

Fescue Grazing, 2010

Estimated Nov 2009

Yield, tons air-dry: 2.27
 Weighted value per ton, air-dry: \$21.82

| Income per acre | | Yield | Price | Business unit total |
|------------------------------|------|-------|-------|---------------------|
| Grazing | AUMs | 5.5 | 9.00 | 49.50 |
| Other income | | | | 0.00 |
| Total income per acre | | | | \$49.50 |

| | | | | |
|--------------------------------------|--|--|-------|----------------|
| Operating costs per acre | | | | |
| Seed | | | | 7.50 |
| Fertilizer | | | | 20.60 |
| Nitrogen | | | 17.60 | |
| Phosphorus | | | 0.00 | |
| Potassium | | | 0.00 | |
| Other amendments | | | 3.00 | |
| Crop protection | | | | 3.00 |
| Herbicide, Grazon weed and brush | | | 3.00 | |
| Insecticide-fungicide | | | 0.00 | |
| Crop supplies, storage | | | | 1.00 |
| Crop consulting | | | | 0.00 |
| Custom hire and rental | | | | 6.06 |
| Machinery fuel and irrigation energy | | | | 1.25 |
| Machinery repairs and maintenance | | | | 0.66 |
| Operator and hired labor | | | | 2.28 |
| Other expense | | | | 0.00 |
| Operating interest | | | | 1.48 |
| Operating costs per acre | | | | \$43.83 |

| | | | | |
|---------------------------------------|--|--|--|----------------|
| Ownership costs per acre ¹ | | | | |
| Farm business overhead | | | | 2.25 |
| Machinery overhead | | | | 3.67 |
| Machinery depreciation | | | | 1.46 |
| Real estate charge | | | | 27.80 |
| Ownership costs per acre | | | | \$35.18 |

Total costs per acre **\$79.01**

| | |
|--------------------------------------|----------|
| Income over operating costs per acre | \$5.67 |
| Income over total costs per acre | -\$29.51 |

| | |
|--|---------|
| Operating costs per ton, air-dry basis | \$19.32 |
| Ownership costs per ton, air-dry basis | \$15.51 |
| Total costs per ton, air-dry basis | \$34.83 |

Detailed Report

Production Fescue Grazing, 2010

| Selected input quantities | per acre | Selected input prices | \$ per unit |
|-------------------------------|----------|-------------------------|-------------|
| Forage yield, tons | 2.27 | Farm diesel, per gallon | 2.45 |
| Seeding rate, lbs | 3 | Operating interest, % | 7.00 |
| Nitrogen rate, lbs | 40 | Nitrogen, per lb | 0.44 |
| Phosphorus rate, lbs | 0 | Phosphorus, per lb | 0.00 |
| Potassium rate, lbs | 0 | Potassium, per lb | 0.00 |
| Lime rate, tons | 0.25 | Lime, per ton | 12.00 |
| Sum of allocated labor, hours | 0.19 | Skilled labor, per hour | 17.00 |
| Irrigation, inches | 0 | Land value, per acre | 1,390 |

| Machine activity (not custom) | Labor | Fuel | Operating | Ownership | Total | Trips |
|--------------------------------|-------------|-------------|--------------------|--------------------|-------------|-------------|
| | Hours | Gallons | Costs ² | Costs ³ | Costs | |
| | per acre | per acre | \$ per acre | \$ per acre | \$ per acre | per acre |
| Rotary mower (15 ft); 105 MFWD | 0.04 | 0.20 | 1.30 | 3.79 | 5.09 | 0.33 |
| Pickup truck | | 0.29 | 1.11 | 1.34 | 2.45 | |
| Total | 0.04 | 0.49 | 2.41 | 5.13 | 7.55 | 0.33 |

¹ Farm business overhead includes liability insurance, utilities, accounting, etc. Machinery overhead is the sum of opportunity interest, property taxes, insurance, and housing. Machinery depreciation is a market value decline due to aging and usage. Thus, a portion of depreciation should be considered an operating costs for some decisions. Real estate charge includes land, improvements, taxes.

Economic costs may differ from rental rates.

² Machinery operating cost is the sum of fuel, repairs, maintenance, and the value of labor.

³ Machinery ownership cost is the sum of machinery overhead and depreciation (see page 1).