



ESTIMATED PRODUCTION COSTS AND RETURNS

San Luis Valley -- Alfalfa Hay, Irrigated - Pivot

2022

REVENUES

Budget	QUANTITY		PRICE PER UNIT	REVENUES		
	PER ACRE	UNITS		PER TON	PER ACRE	PER CIRCLE
Alfalfa Hay	4.50	tons	\$270.00		1,215	145,800
Other	0	Units	0.00		0	0
Government Payments	0	Field	0.00		0	0
TOTAL REVENUES				270	1,215	145,800

EXPENSES

	PER TON	PER ACRE	PER CIRCLE
OPERATING EXPENSES (PRE-HARVEST)			
Establishment Charges for Non-Annual Crops	14	59	7,080
Land Preparation	0	0	0
Seed/ Transplants & Planting	0	0	0
Fertilizer & Application	27	120	14,400
Herbicide & Application	0	0	0
Insecticide & Application	1	4	444
Mechanized Weed Control	0	0	0
Irrigation	61	271	32,500
Irrigation Labor	4	15	1,800
Labor	0	0	0
Crop Insurance & Consulting	3	11	1,320
Interest on Operating Expenses (@ 5.5%)	6	26	3,165
Total Pre-Harvest Expenses	116	506	60,709
HARVEST EXPENSES			
Harvest	60	270	32,400
Hauling	5	23	2,700
Total Harvest Expenses	65	293	35,100
TOTAL OPERATING EXPENSES	181	798	95,809
FACTOR PAYMENTS			
Land Costs	54	240	28,800
Management Charges	0	0	0
Overhead/Depreciation/RE Taxes/Other Fixed Costs	25	109	13,080
Total	79	349	41,880
TOTAL COSTS	260	1,147	137,689
NET RETURNS	10	68	8,111

SENSITIVITY ANALYSIS (budgeted per acre returns over total costs)

	tons	25% Lower	10% Lower	Actual Price	10% Higher	25% Higher
		\$203	\$243	\$270	\$297	\$338
25% Lower	3.38	(464)	(327)	(236)	(145)	(8)
10% Lower	4.05	(327)	(163)	(54)	55	219
Actual Yield	4.50	(236)	(54)	68	189	371
10% Higher	4.95	(145)	55	189	323	523
25% Higher	5.63	(8)	219	371	523	751