## Costs and Returns per acre from growing alfalfa hay, 2006

### Uintah County

#### Receipts

<table>
<thead>
<tr>
<th></th>
<th>Quantity per acre</th>
<th>Unit</th>
<th>Price/cost per unit</th>
<th>Value/cost per acre</th>
<th>Base Value</th>
<th>Your Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alfalfa hay</td>
<td>3.9</td>
<td>tons</td>
<td>$88.57</td>
<td>$345.41</td>
<td>$345.41</td>
<td>$345.41</td>
</tr>
<tr>
<td>Residue</td>
<td>0.50</td>
<td>AUM</td>
<td>$11.53</td>
<td>$5.77</td>
<td>$5.77</td>
<td>$5.77</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>$351.18</td>
<td>$351.18</td>
<td>$351.18</td>
</tr>
</tbody>
</table>

#### Operating costs

- **Fertilization**
  - Phosphate (11-52-0)
    - 144 pounds: $0.18 per pound = $25.70
  - Potassium (0-0-60)
    - 120 pounds: $0.15 per pound = $18.00
  - Custom application
    - 1 acre: $7.82

- **Pesticides/herbicides**
  - Sencor
    - 0.50 pint: $13.00
  - Custom application
    - 1 acre: $7.82

- **Irrigation (center pivot)**
  - Labor
    - 3.00 hours: $10.00
  - Water assessment
    - 1 share: $10.00
  - Repairs/maintenance
    - 1 acre: $2.30
  - Pumping
    - 30 acre inch: $0.00

- **Harvesting**
  - Swathing
    - 3 acre: $4.03
  - Turning
    - 3 acre: $1.39
  - Baling
    - 3.90 tons: $4.79
  - Hauling/stacking
    - 3.90 tons: $3.63

- **Crop insurance (75% Yield, 100% Price)**
  - 1 acre: $15.61

- **Interest on operating capital**
  - 7.61%
  - 1 acre: $4.54

<table>
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<tr>
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<th>Your Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td>$177.41</td>
<td>$168.63</td>
</tr>
</tbody>
</table>

#### Ownership costs (excludes cost of land)

- Insurance
  - 1 acre: $2.00

- Machinery ownership costs
  - 1 acre: $120.38

- Irrigation equipment costs
  - 1 acre: $8.25

<table>
<thead>
<tr>
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<th>Base Value</th>
<th>Your Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total costs</strong></td>
<td></td>
<td></td>
<td></td>
<td>$308.04</td>
<td>$299.26</td>
</tr>
</tbody>
</table>

Net returns to owner for unpaid labor, management, equity and risk

- **Above operating costs**
  - $173.76
- **Above total listed costs**
  - $43.13

## Breakeven Table - Alfalfa

<table>
<thead>
<tr>
<th>Yield (Ton/AC)</th>
<th>Selling Price ($/ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$78.57</td>
</tr>
<tr>
<td>2.40</td>
<td>$29.54</td>
</tr>
<tr>
<td>2.90</td>
<td>$64.62</td>
</tr>
<tr>
<td>3.40</td>
<td>$99.69</td>
</tr>
<tr>
<td>3.90</td>
<td>$134.76</td>
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<tr>
<td>4.40</td>
<td>$169.84</td>
</tr>
<tr>
<td>4.90</td>
<td>$204.91</td>
</tr>
<tr>
<td>5.40</td>
<td>$239.98</td>
</tr>
</tbody>
</table>

**Assumptions**

1. Alfalfa already established harvested in June, July, 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.

Budget prepared by: E. Bruce Godfrey, Cody Bingham and Boyd Kitchen