

**Table 3. 2009 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
<b>GROSS RECEIPTS FROM PRODUCTION:</b>						
ALFALFA (Round Bales)	TONS	138.00	5.33	734.85		
<b>TOTAL RECEIPTS</b>				<b>734.85</b>	<b>138.00</b>	
<b>DIRECT COSTS</b>						
<b>Operating Preharvest</b>						
ESTABLISHMENT ALLOCATION (5 Years)	DOLS	41.47	1.00	41.47	7.79	
FERTILIZER	DOLS	153.19	1.00	153.19	28.77	
HERBICIDE	DOLS	27.07	1.00	27.07	5.08	
CUSTOM APPLICATION	DOLS	6.00	1.00	6.00	1.13	
INSECTICIDE	DOLS	17.35	1.00	17.35	3.26	
IRRIGATION ENERGY	DOLS	74.27	1.00	74.27	13.95	
IRRIGATION REPAIR	DOLS	10.00	1.00	10.00	1.88	
SPRINKLER LEASE	DOLS	60.00	1.00	60.00	11.27	
CUSTOM AERIAL SPRAY	DOLS	8.00	1.00	8.00	1.50	
INTEREST EXPENSE <sup>3</sup>	DOLS			14.90	2.80	
<b>Total Preharvest</b>	DOLS			<b>412.25</b>	<b>77.42</b>	
<b>Operating Harvest</b>						
FUEL	DOLS			2.67	0.50	
REPAIR & MAINTENANCE	DOLS			7.91	1.49	
LABOR	DOLS			3.91	1.00	
BALING <sup>1</sup>	DOLS			120.00	22.54	
HAULING/STACKING <sup>2</sup>	DOLS			15.98	3.00	
<b>Total Harvest</b>				<b>150.47</b>	<b>28.26</b>	
<b>Total Operating Costs</b>				<b>562.72</b>	<b>105.67</b>	
<b>Property and Ownership Costs</b>						
MACHINERY OWNERSHIP COSTS	DOLS			15.12	2.84	
GENERAL FARM OVERHEAD	DOLS			10.00	1.88	
REAL ESTATE TAXES	DOLS			10.00	1.88	
<b>Total Property and Ownership Costs</b>	DOLS			<b>35.12</b>	<b>6.60</b>	
<b>TOTAL DIRECT COSTS</b>				<b>597.84</b>	<b>112.27</b>	
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>137.01</b>	<b>25.73</b>	
<b>FACTOR PAYMENTS</b>						
LAND @ 4.00%	DOLS			52.00	9.77	
<b>RETURN TO MANAGEMENT AND RISK</b>	DOLS			<b>85.01</b>	<b>15.97</b>	

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

2 Hauling/Stacking = \$3/Bale

3 Interest on Operating Capital is calculated on 1/2 of pre-harvest operating costs at 7.5%

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

					<b>ALTERNATIVE PRICES</b>				
					<b>\$/TON</b>				
					<b>-25%</b>	<b>-10%</b>	<b>\$ 138.00</b>	<b>+10%</b>	<b>+25%</b>
					\$ 103.50	\$ 124.20	\$ 138.00	\$ 151.80	\$ 172.50
ALTERNATIVE YIELDS	-25%	4.0	\$ (184.48)	\$ (101.81)	\$ (46.70)	\$ 8.42	\$ 91.09		
	-10%	4.8	\$ (101.81)	\$ (2.61)	\$ 63.53	\$ 129.67	\$ 228.87		
	TONS	5.3	\$ (46.70)	\$ 63.53	\$ 137.01	\$ 210.50	\$ 320.73		
	+10%	5.9	\$ 8.42	\$ 129.67	\$ 210.50	\$ 291.33	\$ 412.58		
	+25%	6.7	\$ 91.09	\$ 228.87	\$ 320.73	\$ 412.58	\$ 550.37		