Utah **S**tate **U**niversity
Extension **E**conomics

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Costs and Returns per acre from growing alfalfa hay, 2006
Millard County - Fillmore

Receipts	Quantity per acre	Unit	Price/cost per unit	Value/cost per acre	Base Value	Your Value
Alfalfa hay	4.3	tons	$88.57	$380.84	$380.84	
Residue	0.25	AUM	$11.53	$2.88	$2.88	
Subtotal				$383.72	$383.72	
Operating costs						
Fertilization						
Phosphate (11-52-0)	192	pounds	$0.18	$34.27	$34.27	
Custom application	1	acre	$7.82	$7.82	$7.82	
Pesticides/herbicides						
Pursuit	4	ounce	$4.46	$17.84	$17.84	
Select	6	ounce	$1.52	$9.09	$9.09	
Furadan	1	pint	$10.50	$10.50	$10.50	
Sencor	-	pints	$13.00	$0.00	$0.00	
Custom application	2	acre	$7.82	$15.64	$15.64	
Irrigation (wheel line)	7	irrigations				
Labor	2.33	hours	$10.00	$23.33	$23.33	
Water assessment	1	share	$20.00	$20.00	$20.00	
Repairs/maintenance	1	acre	$2.30	$2.30	$2.30	
Pumping	22	acre inch	$0.00	$0.00	$0.00	
Harvesting						
Swathing	4	acre	$4.03	$16.14	$16.14	
Raking	4	acre	$1.39	$5.57	$5.57	
Baling	4.30	tons	$4.79	$20.60	$20.60	
Hauling/stacking	4.30	tons	$3.63	$15.61	$15.61	
Crop insurance (75% Yield, 100% Price)	1	acre	$19.11	$19.11	$19.11	
Interest on operating capital			7.61%	$5.59	$5.45	
Subtotal				$223.42	$216.10	
Ownership costs (excludes cost of land)				$59.88	$59.88	
Farm insurance	1	acre	$2.00	$2.00	$2.00	
Machinery ownership costs	1	acre	$49.63	$49.63	$49.63	
Irrigation equipment costs	1	acre	$8.25	$8.25	$8.25	
Total costs				$283.30	$275.99	
Net returns to owner for unpaid labor, management, equity and risk						
Above operating costs				$160.30	$167.62	
Above total listed costs				$100.42	$107.73	

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**
2.80	$12.08	$26.08	$40.08	$54.08	$68.08
3.30	$47.16	$63.66	$80.16	$96.66	$113.16
3.80	$82.23	$101.23	$120.23	$139.23	$158.23
4.30	$117.30	$138.80	$160.30	$181.80	$203.30
4.80	$152.38	$176.38	$200.38	$224.38	$248.38
5.30	$187.45	$213.95	$240.45	$266.95	$293.45
5.80	$222.52	$251.52	$280.52	$309.52	$338.52

Assumptions
1. Alfalfa already established. Harvested in May, June, August, and late 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.

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