

**Costs and Returns per acre from growing grass hay, 2006
Rich County**

	Quantity per acre	Unit	Price/cost per unit	Value/cost per acre	Base Value
Receipts					
Grass hay	1.4	tons	\$67.67	\$94.73	\$94.73
Residue	0.75	AUM	\$11.53	\$8.65	\$8.65
Subtotal				\$103.38	\$103.38
Operating costs					
Fertilization					
Nitrogen (34-0-0)	588	pounds	\$0.18	\$104.96	\$104.96
Custom application	1	acre	\$7.82	\$7.82	\$7.82
Irrigation (flood)					
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	27	acre inch	\$0.00	\$0.00	\$0.00
Harvesting					
Swathing	2	acre	\$4.03	\$8.07	\$8.07
Baling	1.40	tons	\$4.79	\$6.71	\$6.71
Hauling/stacking	1.40	tons	\$3.63	\$5.08	\$5.08
Interest on operating capital			7.61%	\$5.22	\$5.22
Subtotal				\$166.82	\$166.83
Ownership costs (excludes cost of land)					
Farm insurance	1	acre	\$2.00	\$2.00	\$2.00
Machinery ownership costs	1	acre	\$100.08	\$100.08	\$100.08
Irrigation equipment costs	1	acre	\$8.25	\$8.25	\$8.25
Total costs				\$277.15	\$277.15
Net returns to owner for unpaid labor, management, equity and risk					
Above operating costs				-\$63.44	-\$63.44
Above total listed costs				-\$173.77	-\$173.77

Breakeven Table - Grass Hay

Net returns per acre above operating costs

Yield (Ton/Ac)	Selling Price (\$/ton)			
	\$57.67	\$62.67	\$67.67	\$72.67
-0.10	-\$151.31	-\$151.81	-\$152.31	-\$152.81
0.40	-\$126.68	-\$124.68	-\$122.68	-\$120.68
0.90	-\$102.06	-\$97.56	-\$93.06	-\$88.56
1.40	-\$77.44	-\$70.44	-\$63.44	-\$56.44
1.90	-\$52.81	-\$43.31	-\$33.81	-\$24.31
2.40	-\$28.19	-\$16.19	-\$4.19	\$7.81
2.90	-\$3.57	\$10.93	\$25.43	\$39.93

Assumptions

1. Grass already established. Harvested in June - September.
2. Interest computed on fertilization 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 Darrell Rothlisberger

Your Value

\$77.67

-\$153.31

-\$118.68

-\$84.06

-\$49.44

-\$14.81

\$19.81

\$54.43