

**2010 Estimated Production Costs and Returns - Irrigated Alfalfa in Western 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 (Small Squares)	TONS	126.00	3.90	491.40	
<b>TOTAL RECEIPTS</b>				<b>491.40</b>	<b>126.00</b>
<b>DIRECT COSTS</b>					
<b>Operating Preharvest</b>					
SEED (ALLOCATED COST)	LBS	3.50	6.25	21.88	5.61
PHOSPHATE (ALLOCATED COST)	LBS	0.25	67.50	16.88	4.33
FERTILIZER APPLICATION	ACRE	6.00	1.00	6.00	1.54
IRRIGATION WATER	AC/IN	25.00	1.20	30.00	7.69
HERBICIDE	ACRE	2.35	1.00	2.35	0.60
HERBICIDE APPLICATION	ACRE	6.00	1.00	6.00	1.54
INSECTICIDE	ACRE	10.80	1.00	10.80	2.77
INSECTICIDE APPLICATION (AERIAL)	ACRE	10.00	1.00	10.00	2.56
MACH FUEL & LUBE	ACRE	5.53	1.00	5.53	1.42
MACHINE REPAIRS	ACRE	4.72	1.00	4.72	1.21
INTEREST EXPENSE <sup>1</sup>	DOLS			4.57	1.17
<b>Total Preharvest</b>	DOLS			<b>118.72</b>	<b>30.44</b>
<b>Operating Harvest</b>					
BALING <sup>2</sup>	TONS			83.57	21.43
HAULING/STACKING <sup>3</sup>	TONS			54.60	14.00
SWATHING <sup>4</sup>	ACRE			14.00	1.00
INTEREST EXPENSE <sup>1</sup>				3.04	
<b>Total Harvest</b>				<b>155.21</b>	<b>39.80</b>
<b>Total Operating Costs</b>				<b>273.93</b>	<b>70.24</b>
<b>Property and Ownership Costs</b>					
MACHINERY OWNERSHIP COSTS	DOLS			19.43	4.98
GENERAL FARM OVERHEAD	DOLS			20.00	5.13
REAL ESTATE TAXES	DOLS			10.00	2.56
<b>Total Property and Ownership Costs</b>	DOLS			<b>49.43</b>	<b>12.67</b>
<b>TOTAL DIRECT COSTS</b>				<b>323.36</b>	<b>82.91</b>
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>168.04</b>	<b>43.09</b>
<b>FACTOR PAYMENTS</b>					
LAND @ 4.00%	DOLS			32.00	8.21
<b>RETURN TO MANAGEMENT AND RISK</b>	DOLS			<b>136.04</b>	<b>34.88</b>

<sup>1</sup> Interest on Operating Capital is calculated on 1/2 of pre-harvest operating costs at 8%

<sup>2</sup> Baling = \$0.75/Bale (70 Lb Bale)

<sup>3</sup> Hauling/Stacking = \$14/Ton

<sup>4</sup> Swathing = \$14/Acre

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

		<b>ALTERNATIVE PRICES</b>				
		\$/TON				
		-25%	-10%		+10%	+25%
		\$ 94.50	\$ 113.40	\$ 126.00	\$ 138.60	\$ 157.50
ALTERNATIVE YIELDS	-25%	\$ (46.95)	\$ 8.33	\$ 45.19	\$ 82.04	\$ 137.33
	-10%	\$ 8.33	\$ 74.67	\$ 118.90	\$ 163.13	\$ 229.46
	TONS	\$ 45.19	\$ 118.90	\$ 168.04	\$ 217.18	\$ 290.89
	+10%	\$ 82.04	\$ 163.13	\$ 217.18	\$ 271.23	\$ 352.31
	+25%	\$ 137.33	\$ 229.46	\$ 290.89	\$ 352.31	\$ 444.45