

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

Kane County

	Quantity per acre	Unit	Price/cost per unit	Value/cost per acre	Base Value	Your Value
Receipts						
Oat hay	2.3	tons	\$67.67	\$155.63	\$155.63	
Residue	-	AUM	\$0.00	\$0.00	\$0.00	
	Subtotal			\$155.63	\$155.63	
Operating costs						
Land preparation						
Plowing	1	acre	\$22.78	\$22.78	\$22.78	
Roller harrow	2	acre	\$14.33	\$28.66	\$28.66	
Planting	1	acre	\$12.21	\$12.21	\$12.21	
Seed						
Oat seed	20	pounds	\$0.17	\$3.40	\$3.40	
Alfalfa seed	16	pounds	\$2.52	\$40.32	\$40.32	
Fertilization						
Nitrogen (34-0-0)	294	pounds	\$0.18	\$52.48	\$52.48	
Phosphate (11-52-0)	96	pounds	\$0.18	\$17.14	\$17.14	
Custom application	1	acre	\$7.82	\$7.82	\$7.82	
Irrigation (wheel line)						
Labor	2.00	hours	\$10.00	\$20.00	\$20.00	
Water assessment	1	share	\$20.00	\$20.00	\$20.00	
Repairs/maintenance	1	acre	\$2.30	\$2.30	\$2.30	
Pumping	43	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	2.30	tons	\$4.79	\$11.02	\$11.02	
Hauling/stacking	2.30	tons	\$3.63	\$8.35	\$8.35	
Interest on operating capital			7.61%	\$11.36	\$11.36	
	Subtotal			\$278.09	\$308.93	
Ownership costs (excludes cost of land)						
Farm insurance	1	acre	\$2.00	\$2.00	\$2.00	
Machinery ownership costs	1	acre	\$107.58	\$107.58	\$107.58	
Irrigation equipment costs	1	acre	\$8.25	\$8.25	\$8.25	
	Total costs			\$395.91	\$426.75	
Net returns to owner for unpaid labor, management, equity and risk						
Above operating costs				-\$122.45	-\$182.00	
Above total listed costs				-\$240.28	-\$271.12	

Breakeven Table - Oat Hay

Net returns per acre above operating costs

Yield (Ton/Ac)	Selling Price (\$/ton)				
	\$57.67	\$62.67	\$67.67	\$72.67	\$77.67
0.80	-\$219.32	-\$215.32	-\$211.32	-\$207.32	-\$203.32
1.30	-\$194.70	-\$188.20	-\$181.70	-\$175.20	-\$168.70
1.80	-\$170.08	-\$161.08	-\$152.08	-\$143.08	-\$134.08
2.30	-\$145.45	-\$133.95	-\$122.45	-\$110.95	-\$99.45
2.80	-\$120.83	-\$106.83	-\$92.83	-\$78.83	-\$64.83
3.30	-\$96.21	-\$79.71	-\$63.21	-\$46.71	-\$30.21
3.80	-\$71.58	-\$52.58	-\$33.58	-\$14.58	\$4.42

Assumptions

1. Grain and alfalfa planted in May and harvested in July.
2. Interest computed on land preparation and planting costs for 10 months and fertilization/herbicide/irrigation costs for 6 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 Kevin Heaton