

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

	Quantity per acre	Unit	Price/cost per unit	Value/cost per acre	Base Value	Your Value
Receipts						
Alfalfa hay	2.9	tons	\$88.57	\$256.84	\$256.84	
Residue	0.25	AUM	\$11.53	\$2.88	\$2.88	
Subtotal				\$259.73	\$259.73	
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						
Furadan	1	pint	\$10.50	\$10.50	\$10.50	
Velpar	2	quart	\$16.50	\$33.00	\$33.00	
Custom application	2	acre	\$7.82	\$15.64	\$15.64	
Irrigation (wheel line)	5	irrigations				
Labor	1.67	hours	\$10.00	\$16.67	\$16.67	
Water assessment	4	acre feet	\$3.00	\$12.00	\$12.00	
Repairs/maintenance	1	acre	\$2.30	\$2.30	\$2.30	
Pumping	31	acre inch	\$0.00	\$0.00	\$0.00	
Harvesting - Custom Rates						
Swathing	3	acre	\$15.56	\$46.68	\$46.68	
Turning/raking	3	acre	\$4.69	\$14.07	\$14.07	
Baling	2.90	tons	\$4.79	\$13.89	\$13.89	
Hauling/stacking	2.90	tons	\$3.63	\$10.53	\$10.53	
Interest on operating capital			7.61%	\$5.41	\$6.15	
Subtotal				\$205.64	\$245.27	
Ownership costs (excludes cost of land)				\$66.76	\$66.76	
Insurance	1	acre	\$2.00	\$2.00	\$2.00	
Machinery ownership costs	1	acre	\$56.51	\$56.51	\$56.51	
Irrigation equipment costs	1	acre	\$8.25	\$8.25	\$8.25	
Total costs				\$272.40	\$312.03	
Net returns to owner for unpaid labor, management, equity and risk						
Above operating costs				\$54.09	\$14.46	
Above total listed costs				-\$12.68	-\$52.30	

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
1.40	-\$80.13	-\$73.13	-\$66.13	-\$59.13	-\$52.13
1.90	-\$45.06	-\$35.56	-\$26.06	-\$16.56	-\$7.06
2.40	-\$9.99	\$2.01	\$14.01	\$26.01	\$38.01
2.90	\$25.09	\$39.59	\$54.09	\$68.59	\$83.09
3.40	\$60.16	\$77.16	\$94.16	\$111.16	\$128.16
3.90	\$95.23	\$114.73	\$134.23	\$153.73	\$173.23
4.40	\$130.31	\$152.31	\$174.31	\$196.31	\$218.31

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.
6. Custom rates on all harvest operations.

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