

## Enterprise Budgets: Costs and Returns per acre from growing alfalfa hay Uintah County, 2008

| Receipts   | Quantity<br>per acre | Unit        | Price/cost<br>per unit | Value/cost<br>per acre | Your Value |
|--|----------------------|-------------|------------------------|------------------------|------------|
| Alfalfa hay  | 5.0                  | tons        | \$170.00               | \$850.00               | _____      |
| Residue  | 0.50                 | AUM         | \$12.00                | \$6.00                 | _____      |
| <b>Subtotal</b>  |                      |             |                        | \$856.00               | _____      |
| <b>Operating costs</b>   |                      |             |                        |                        |            |
| Fertilization  |                      |             |                        |                        |            |
| Phosphate (11-52-0)  | 144                  | pounds      | \$0.60                 | \$86.40                | _____      |
| Potassium (0-0-60)   | 120                  | pounds      | \$0.50                 | \$60.00                | _____      |
| Custom application   | 1                    | acre        | \$4.25                 | \$4.25                 | _____      |
| Pesticides/herbicides  |                      |             |                        |                        |            |
| Raptor w/surfactant  | 5                    | ounces      | \$6.00                 | \$30.00                | _____      |
| Select   | 8                    | ounces      | \$1.20                 | \$9.60                 | _____      |
| Custom application   | 1                    | acre        | \$6.25                 | \$6.25                 | _____      |
| Irrigation (center pivot)  | 9                    | irrigations |                        |                        | _____      |
| Labor  | 2.00                 | hours       | \$10.00                | \$20.00                | _____      |
| Water assessment   | 1                    | share       | \$10.00                | \$10.00                | _____      |
| Repairs/maintenance  | 1                    | acre        | \$12.00                | \$12.00                | _____      |
| Pumping  | 30                   | acre inch   | \$0.42                 | \$12.60                | _____      |
| Harvesting   |                      |             |                        |                        |            |
| Swathing   | 3                    | acre        | \$5.36                 | \$16.08                | _____      |
| Turning  | 3                    | acre        | \$1.85                 | \$5.55                 | _____      |
| Baling   | 5                    | tons        | \$6.37                 | \$31.85                | _____      |
| Hauling/stacking   | 5                    | tons        | \$4.83                 | \$24.15                | _____      |
| Crop insurance (75% Yield, 100% Price)                             | 1                    | acre        | \$15.61                | \$15.61                | _____      |
| Interest on operating capital                                      |                      |             | 7.50%                  | \$10.14                | _____      |
| <b>Subtotal</b>  |                      |             |                        | \$354.48               | _____      |
| Ownership costs (excludes cost of land)                            |                      |             |                        | \$221.38               | _____      |
| Establishment costs  | 1                    | acre        | \$ 55.00               | \$55.00                | _____      |
| Insurance  | 1                    | acre        | \$ 2.00                | \$2.00                 | _____      |
| Machinery ownership costs  | 1                    | acre        | \$ 120.38              | \$120.38               | _____      |
| Irrigation equipment costs   | 1                    | acre        | \$ 44.00               | \$44.00                | _____      |
| <b>Total costs</b>   |                      |             |                        | \$575.86               | _____      |
| Net returns to owner for unpaid labor, management, equity and risk |                      |             |                        |                        |            |
| Above operating costs  |                      |             |                        | \$501.52               | _____      |
| Above total listed costs   |                      |             |                        | \$280.14               | _____      |

### Net returns per acre above operating costs

for alternative prices and levels of production

| Yield<br>(Ton/Ac) | Selling Price (\$/ton) |          |          |          |          |
|-------------------|------------------------|----------|----------|----------|----------|
|                   | \$160.00               | \$165.00 | \$170.00 | \$175.00 | \$180.00 |
| <b>3.50</b>       | \$228.32               | \$245.82 | \$263.32 | \$280.82 | \$298.32 |
| <b>4.00</b>       | \$302.72               | \$322.72 | \$342.72 | \$362.72 | \$382.72 |
| <b>4.50</b>       | \$377.12               | \$399.62 | \$422.12 | \$444.62 | \$467.12 |
| <b>5.00</b>       | \$451.52               | \$476.52 | \$501.52 | \$526.52 | \$551.52 |
| <b>5.50</b>       | \$525.92               | \$553.42 | \$580.92 | \$608.42 | \$635.92 |
| <b>6.00</b>       | \$600.32               | \$630.32 | \$660.32 | \$690.32 | \$720.32 |
| <b>6.50</b>       | \$674.72               | \$707.22 | \$739.72 | \$772.22 | \$804.72 |

#### 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.