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

Modify Colored Columns

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

Receipts	Quantity per acre	Unit	Price/cost per unit	Value/cost per acre	Base Value	Your Value
Alfalfa hay	3.9	tons	$88.57	$345.41	$345.41	
Residue	0.64	AUM	$11.53	$7.38	$7.38	
Subtotal				$352.79	$352.79	
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	
Custom application	1	acre	$7.82	$7.82	$7.82	
Irrigation (wheel line)	7	irrigations				
Labor	2.33	hours	$10.00	$23.33	$23.33	
Water assessment	1	share	$15.00	$15.00	$15.00	
Repairs/maintenance	1	acre	$2.30	$2.30	$2.30	
Pumping	41	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	3.90	tons	$4.79	$18.68	$18.68	
Hauling/stacking	3.90	tons	$3.63	$14.16	$14.16	
Crop insurance (75% Yield, 100% Price)	1	acre	$15.61	$15.61	$15.61	
Interest on operating capital			7.61%	$3.35	$3.19	
Subtotal				$151.99	$143.21	
Ownership costs (excludes cost of land)				$103.45	$103.45	
Insurance	1	acre	$2.00	$2.00	$2.00	
Machinery ownership costs	1	acre	$93.20	$93.20	$93.20	
Irrigation equipment costs	1	acre	$8.25	$8.25	$8.25	
Total costs				$255.44	$246.66	
Net returns to owner for unpaid labor, management, equity and risk						
Above operating costs				$200.80	$209.58	
Above total listed costs				$97.35	$106.13	

Breakeven Table - Alfalfa

Net returns per acre above operating costs

Yield	Selling Price ($/ton)				
(Ton/Ac)	**$78.57**	**$83.57**	**$88.57**	**$93.57**	**$98.57**
2.40	$56.58	$68.58	$80.58	$92.58	$104.58
2.90	$91.65	$106.15	$120.65	$135.15	$149.65
3.40	$126.73	$143.73	$160.73	$177.73	$194.73
3.90	$161.80	$181.30	$200.80	$220.30	$239.80
4.40	$196.87	$218.87	$240.87	$262.87	$284.87
4.90	$231.95	$256.45	$280.95	$305.45	$329.95
5.40	$267.02	$294.02	$321.02	$348.02	$375.02

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