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

Modify Colored Columns

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

Receipts	Quantity per acre	Unit	Price/cost per unit	Value/cost per acre	Base Value	Your Value
Alfalfa hay	3.5	tons	$88.57	$309.98	$309.98	
Residue	0.25	AUM	$11.53	$2.88	$2.88	
Subtotal				$312.87	$312.87	
Operating costs						
Fertilization						
Phosphate (11-50-2)	96	pounds	$0.18	$17.14	$17.14	
Custom application	1	acre	$7.82	$7.82	$7.82	
Pesticides/herbicides						
Furadan	1.00	pints	$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	3.50	tons	$4.79	$16.77	$16.77	
Hauling/stacking	3.50	tons	$3.63	$12.71	$12.71	
Crop insurance (75% Yield, 100% Price)	1	acre	$13.99	$13.99	$13.99	
Interest on operating capital			7.61%	$3.29	$3.16	
Subtotal				$146.94	$140.11	
Ownership costs (excludes cost of land)				$78.05	$78.05	
Farm insurance	1	acre	$2.00	$2.00	$2.00	
Machinery ownership costs	1	acre	$67.80	$67.80	$67.80	
Irrigation equipment costs	1	acre	$8.25	$8.25	$8.25	
Total costs				$224.99	$218.17	
Net returns to owner for unpaid labor, management, equity and risk						
Above operating costs				$165.93	$172.76	
Above total listed costs				$87.87	$94.70	

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**
2.00	$25.71	$35.71	$45.71	$55.71	$65.71
2.50	$60.78	$73.28	$85.78	$98.28	$110.78
3.00	$95.85	$110.85	$125.85	$140.85	$155.85
3.50	$130.93	$148.43	$165.93	$183.43	$200.93
4.00	$166.00	$186.00	$206.00	$226.00	$246.00
4.50	$201.07	$223.57	$246.07	$268.57	$291.07
5.00	$236.15	$261.15	$286.15	$311.15	$336.15

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

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