Costs and Returns per acre from establishing alfalfa with oat hay, 2006

Grand County

<table>
<thead>
<tr>
<th>Receipts</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>Oat hay</td>
<td>2.4</td>
<td>tons</td>
<td>$67.67</td>
<td>$162.40</td>
<td>$162.40</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>
</tbody>
</table>

Subtotal

$165.28 $165.28

Operating costs

Land preparation

Plowing
1 acre $22.78 $22.78 $22.78
Rolling harrow
2 acre $14.33 $28.66 $28.66
Planting
1 acre $12.21 $12.21 $12.21

Seed

Oat seed
70 pounds $0.17 $11.90 $11.90
Alfalfa seed
15 pounds $2.52 $37.80 $37.80

Fertilization

Phosphate (11-52-0)
192 pounds $0.18 $34.27 $34.27
Potash (0-0-60)
125 pounds $0.15 $18.75 $18.75
Custom application
1 acre $7.82 $7.82 $7.82

Pesticides/herbicides

Roundup Ultra Max
1 quart $6.32 $6.32 $6.32
Custom application
1 acre $7.82 $7.82 $7.82

Irrigation (wheel line)

4 irrigations

Labor
1.33 hours $10.00 $13.33 $13.33

Water assessment
1 share $10.00 $10.00 $10.00

Repairs/maintenance
1 acre $2.30 $2.30 $2.30

Pumping
53 acre inch $0.00 $0.00 $0.00

Harvesting

Swathing
1 acre $15.56 $15.56 $15.56

Turning/raking
1 acre $4.69 $4.69 $4.69

Baling
2.40 tons $4.79 $11.50 $11.50

Hauling/stacking
2.40 tons $3.63 $8.71 $8.71

Interest on operating capital
7.61% $6.23 $6.23

Subtotal

$260.65 $292.84

Ownership costs (excludes cost of land)

Insurance
1 acre $2.00 $2.00 $2.00

Machinery ownership costs
1 acre $51.60 $51.60 $51.60

Irrigation equipment costs
1 acre $8.25 $8.25 $8.25

Total costs

$322.50 $354.69

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

Above operating costs
-95.37 -127.55
Above total listed costs
-157.22 -189.40

Breakeven Table - Oat Hay

Net returns per acre above operating costs

<table>
<thead>
<tr>
<th>Yield (Ton/Ac)</th>
<th>Selling Price ($/ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$57.67</td>
</tr>
<tr>
<td>0.90</td>
<td>-193.24</td>
</tr>
<tr>
<td>1.90</td>
<td>-143.99</td>
</tr>
<tr>
<td>2.90</td>
<td>-94.75</td>
</tr>
<tr>
<td>3.90</td>
<td>-45.50</td>
</tr>
</tbody>
</table>

Assumptions

1. Grain planted in late March and harvested in early August.
2. Interest computed on land preparation and planting costs for 6 months and fertilization/herbicide/irrigation costs for 3 months.
3. Custom rates for all field operations.
4. Only owned machinery are a loader and truck.

Budget prepared by: E. Bruce Godfrey, Cody Bingham and Michael Johnson

Modify Colored Columns