Costs and Returns per acre from growing alfalfa hay, 2006

Davis County

Receipts

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity per acre</th>
<th>Unit</th>
<th>Price/cost per unit</th>
<th>Value/cost per acre</th>
<th>Base Value</th>
<th>Your Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alfalfa hay</td>
<td>6.0</td>
<td>tons</td>
<td>$88.57</td>
<td>$531.40</td>
<td>$531.40</td>
<td></td>
</tr>
<tr>
<td>Residue</td>
<td>0.25</td>
<td>AUM</td>
<td>$11.53</td>
<td>$2.88</td>
<td>$2.88</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>$534.28</td>
<td>$410.29</td>
<td></td>
</tr>
</tbody>
</table>

Operating costs

- **Fertilization**
  - Phosphate (11-52-0): 96 pounds, $0.20, $19.20, $19.20
  - Custom application: 1 acre, $7.82, $7.82, $7.82
- **Pesticides/herbicides**
  - Furadan: 1 pint, $10.50, $10.50, $10.50
  - Custom application: 1 acre, $7.82, $7.82, $7.82
- **Irrigation (siphon)**
  - Labor: 2.33 hours, $10.00, $23.33, $23.33
  - Water assessment: 1 share, $10.00, $10.00, $10.00
  - Repairs/maintenance: 1 acre, $2.30, $2.30, $2.30
  - Pumping: 34 acre inch, $0.00, $0.00, $0.00
- **Harvesting**
  - Swathing: 3 acre, $4.03, $12.10, $12.10
  - Turning/raking: 3 acre, $1.39, $4.18, $4.18
  - Baling: 6.00 tons, $4.79, $28.74, $28.74
  - Hauling/stacking: 6.00 tons, $3.63, $21.78, $21.78
  - Interest on operating capital: 7.61%, $3.67, $3.67
| **Subtotal**  |                   |      |                     | $151.45             | $151.45    |            |

Ownership costs (excludes cost of land)

- Farm insurance: 1 acre, $2.00, $2.00, $2.00
- Machinery ownership costs: 1 acre, $116.76, $116.76, $116.76
- Irrigation equipment costs: 1 acre, $8.25, $8.25, $8.25
| **Total costs** |                   |      |                     | $278.45             | $278.45    |            |

Net returns to owner for unpaid labor, management, equity and risk

- Above operating costs $382.84
- Above total listed costs $255.83

Breakeven Table - Alfalfa

Net returns per acre above operating costs

<table>
<thead>
<tr>
<th>Yield (Ton/Ac)</th>
<th>4.60</th>
<th>5.00</th>
<th>5.50</th>
<th>6.00</th>
<th>6.50</th>
<th>7.00</th>
<th>7.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling Price ($/ton)</td>
<td>$78.57</td>
<td>$83.57</td>
<td>$88.57</td>
<td>$93.57</td>
<td>$98.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$224.63</td>
<td>$252.69</td>
<td>$287.76</td>
<td>$322.84</td>
<td>$357.91</td>
<td>$392.98</td>
<td>$428.06</td>
<td></td>
</tr>
<tr>
<td>$247.63</td>
<td>$277.69</td>
<td>$315.26</td>
<td>$352.84</td>
<td>$390.41</td>
<td>$427.98</td>
<td>$465.56</td>
<td></td>
</tr>
<tr>
<td>$270.63</td>
<td>$302.69</td>
<td>$342.76</td>
<td>$382.84</td>
<td>$422.91</td>
<td>$462.98</td>
<td>$503.06</td>
<td></td>
</tr>
<tr>
<td>$293.63</td>
<td>$327.69</td>
<td>$370.26</td>
<td>$412.84</td>
<td>$455.41</td>
<td>$497.98</td>
<td>$540.56</td>
<td></td>
</tr>
<tr>
<td>$316.63</td>
<td>$352.69</td>
<td>$397.76</td>
<td>$442.84</td>
<td>$487.91</td>
<td>$532.98</td>
<td>$578.06</td>
<td></td>
</tr>
</tbody>
</table>

Assumptions

1. Alfalfa already established. Harvested in June, August, and September.
2. Interest computed on fertilization/herbicide costs for 6 months and operating costs for 3 months.
3. Machinery operating costs include: fuel, oil, repairs and labor.
4. Machinery ownership costs are allocated based on equipment used for each crop.
5. Machinery ownership costs include depreciation, interest, insurance, and housing.

Budget prepared by: E. Bruce Godfrey, Cody Bingham and Shawn Olsen