

**Costs and Returns per acre from growing grass hay, 2006
Duchesne County**

	Quantity per acre	Unit	Price/cost per unit	Value/cost per acre	Base Value
Receipts					
Grass hay	2.0	tons	\$67.67	\$135.33	\$135.33
Residue	0.25	AUM	\$11.53	\$2.88	\$2.88
Subtotal				\$138.22	\$138.22
Operating costs					
Fertilization					
Nitrogen (34-0-0)	147	pounds	\$0.18	\$26.24	\$26.24
Custom application	1	acre	\$7.82	\$7.82	\$7.82
Irrigation (wheel line)	3	irrigations			
Labor	1/3	hours	\$10.00	\$3.33	\$3.33
Water assessment	1	share	\$10.00	\$10.00	\$10.00
Repairs/maintenance	1	acre	\$8.25	\$8.25	\$8.25
Pumping	28	acre inch	\$0.00	\$0.00	\$0.00
Harvesting					
Swathing	1	acre	\$4.03	\$4.03	\$4.03
Baling	2.00	tons	\$4.79	\$9.58	\$9.58
Hauling/stacking	2.00	tons	\$3.63	\$7.26	\$7.26
Interest on operating capital			7.61%	\$1.71	\$1.71
Subtotal				\$78.22	\$72.00
Ownership costs (excludes cost of land)				\$109.21	\$109.21
Farm insurance	1	acre	\$2.00	\$2.00	\$2.00
Machinery ownership costs	1	acre	\$98.96	\$98.96	\$98.96
Irrigation equipment costs	1	acre	\$8.25	\$8.25	\$8.25
Total costs				\$187.43	\$181.21
Net returns to owner for unpaid labor, management, equity and risk					
Above operating costs				\$59.99	\$66.22
Above total listed costs				-\$49.21	-\$42.99

Breakeven Table - Grass Hay

Net returns per acre above operating costs

Yield (Ton/Ac)	Selling Price (\$/ton)			
	\$57.67	\$62.67	\$67.67	\$72.67
0.50	-\$33.88	-\$31.38	-\$28.88	-\$26.38
1.00	-\$9.25	-\$4.25	\$0.75	\$5.75
1.50	\$15.37	\$22.87	\$30.37	\$37.87
2.00	\$39.99	\$49.99	\$59.99	\$69.99
2.50	\$64.62	\$77.12	\$89.62	\$102.12
3.00	\$89.24	\$104.24	\$119.24	\$134.24
3.50	\$113.86	\$131.36	\$148.86	\$166.36

Assumptions

1. Grass already established. Harvested in June or July.
2. Interest computed on fertilization costs for 6 months and operating costs for 3 months.
3. Machinery operating costs include fuel, repairs, oil 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 Troy Cooper

Your Value

\$77.67

-\$23.88

\$10.75

\$45.37

\$79.99

\$114.62

\$149.24

\$183.86