# Costs and Returns per acre from growing oat hay, 2006

## Iron 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>3.4</td>
<td>tons</td>
<td>$67.67</td>
<td>$230.07</td>
<td>$230.07</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></td>
<td>$232.95</td>
<td>$232.85</td>
</tr>
</tbody>
</table>

## Operating costs

### Land preparation
- **Plowing**
  - 1 acre: $5.88
- **Roller harrow**
  - 2 acre: $3.64
  - 2 acre: $3.34
  - 3 acre: $3.73
- **Discing**
  - 1 acre: $3.73
- **Planting**
  - 1 acre: $2.96
- **Seed**
  - 80 pounds: $0.17
- **Fertilization**
  - Nitrogen (34-0-0): 278 pounds: $0.18
  - Phosphate (11-52-0): 48 pounds: $0.18
- **Custom application**
  - 1 acre: $7.82
- **Pesticides/herbicides**
  - 2-4-D: 1.25 pint: $2.75
  - Custom application: 1 acre: $7.82
- **Irrigation (wheel line)**
  - 0.67 hours: $10.00
- **Labor**
  - 27 hours: $10.00
- **Water assessment**
  - Share: $0.00
- **Repairs/maintenance**
  - 1 acre: $2.30
- **Pumping**
  - 27 acre inch: $0.00
- **Harvesting**
  - Swathing: 1 acre: $4.03
  - Turning/raking: 1 acre: $1.39
  - Baling: 3.40 tons: $4.79
  - Hauling/stacking: 3.40 tons: $3.63
- **Interest on operating capital**
  - 7.61%: $4.73

| Subtotal             | $165.17           | $152.24 |

## Ownership costs (excludes cost of land)

- Farm insurance: 1 acre: $2.00
- Machinery ownership costs: 1 acre: $73.56
- Irrigation equipment costs: 1 acre: $8.25

| **Total costs**      | $248.98           | $236.04 |

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

- Above operating costs: $67.78
- Above total listed costs: $-16.03

## Breakeven Table - Oat Hay

<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>1.90</td>
<td>-$40.09</td>
</tr>
<tr>
<td>2.40</td>
<td>-$15.46</td>
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<tr>
<td>2.90</td>
<td>$9.16</td>
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<tr>
<td>3.40</td>
<td>$33.78</td>
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<tr>
<td>3.90</td>
<td>$58.41</td>
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<tr>
<td>4.40</td>
<td>$83.03</td>
</tr>
<tr>
<td>4.90</td>
<td>$107.65</td>
</tr>
</tbody>
</table>

**Assumptions**

1. Oats planted in late March and harvested in July.
2. Interest computed on land preparation and planting costs for 10 months and fertilization/herbicide/irrigation costs for 4 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.

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