

**Costs and Returns per acre from growing alfalfa hay, 2006
Western Iron County**

	Quantity per acre	Unit	Price/cost per unit	Value/cost per acre	Base Value	Your Value
Receipts						
Alfalfa hay	5.5	tons	\$88.57	\$487.12	\$487.12	
Residue	0.25	AUM	\$11.53	\$2.88	\$2.88	
	Subtotal			\$490.00	\$490.00	
Operating costs						
Fertilization						
Phosphate (11-52-0)	96	pounds	\$0.18	\$17.14	\$17.14	
Custom application	1	acre	\$7.82	\$7.82	\$7.82	
Pesticides/herbicides						
Mustang Max	2.25	oz	\$1.87	\$4.20	\$4.20	
Lorsban	0.75	pint	\$4.85	\$3.64	\$3.64	
Velpar	2	quart	\$16.50	\$33.00	\$33.00	
Select	7	ounce	\$1.52	\$10.61	\$10.61	
Pursuit	4.50	fluid ounce	\$4.46	\$20.07	\$20.07	
Custom application	1	acre	\$7.82	\$7.82	\$7.82	
Irrigation (center pivot)						
Labor	1.67	hours	\$10.00	\$16.67	\$16.67	
Water assessment	1	share	\$10.00	\$10.00	\$10.00	
Repairs/maintenance	1	acre	\$2.30	\$2.30	\$2.30	
Pumping	43	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	5.50	tons	\$4.79	\$26.35	\$26.35	
Hauling/stacking	5.50	tons	\$3.63	\$19.97	\$19.97	
Interest on operating capital			7.61%	\$5.71	\$5.40	
	Subtotal			\$201.56	\$184.97	
Ownership costs (excludes cost of land)						
Farm insurance	1	acre	\$2.00	\$2.00	\$2.00	
Machinery ownership costs	1	acre	\$53.25	\$53.25	\$53.25	
Irrigation equipment costs	1	acre	\$8.25	\$8.25	\$8.25	
	Total costs			\$265.06	\$248.47	
Net returns to owner for unpaid labor, management, equity and risk						
Above operating costs				\$288.44	\$305.03	
Above total listed costs				\$224.94	\$241.53	

Breakeven Table - Alfalfa

Net returns per acre above operating costs

Yield (Ton/Ac)	Selling Price (\$/ton)				
	\$78.57	\$83.57	\$88.57	\$93.57	\$98.57
4.00	\$128.22	\$148.22	\$168.22	\$188.22	\$208.22
4.50	\$163.29	\$185.79	\$208.29	\$230.79	\$253.29
5.00	\$198.36	\$223.36	\$248.36	\$273.36	\$298.36
5.50	\$233.44	\$260.94	\$288.44	\$315.94	\$343.44
6.00	\$268.51	\$298.51	\$328.51	\$358.51	\$388.51
6.50	\$303.58	\$336.08	\$368.58	\$401.08	\$433.58
7.00	\$338.66	\$373.66	\$408.66	\$443.66	\$478.66

Assumptions

1. Alfalfa already established. Harvested in June, August, 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 Chad Reid