+10%	\$ 79.85	\$ 201.67	\$ 282.88	\$ 364.10	\$ 485.91
	+25%	\$ 162.91	\$ 301.34	\$ 393.63	\$ 485.91	\$ 624.35