
2025 Cost of Production

Hay: Round Bale and Silage



Guidelines For Estimating
Hay Production Costs - 2024
Round Bale Hay and Silage

Date: September, 2024

This guide is designed to provide planning information and a format for calculating the costs of producing a forage crop of 100% alfalfa or alfalfa grass mixture for the purpose of feeding livestock or export in Manitoba. General Manitoba Agriculture recommendations are assumed in using fertilizers and chemical inputs. These figures provide an economic evaluation of the crops and estimated yields required to cover all costs. Costs include labour, investment and depreciation, but do not include management costs, nor do they necessarily represent the average cost of production in Manitoba.

The assumptions on which the costs were calculated are clearly defined in the supporting pages. They were developed using a combination of recommended practices and methods followed by many producers.

These budgets may be adjusted by putting in your own figures. As a producer, you are encouraged to calculate your own costs of production for your alfalfa hay crops. On each farm, costs and yields differ due to soil type, climate and agronomic practices.

This tool is available as an Excel worksheet at:



[The Farm Machinery Custom and Rental Rate Guide](#) is also available to help determine machinery costs.

Contact Us

For more information, contact a Farm Management Specialist.

- manitoba.ca/agriculture
- mbfarmbusiness@gov.mb.ca
- 1-844-769-6224

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Dry Hay Production Costs - 2024										
	Alfalfa Hay			Alfalfa-Grass Hay			Greenfeed Hay			Your Farm
	Annual (Years 2 to 5)			Annual (Years 2 to 8)			Production Costs			
	\$/acre	(as fed) \$/ton	(Dry Matter-DM) \$/ton	\$/acre	(as fed) \$/ton	(DM) \$/ton	\$/acre	(as fed) \$/ton	(DM) \$/ton	
A. Operating Costs										
Forage Seed & Treatment	-			-			-			
Nurse Crop Seed	-			-			\$25.00			
Establishment (amortized)	\$38.98 ¹			\$35.47 ²			-			
Fertilizer	\$103.28			\$80.94			\$80.93			
Herbicide/Insecticide	\$0.00			\$0.00			\$16.00			
Fuel	\$11.11			\$7.74			\$13.11			
Machinery Operating	\$13.28			\$13.28			\$13.28			
Machinery Lease	\$2.40			\$2.40			\$2.40			
Rental and Custom	\$14.00			\$11.16			\$11.32			
Crop Insurance	\$32.17			\$9.64			\$17.15			
Twine/Net Wrap	\$5.64			\$4.44			\$4.56			
Plastic Silage Wrap	-			-			-			
Other Costs	\$2.00			\$2.00			\$2.00			
Land Taxes	\$15.00			\$15.00			\$15.00			
Interest on Operating	<u>\$8.92</u>			<u>\$6.83</u>			<u>\$7.53</u>			
Total Operating	\$246.78			\$188.90			\$208.29			
B. Fixed Costs										
Land Cost	\$75.14			\$75.14			\$75.14			
Machinery Costs	\$53.79			\$53.79			\$53.79			
Storage Costs	<u>\$0.00</u>			<u>\$0.00</u>			<u>\$0.00</u>			
Total Fixed	\$128.94			\$128.94			\$128.94			
Total Operating & Fixed	\$375.72			\$317.84			\$337.22			
C. Labour	\$32.40			\$32.40			\$40.50			
Total Costs	\$408.12	\$116.60	\$132.51	\$350.24	\$125.53	\$143.54	\$377.72	\$133.47	\$155.44	
Total Costs (\$/lb.)		\$0.058	\$0.066		\$0.063	\$0.072		\$0.067	\$0.078	
Total Costs (\$/1500 lb. bale)	\$86.83			\$94.66			\$99.40			
Profitability & Breakeven Analysis										
Estimated Farmgate		As Fed	DM		As Fed	DM		As Fed	DM	
Price \$ per ton		\$155.00	\$176.14		\$115.00	\$131.50		\$115.00	\$133.93	
Yield per acre (ton)		3.50	3.08		2.79	2.44		2.83	2.43	
Total Yield (tons/300 acres)		1,050	924		837	732		849	729	
Gross Revenue		\$542.50			\$320.85			\$325.45		
Marginal Returns		(as fed)	(DM)		(as fed)	(DM)		(as fed)	(DM)	
Over Operating Costs	\$/acre	\$/ton	\$/ton	\$/acre	\$/ton	\$/ton	\$/acre	\$/ton	\$/ton	
Over Operating Costs	\$295.72	\$84.49	\$96.01	\$131.95	\$47.29	\$54.08	\$117.16	\$41.40	\$48.21	
Over Total Costs (Net Profit)	\$134.38	\$38.40	\$43.63	(\$29.39)	(\$10.53)	(\$12.04)	(\$52.27)	(\$18.47)	(\$21.51)	
Operating Expense Ratio	45.5%			58.9%			64.0%			
Breakeven Price (\$/ton)										
Operating Costs		\$70.51	\$80.12		\$67.71	\$77.42		\$73.60	\$85.72	
Total Costs		\$116.60	\$132.51		\$125.53	\$143.54		\$133.47	\$155.44	
Breakeven Yield (tons/acre)										
Operating Costs		1.592	1.401		1.643	1.437		1.811	1.555	
Total Costs		2.633	2.317		3.046	2.663		3.285	2.820	
Cost of Standing Hay (\$/lb.)		\$0.039 ³			\$0.040 ³			\$0.044 ⁴		
Cost of Standing Hay (\$/ton)		\$78.55			\$80.48			\$87.20		
On-Farm Harvest Cost (\$/ton)		\$38.06			\$45.05			\$46.27		

1. Alfalfa establishment (without nurse crop) net cost of \$155.91 (total cost minus estimated gross revenue) were amortized over 4 hay production years.

2. Alfalfa-grass establishment (with oat greenfeed nurse crop) net cost of \$248.26 (total cost minus estimated gross revenue) were amortized over 7 hay production years.

3. Cost of alfalfa and alfalfa-grass standing hay (includes: establishment, fertilizer, pesticide, land taxes, crop insurance, 5% of fuel and labour, 50% of other costs, and land costs.)

4. Cost of greenfeed standing hay (includes: seed; fertilizer; pesticide; land taxes; crop insurance; 40% of fuel; 20% of labour, machinery lease, and machinery operating; 50% of other costs, and land costs.)

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Baled Silage Production Costs - 2024										
	Alfalfa Baled Silage			Alfalfa-Grass Baled Silage			Greenfeed Baled Silage			Your Farm
	Annual (Years 2 to 5)			Annual (Years 2 to 8)			Production Costs			
	\$/acre	(as fed) \$/ton	(DM) \$/ton	\$/acre	(as fed) \$/ton	(DM) \$/ton	\$/acre	(as fed) \$/ton	(DM) \$/ton	
A. Operating Costs										
Forage Seed & Treatment	-			-			-			
Nurse Crop Seed	-			-			\$25.00			
Establishment (amortized)	\$65.79 ¹			\$44.54 ²			-			
Fertilizer	\$103.28			\$80.94			\$80.93			
Herbicide/Insecticide	\$0.00			\$0.00			\$16.00			
Fuel	\$11.87			\$9.32			\$14.69			
Machinery Operating	\$17.95			\$17.95			\$17.95			
Machinery Lease	\$2.40			\$2.40			\$2.40			
Rental and Custom	\$20.67			\$16.35			\$16.56			
Crop Insurance	\$32.17			\$9.64			\$17.15			
Twine/Net Wrap	\$8.28			\$6.60			\$6.60			
Plastic Silage Wrap	\$29.15			\$23.24			\$23.24			
Other Costs	\$2.00			\$2.00			\$2.00			
Land Taxes	\$15.00			\$15.00			\$15.00			
Interest on Operating	\$11.57			\$8.55			\$8.91			
Total Operating	\$320.13			\$236.53			\$246.43			
B. Fixed Costs										
Land Cost	\$75.14			\$75.14			\$75.14			
Machinery Costs	\$73.14			\$73.14			\$73.14			
Storage Costs	\$0.00			\$0.00			\$0.00			
Total Fixed	\$148.28			\$148.28			\$148.28			
Total Operating & Fixed	\$468.41			\$384.81			\$394.71			
C. Labour	\$37.80			\$37.80			\$45.90			
Total Costs	\$506.21	\$73.47	\$146.73	\$422.61	\$77.54	\$154.80	\$440.61	\$79.82	\$159.64	
Total Costs (\$/lb.)		\$0.037	\$0.073		\$0.039	\$0.077		\$0.040	\$0.080	
Total Costs (\$/2000 lb. bale)	\$73.36			\$76.84			\$80.11			

Profitability & Breakeven Analysis

Estimated Farmgate	As Fed		DM		As Fed		DM		As Fed		DM	
	\$/acre	\$/ton	\$/acre	\$/ton	\$/acre	\$/ton	\$/acre	\$/ton	\$/acre	\$/ton	\$/acre	\$/ton
Price \$ per ton	\$60.00	\$119.83	\$55.00	\$109.80	\$55.00	\$110.00						
Yield per acre (ton)	6.89	3.45	5.45	2.73	5.52	2.76						
Total Yield (tons/300 acres)	2,067	1,035	1,635	819	1,656	828						
Gross Revenue	\$413.40		\$299.75		\$303.60							
Marginal Returns		(as fed)	(DM)		(as fed)	(DM)		(as fed)	(DM)		(as fed)	(DM)
Over Operating Costs	\$93.27	\$13.54	\$27.03	\$63.22	\$11.60	\$23.16	\$57.17	\$10.36	\$20.71			
Over Total Costs (Net Profit)	(\$92.81)	(\$13.47)	(\$26.90)	(\$122.86)	(\$22.54)	(\$45.00)	(\$137.01)	(\$24.82)	(\$49.64)			
Operating Expense Ratio	77.4%			78.9%			81.2%					
Breakeven Price (\$/ton)												
Operating Costs	\$46.46	\$92.79	\$43.40	\$86.64	\$44.64	\$89.29						
Total Costs	\$73.47	\$146.73	\$77.54	\$154.80	\$79.82	\$159.64						
Breakeven Yield (tons/acre)												
Operating Costs	5.336	2.672	4.300	2.154	4.481	2.240						
Total Costs	8.437	4.225	7.684	3.849	8.011	4.006						
Cost of Standing Hay (\$/lb.)	\$0.022 ³		\$0.021 ³		\$0.023 ⁴							
Cost of Standing Hay (\$/ton)	\$43.98		\$42.99		\$46.29							
On-Farm Harvest Cost (\$/ton)	\$29.49		\$34.55		\$33.53							

1. Alfalfa establishment (without nurse crop) net cost of \$263.16 (total cost minus estimated gross revenue) were amortized over 4 hay production years.

2. Alfalfa-grass establishment (with oat greenfeed nurse crop) net cost of \$311.80 (total cost minus estimated gross revenue) were amortized over 7 hay production years.

3. Cost of alfalfa and alfalfa-grass standing silage (includes: establishment, fertilizer, pesticide, land taxes, 5% of fuel and labour, 50% of other costs, and land costs.)

4. Cost of greenfeed standing silage (includes: seed; fertilizer; pesticide; land taxes; crop insurance; 40% of fuel; 20% of labour, machinery lease, and machinery operating; 50% of other costs, and land costs.)

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Forage Establishment Cost Summary - 2024

	Alfalfa Hay Establ. ¹ \$/acre	Alfalfa-Grass Hay Establ. ² \$/acre	Alfalfa Baled Silage Establ. ³ \$/acre	Alfalfa-Grass Baled Silage Establ. ⁴ \$/acre	Your Farm
A. Operating Costs					
Forage Seed & Treatment	\$42.50	\$36.00	\$42.50	\$36.00	
Nurse Crop Seed	-	\$12.50	-	\$12.50	
Establishment (amortized)	-	-	-	-	
Fertilizer	\$103.28	\$95.17	\$103.28	\$95.17	
Herbicide/Insecticide	\$35.00	\$35.00	\$35.00	\$35.00	
Fuel	\$17.55	\$14.36	\$18.30	\$15.36	
Machinery Operating	\$13.28	\$13.28	\$18.67	\$17.95	
Machinery Lease	\$2.40	\$2.40	\$2.40	\$2.40	
Rental and Custom	\$8.00	\$7.20	\$11.82	\$10.56	
Crop Insurance	\$5.00	\$5.00	\$5.00	\$5.00	
Twine/Net Wrap	\$3.20	\$2.88	\$4.73	\$4.22	
Plastic Silage Wrap	-	-	\$16.65	\$14.87	
Other Costs	\$2.00	\$2.00	\$2.00	\$2.00	
Land Taxes	\$15.00	\$15.00	\$15.00	\$15.00	
Interest on Operating	\$9.27	\$9.03	\$10.33	\$9.98	
Total Operating	\$256.48	\$249.82	\$285.68	\$276.02	
B. Fixed Costs					
Land Cost	\$75.14	\$75.14	\$75.14	\$75.14	
Machinery Costs	\$53.79	\$53.79	\$73.14	\$73.14	
Storage Costs	\$0.00	\$0.00	\$0.00	\$0.00	
Total Fixed	\$128.94	\$128.94	\$148.28	\$148.28	
Total Operating & Fixed	\$385.41	\$378.76	\$433.96	\$424.30	
C. Labour	\$40.50	\$40.50	\$45.90	\$45.90	
Total Costs	\$425.91	\$419.26	\$479.86	\$470.20	
Total Costs (\$/lb.)					

Profitability & Breakeven Analysis

Estimated Farmgate					
Price \$ per ton	\$135.00	\$95.00	\$55.00	\$45.00	
Yield per acre (ton)	2.00	1.80	3.94	3.52	
Gross Revenue	\$270.00	\$171.00	\$216.70	\$158.40	
Marginal Returns					
	<u>\$/acre</u>	<u>\$/acre</u>	<u>\$/acre</u>	<u>\$/acre</u>	
Over Operating Costs	\$13.52	(\$78.82)	(\$68.98)	(\$117.62)	
Over Total Costs (Net Profit)	(\$155.91)	(\$248.26)	(\$263.16)	(\$311.80)	
Operating Expense Ratio	95.0%	146.1%	131.8%	174.3%	
Establishment Cost (amortized)	\$38.98	\$35.47	\$65.79	\$44.54	
Years of Production	4	7	4	7	

1. Alfalfa hay establishment (without nurse crop) net cost of \$155.91 (total cost minus estimated gross revenue) were amortized over 4 hay production years.
2. Alfalfa-grass hay establishment (with oat greenfeed nurse crop) net cost of \$248.26 (total cost minus estimated gross revenue) were amortized over 7 hay production years.
3. Alfalfa silage establishment (without nurse crop) net cost of \$263.16 (total cost minus estimated gross revenue) were amortized over 4 hay production years.
4. Alfalfa-grass silage establishment (with oat greenfeed nurse crop) net cost of \$311.80 (total cost minus estimated gross revenue) were amortized over 7 hay production years.

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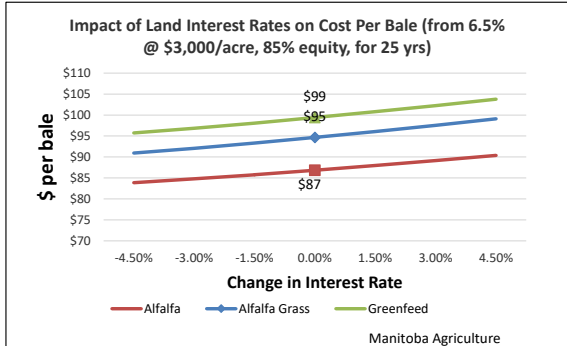
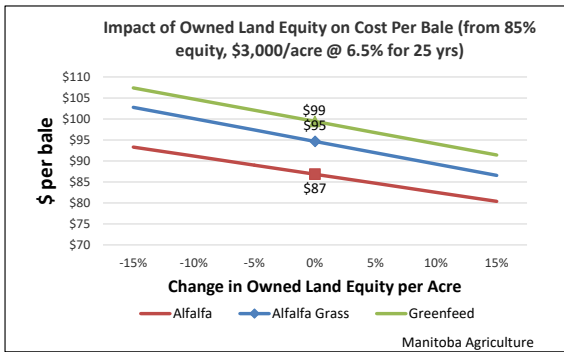
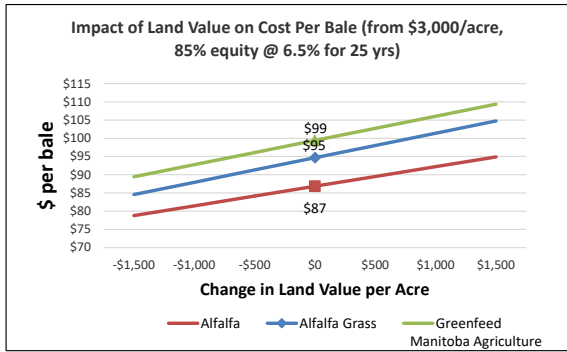
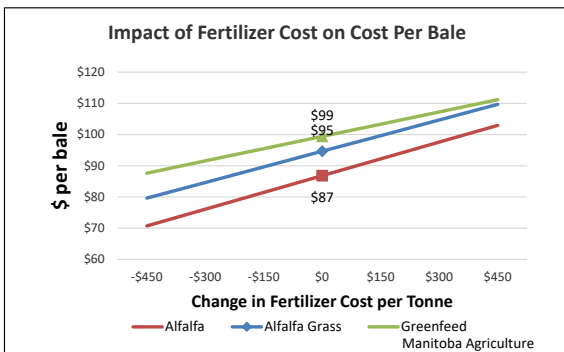
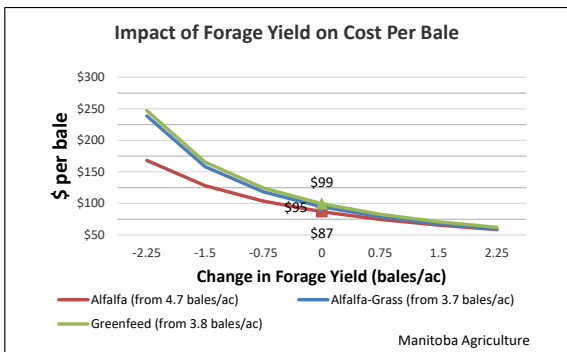
Baled Silage Wrapper Cost Summary (\$ per Bale)

Increase/Decrease # Bales Wrapped per Year **25%**

Based on # Bales Wrapped Per Year	Alfalfa Baled Silage			Alfalfa-Grass Baled Silage		
	1,656	2,070	2,588	1,320	1,650	2,063
Cost per Wrapped Silage Bale						
Plastic Silage Wrap Cost	\$4.23	\$4.23	\$4.23	\$4.23	\$4.23	\$4.23
Silage Wrapper - Fuel Usage	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29	\$0.29
Machinery Costs	\$3.50	\$2.80	\$2.24	\$4.40	\$3.52	\$2.81
Labour (Additional for wrapper only)	<u>\$0.78</u>	<u>\$0.78</u>	<u>\$0.78</u>	<u>\$0.98</u>	<u>\$0.98</u>	<u>\$0.98</u>
Total (\$ per bale)	\$8.80	\$8.10	\$7.54	\$9.89	\$9.01	\$8.31

Risk & Sensitivity Analysis (Stress Test)

Baseline Values:	Alfalfa	Alfalfa Grass	Greenfeed	
Production (Bales per acre)	4.7	3.7	3.8	
Production Cost (\$ per bale)	\$86.83	\$94.66	\$99.40	
Production Cost (\$ per lb.)	\$0.058	\$0.063	\$0.067	
	Amount Added	Changed Cost (\$ per bale)		
Change in Forage Yield (bales per acre)	-0.75	\$16.75	\$23.78	\$24.83
Change in Land Value (from \$3,000)	\$500	\$2.68	\$3.37	\$3.32
Percent Change in Owned Land Equity (from 85%)	-5%	\$2.15	\$2.70	\$2.66
Change in Land Interest Rate (from 6.5%)	1.50%	\$1.13	\$1.42	\$1.40
Change in Machinery Interest Rate (from 7%)	1.50%	\$0.36	\$0.45	\$0.45
Change in Fertilizer Cost (\$ per tonne)	\$150	\$5.37	\$5.01	\$3.93
Total Change in Cost (\$ per bale)		\$28.44	\$36.72	\$36.59
'Stress Test' Production Cost (\$ per Bale)		\$115.28	\$131.38	\$135.99
(\$ per lb.)		\$0.077	\$0.088	\$0.091



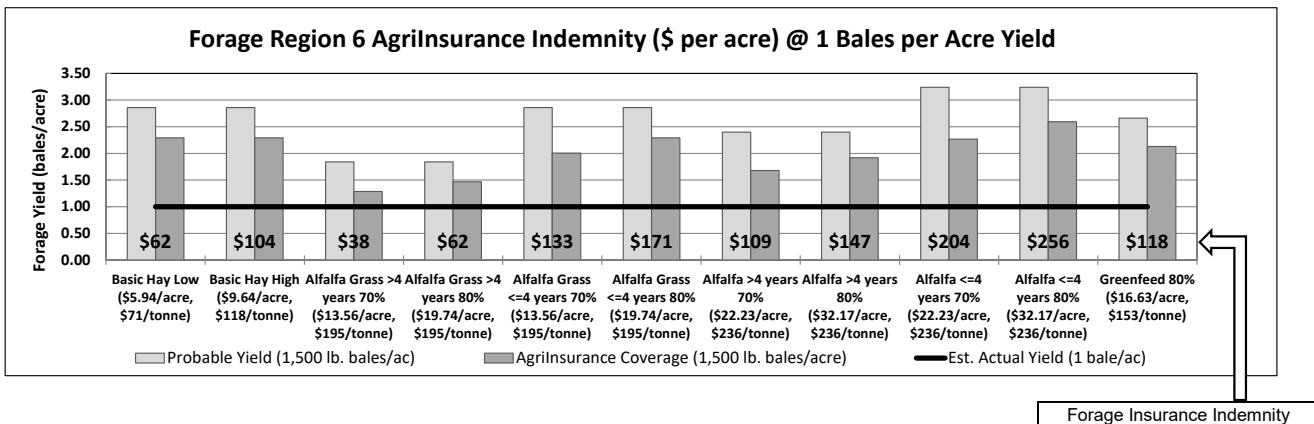
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AgrInsurance Analysis

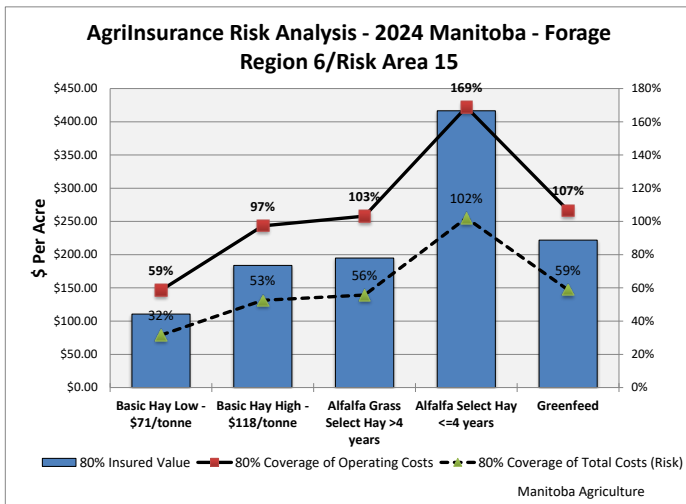
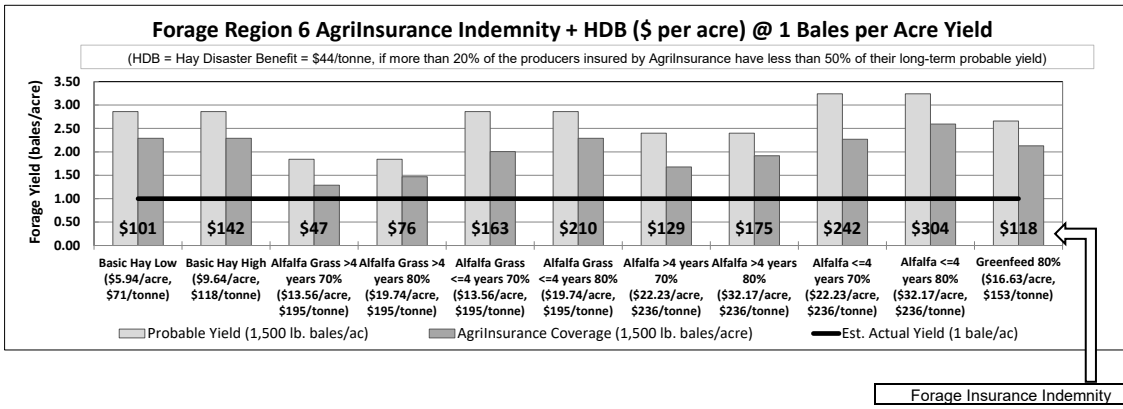
[MASC Forage Region Map](#)

[MASC Forage Insurance](#)

Forage Region 6 Risk Area 15	Basic Hay 80% Coverage		Alfalfa Grass - Select Hay				Alfalfa - Select Hay				Greenfeed
	Low - \$71/tonne	High - \$118/tonne	More Than 4 Year Stand		4 Years or Less Stand		More Than 4 Year Stand		4 Years or Less Stand		80% Coverage
			70% Coverage	80% Coverage	70% Coverage	80% Coverage	70% Coverage	80% Coverage	70% Coverage	80% Coverage	
Based on 2024 MASC data											
A. Hay Acres	160	160	160	160	160	160	160	160	160	160	160
Coverage											
B. Probable Yield - IC (tons/acre)	2.148	2.148	1.378	1.378	2.148	2.148	1.798	1.798	2.432	2.432	1.996
C. Probable Yield (1,500 lb. bales/ac)	2.86	2.86	1.84	1.84	2.86	2.86	2.40	2.40	3.24	3.24	2.66
D. Prob. Total No. of 1,500 lb. Bales	458	458	294	294	458	458	384	384	518	518	426
E. Premium (\$/Acre)	\$5.94	\$9.64	\$13.56	\$19.74	\$13.56	\$19.74	\$22.23	\$32.17	\$22.23	\$32.17	\$16.63
F. Premium (Total \$) = A x C	\$950	\$1,542	\$2,170	\$3,158	\$2,170	\$3,158	\$3,557	\$5,147	\$3,557	\$5,147	\$2,661
G. Premium Cost (% of Insured) = E/M	5.4%	5.2%	7.9%	10.1%	5.1%	6.5%	8.2%	10.4%	6.1%	7.7%	7.5%
Coverage Calculation											
H. Coverage (tons/acre) = B x %	1.718	1.718	0.965	1.102	1.504	1.718	1.259	1.438	1.702	1.946	1.597
I. Coverage (\$/ton)	\$64.41	\$107.05	\$176.90	\$176.90	\$176.90	\$176.90	\$214.10	\$214.10	\$214.10	\$214.10	\$139.00
J. Coverage (1,500 lb. bales/acre)	2.29	2.29	1.29	1.47	2.01	2.29	1.68	1.92	2.27	2.59	2.13
K. Coverage No. of 1,500 lb. Bales	367	367	206	235	321	367	269	307	363	415	341
L. Coverage (\$/bale)	\$48.31	\$80.29	\$132.68	\$132.68	\$132.68	\$132.68	\$160.57	\$160.57	\$160.57	\$160.57	\$104.25
M. Coverage (\$/acre) = H x I	\$110.66	\$183.91	\$170.71	\$194.95	\$266.06	\$303.92	\$269.55	\$307.87	\$364.39	\$416.63	\$221.98
N. Coverage (Total \$) = A x M	\$17,705	\$29,425	\$27,314	\$31,191	\$42,570	\$48,627	\$43,127	\$49,259	\$58,303	\$66,661	\$35,517
Indemnity Calculation											
O. Avg. Forage Yield (bales/acre)	1.00		(0.75 tons/acre)								
P. Avg. Total No. of 1,500 lb. Bales	160	160	160	160	160	160	160	160	160	160	160
Q. Percent of Probable Yield	35%	35%	54%	54%	35%	35%	42%	42%	31%	31%	38%
R. Forage Indemnity (bales/acre) = J - O	1.29	1.29	0.29	0.47	1.01	1.29	0.68	0.92	1.27	1.59	1.13
S. Forage Indemnity (tons/acre) = H - O	0.968	0.968	0.215	0.352	0.754	0.968	0.509	0.688	0.952	1.196	0.847
T. Forage Indemnity (% of coverage)	56.3%	56.3%	22.3%	31.9%	50.1%	56.3%	40.4%	47.8%	55.9%	61.5%	53.0%
U. Est. Forage Indemnity (\$/acre) = I x S	\$62.35	\$103.62	\$38.03	\$62.27	\$133.38	\$171.24	\$108.97	\$147.30	\$203.82	\$256.06	\$117.73
V. Estimated Forage Indemnity = A x U	\$9,976	\$16,580	\$6,085	\$9,963	\$21,341	\$27,398	\$17,436	\$23,568	\$32,611	\$40,969	\$18,837
Hay Disaster Benefit Calculation											
X. Significant MB hay yield loss	Yes		(more than 20% of the producers insured by AgrInsurance have less than 50% of their long-term probable yield)								
Y. Est. HDB (\$/acre) = S x \$39.92/ton	\$38.64	\$38.64	\$8.58	\$14.05	\$30.10	\$38.64	\$20.32	\$27.46	\$38.00	\$47.74	n/a
Z. Est. Hay Disaster Benefit = A x Y	\$6,182	\$6,182	\$1,373	\$2,248	\$4,815	\$6,182	\$3,251	\$4,394	\$6,080	\$7,638	n/a
Total Indemnity + HDB											
AA. Est. Indemnity + HDB (\$/acre) = U + Y	\$100.99	\$142.26	\$46.62	\$76.32	\$163.48	\$209.88	\$129.29	\$174.76	\$241.82	\$303.80	\$117.73
AB. Est. Indemnity + HDB = V + Z	\$16,158	\$22,762	\$7,459	\$12,211	\$26,157	\$33,581	\$20,687	\$27,962	\$38,691	\$48,608	\$18,837
Breakeven Calculation											
Est. Breakeven yield (tons/acre)	1.626	1.628	0.888	0.990	1.427	1.606	1.155	1.288	1.598	1.796	1.477
Est. Breakeven yield (bales/acre)	2.168	2.171	1.184	1.321	1.903	2.142	1.540	1.717	2.131	2.394	1.970
Costs Not Covered By AgrInsurance											
Operating Costs	\$78.24	\$4.99	\$18.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating & Fixed Costs	\$207.18	\$133.93	\$147.13	\$122.89	\$51.78	\$13.92	\$106.17	\$67.85	\$11.33	\$0.00	\$115.24
Total Costs	\$239.58	\$166.33	\$179.53	\$155.29	\$84.18	\$46.32	\$138.57	\$100.25	\$43.73	\$0.00	\$155.74
AgrInsurance Risk Ratio											
Operating Costs	59%	97%	90%	103%	141%	161%	109%	125%	148%	169%	107%
Total Costs	32%	53%	49%	56%	76%	87%	66%	75%	89%	102%	59%

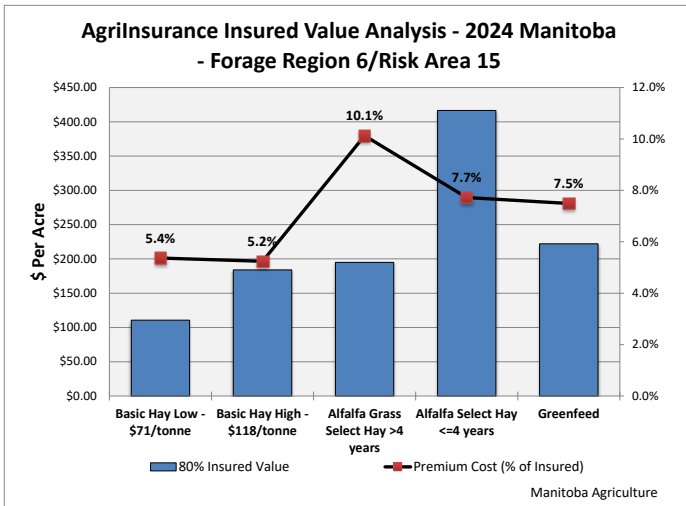


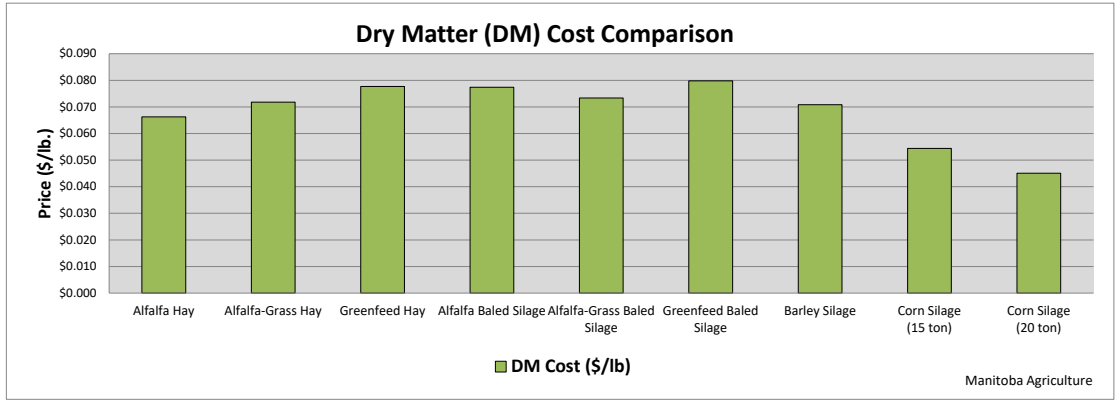
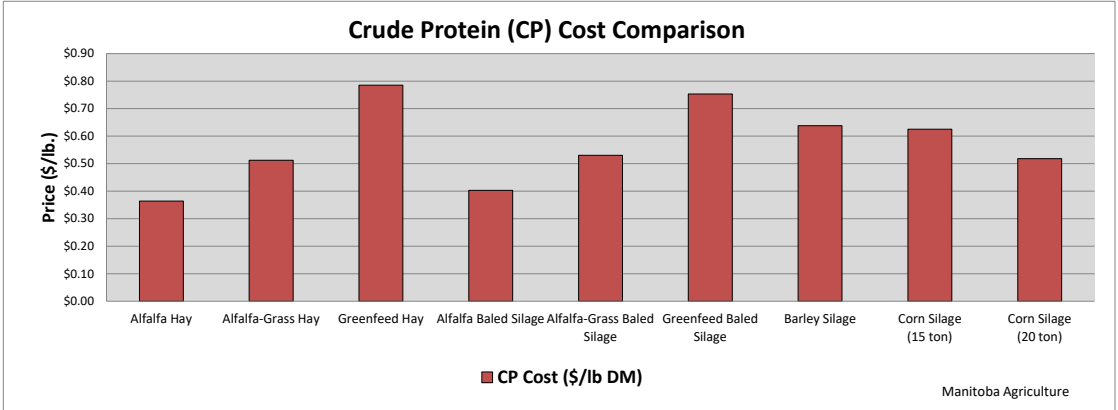
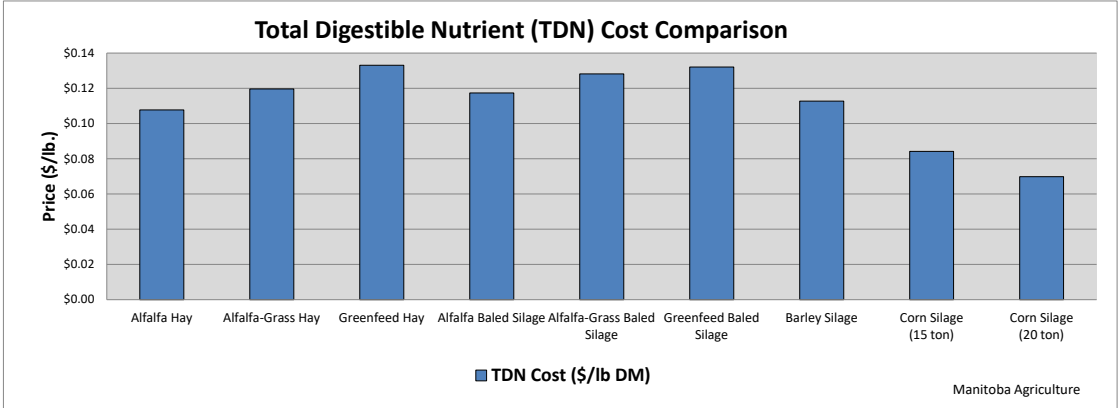
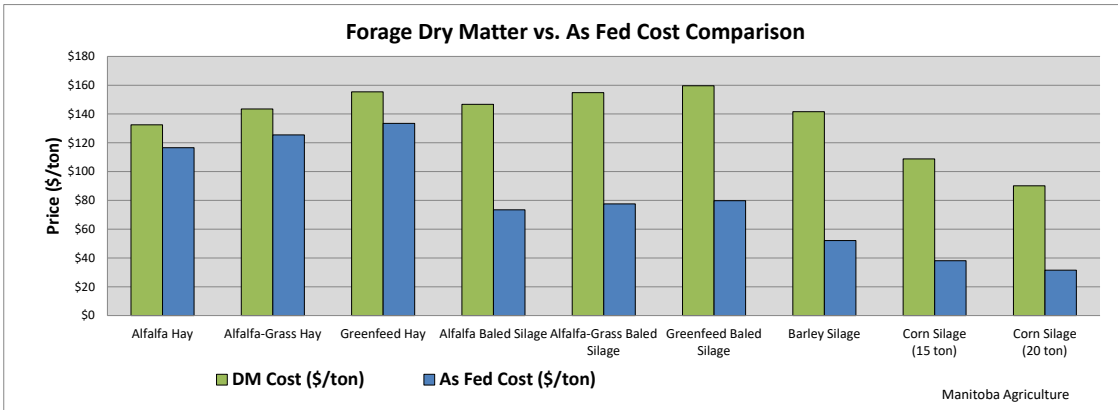
Forage Insurance Indemnity



Analysis of your AgrilInsurance coverage of operating and total costs is an important step in Risk Management Planning for your farm.

Analysis of AgrilInsurance coverage and premium cost is useful in comparing cost efficiency and production cost risk. This is an important step in Risk Management Planning for your farm.





Estimated Yield of Forage - Tons per Acre ¹

	Years	Dry Hay			Wrapped Bale Silage		
		Alfalfa tons/acre	Alfalfa-Grass tons/acre	Greenfeed tons/acre	Alfalfa tons/acre	Alfalfa-Grass tons/acre	Greenfeed tons/acre
(establishment year)	1	2.0	1.8	2.83	3.94	3.52	5.52
	2	3.6	3.2		7.09	6.27	
	3	3.6	3.2		7.09	6.27	
	4	3.6	3.0		7.09	5.87	
	5	3.2	2.8		6.30	5.48	
	6		2.6			5.09	
	7		2.4			4.70	
	8		2.3			4.50	
	9						
	10						
	11						
Total Yield (tons)		14.0	19.5	2.83	27.6	38.2	5.52
Average Yield (tons/acre)		3.50	2.79	2.83	6.89	5.45	5.52
Avg. Dry Matter Yield (tons/acre)		3.08	2.44	2.43	3.45	2.73	2.76
Bales (per acre)		4.7	3.7	3.8	6.9	5.5	5.5
Years production		4	7	1	4	7	1
Years rotation		5	8	1	5	8	1
AgriInsurance - Individual Coverage		1.00	1.00	1.00	1.00	1.00	1.00
		Dry Hay			Wrapped Silage		
Bale Weight (lbs.)		1,500			2,000		
Estimated Storage Loss		20%			5%		

Forage Analysis

	Dry Hay			Wrapped Bale Silage		
	Alfalfa	Alfalfa-Grass	Greenfeed	Alfalfa	Alfalfa-Grass	Greenfeed
Crude protein DM (CP)%	18.2	14.0	9.9	18.2	14.6	10.6
Energy DM (TDN) %	61.5	60.0	58.4	62.5	60.4	60.4
As fed moisture %	12.1	12.6	14.2	50.0	50.0	50.0

1. Users are reminded to adjust fertilizer rates when making changes to forage yields.
 Forage yields are based on Forage Region #6 average yields with an IC of 1.25. Baled Silage DM yields are increased 12%.

Seed & Treatment			
Crop	Seeding Rate per Acre	Price per Unit	Cost per Acre
Alfalfa Hay			
Alfalfa hay	10 lb.	\$4.25 /lb.	\$42.50
Alfalfa-Grass Hay			
Alfalfa-grass hay	10 lb.	\$3.60 /lb.	\$36.00
Oat greenfeed (nurse crop)	1.25 bu	\$10.00 /bu	\$12.50
Greenfeed Hay			
Oats	2.50 bu	\$10.00 /bu	\$25.00

Fertilizer¹				
Fertilizer Type	Bulk Price \$/tonne	Actual Nutrient \$/lb.	Nitrogen Usage	Sulphur Usage
Nitrogen: (urea) 46-0-0	\$700	\$0.690	100%	-
Nitrogen: (NH3) 82-0-0	\$1,150	\$0.636	0%	-
Nitrogen: (liquid) 28-0-0	\$475	\$0.770	0%	-
Phosphorus: 11-52-0	\$1,150	\$0.857	-	-
Potash: 0-0-60	\$550	\$0.416	-	-
Sulphur: 20.5-0-0-24	\$500	\$0.355	-	100%
MES S15: 13-33-0-15	\$1,000	\$0.540	-	0%

Crop	Amount of Actual Pounds of Elements Applied Per Acre								Total \$/acre
	Nitrogen		Phosphorus		Potash		Sulphur		
	lbs.	\$/acre	lbs.	\$/acre	lbs.	\$/acre	lbs.	\$/acre	
Alfalfa Hay									
Alfalfa hay	0	\$0.00	60	\$60.19	65	\$27.03	17	\$16.06	\$103.28
Alfalfa-Grass Hay									
Alfalfa-grass hay	0	\$0.00	45	\$45.14	52	\$21.62	15	\$14.17	\$80.94
Oat greenfeed (nurse crop)	50	\$18.37	50	\$50.16	30	\$12.47	15	\$14.17	\$95.17
Greenfeed Hay									
Oats	80	\$50.84	30	\$30.09	0	\$0.00	0	\$0.00	\$80.93

The fertilizer recommendation will vary depending on the soil type, climate and crop rotation. Manitoba Agriculture recommends that soil test sampling and analysis be conducted each year to produce a better baseline for fertility. On many Manitoba soil types, potash application can be reduced based on soil test results. Custom soil sampling and analysis typically costs \$1.00 to \$2.00/acre.

1. Users are reminded to adjust silage yields when making changes to fertilizer rates.

Chemicals				
Crop	Weed Control \$/acre	Insect Control \$/acre	Forage Removal \$/acre	Total Cost \$/acre
Alfalfa Hay				
Alfalfa hay	\$0.00	\$0.00		\$0.00
Alfalfa establishment	\$20.00	\$0.00	\$15.00	\$35.00
Alfalfa-Grass Hay				
Alfalfa-grass hay	\$0.00	\$0.00		\$0.00
Oat greenfeed (nurse crop)	\$20.00	\$0.00	\$15.00	\$35.00

Operating Costs

Interest Rate on Operating	7.50%	Twine/net wrap cost per unit	\$60.00
Hay machinery repair	3.50% (% of total investment)	Bales per unit	50 (\$1.20/bale)
Land Taxes (\$/acre)	\$15.00	Plastic Silage Wrap Cost	\$150.00 (per roll)
Fuel Cost (\$/litre)	\$1.10	Bales per Roll Silage Wrap	35.5 (bales/roll)
Labour Cost per Hour	\$27.00	Silage Wrapper - Fuel Usage	0.26 (Litres / bale)

	Dry Hay				
	Alfalfa Hay		Alfalfa Grass Hay		Greenfeed Hay
	Establishment	Production	Establishment	Production	Production
Field Fuel Cost (\$/acre)	\$17.55	\$11.11	\$14.36	\$7.74	\$13.11
Crop Insurance ¹ (\$/acre)		Select_Hay 80% Coverage		Basic_Hay High - \$118/tonne	80% Coverage
	\$5.00	\$32.17	\$5.00	\$9.64	\$17.15
Other Costs (\$/acre)	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Rental and Custom Work					
Seeding (\$/acre)	\$0.00	-	\$0.00	-	\$0.00
Application (\$/acre)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mower/Conditioner (\$/acre)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Baling (\$/bale)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bale Moving (\$/bale)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
General (\$/acre)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total (\$/acre)	\$8.00	\$14.00	\$7.20	\$11.16	\$11.32
Labour Hours per Acre					
Hours per acre	1.5	1.2	1.5	1.2	1.5
Total (\$/acre)	\$40.50	\$32.40	\$40.50	\$32.40	\$40.50

	Wrapped Bale Silage				
	Alfalfa Hay		Alfalfa Grass Hay		Greenfeed Hay
	Establishment	Production	Establishment	Production	Production
Field Fuel Cost (\$/acre)	\$18.67	\$13.08	\$15.36	\$9.32	\$14.69
Crop Insurance ¹ (\$/acre)		Select_Hay 80% Coverage		Basic_Hay High - \$118/tonne	80% Coverage
	\$5.00	\$32.17	\$5.00	\$9.64	\$17.15
Other Costs (\$/acre)	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Rental and Custom Work					
Seeding (\$/acre)	\$0.00	-	\$0.00	-	\$0.00
Application (\$/acre)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mower/Conditioner (\$/acre)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Baling (\$/bale)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bale Moving (\$/bale)	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
General (\$/acre)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total (\$/acre)	\$11.82	\$20.67	\$10.56	\$16.35	\$16.56
Labour Hours per Acre					
Hours per acre	1.7	1.4	1.7	1.4	1.7
Total (\$/acre)	\$45.90	\$37.80	\$45.90	\$37.80	\$45.90

1. Crop insurance: (2022 rates) Forage Establishment Insurance for \$80/ac coverage. Annual Insurance for Alfalfa Select_Hay coverage in MASC (Forage Region 6) with LTAY yield=2.432 tons/acre and for Alfalfa Grass Basic_Hay coverage with LTAY 4 Years or Less Stand yield=2.148 tons/acre. Annual Insurance for Greenfeed 80% Coverage coverage in MASC (Risk Area 15) with LTAY yield=1.996 tons/acre including \$0.52/acre EMI coverage.

Field Fuel Usage

	L/acre	Number of Field Operations								Trucks	
		cultivate	tandem disk	harrow	air drill	SP sprayer	hay rake	hay bine	round baler	spin spreader	3/4 ton pickup
Crop		1.29	1.85	0.75	2.42	0.42	0.26	1.48	1.32	0.42	0.5
Alfalfa Hay											
Alfalfa hay	10.10	0	0	0	0	0	3	3	3	1	0.5
Alfalfa establishment	15.95	1	2	2	1	1	2	2	2	0	0.5
Alfalfa-Grass Hay											
Alfalfa-grass hay	7.04	0	0	0	0	0	2	2	2	1	0.5
Oat greenfeed (nurse crop)	13.05	1	2	2	1	1	0	1	1	1	0.5
Greenfeed Hay											
Oats	11.92	1	0	1	1	2	2	2	2	0	0.5

Fixed Costs			
Land			
Average Land value (\$/acre)	\$3,000		
Dry Hay Crop acres	300		
Baled Silage Crop acres	300		
Owned Land Equity	85%		
Land Financed (\$450 per acre)	15%		
Land Opportunity Cost (Investment Rate)	1.50%		
Land cost (\$/acre)			
Finance Rate & Term	6.500%	25 Years	
Principle & Interest Cost	\$36.89		
Owned Land Opportunity Cost	\$38.25		
Total Cost	\$75.14		
Machinery - Hay			
Total Investment (\$/acre)			\$379.50
Residual Value (End of Useful Life)			25%
Useful Life (years)			15
Owned Equipment Equity			55%
Equipment Financed (\$171 per acre)			45%
Machinery Opportunity Cost (Investment Rate)			1.50%
Machinery Cost - Hay (\$/acre)			
Finance Rate & Term	7.000%	7 Years	
Principle & Interest Cost			\$31.69
Machinery Depreciation Cost			\$18.98
Owned Machinery Opportunity Cost			\$3.13
Total Cost			\$53.79
Machinery - Baled Silage			
Total Investment (\$/acre)			\$133.33
Residual Value (End of Useful Life)			20%
Useful Life (years)			15
Owned Equipment Equity			55%
Equipment Financed (\$60 per acre)			45%
Silage Storage Opp. Cost (Investment Rate)			1.50%
Machinery Cost - Baled Silage (\$/acre)			
Finance Rate & Term	7.000%	7 Years	
Principle & Interest Cost			\$11.13
Machinery Depreciation Cost			\$7.11
Owned Machinery Opportunity Cost			\$1.10
Total Cost			\$19.34
Machinery Lease cost (\$/acre)			\$2.40
Total Land & Machinery Debt (\$/acre)			\$681

Hay Equipment Inventory and Current Values							
Power & Misc Equipment				Harvest Equipment			
	Market Value	Forage Usage %	Forage Allocation		Market Value	Forage Usage %	Forage Allocation
MFD Tractor 100HP	\$140,000	50%	\$70,000	Mower/Conditioner	\$44,000	100%	\$44,000
2WD Tractor 60HP	\$44,000	50%	\$22,000	Hay Rake	\$16,500	100%	\$16,500
	\$0	0%	\$0	Baler	\$60,000	100%	\$60,000
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
Total			\$92,000	Total			\$120,500
Seeding, Tillage, Spraying				Trucks & Trailers			
	Market Value	Forage Usage %	Forage Allocation		Market Value	Forage Usage %	Forage Allocation
Cultivator	\$11,000	20%	\$2,200	enter equipment here	\$0	0%	\$0
Harrow 50ft	\$11,000	20%	\$2,200		\$0	0%	\$0
Air tank	\$11,000	20%	\$2,200		\$0	0%	\$0
Air drill 40ft	\$33,000	20%	\$6,600		\$0	0%	\$0
PT sprayer	\$10,000	20%	\$2,000		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
Total	\$76,000		\$15,200	Total			\$0
Owned Equipment TOTAL		\$227,700					

Baled Silage Equipment Inventory and Current Values							
Miscellaneous Equipment				Harvest Equipment			
	Market Value	Forage Usage %	Forage Allocation		Market Value	Forage Usage %	Forage Allocation
enter equipment here	\$0	0%	\$0	Silage Bale Wrapper	\$40,000	100%	\$40,000
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
Total			\$0	Total			\$40,000
Silage Equipment TOTAL		\$40,000					

Leased Equipment Inventory							
Seeding, Tillage, Spraying				Trucks & Trailers			
	Annual Lease	Forage Usage %	Forage Allocation		Annual Lease	Forage Usage %	Forage Allocation
enter equipment here	\$0	0%	\$0	3/4 ton pickup	\$9,600	15%	\$1,440
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
	\$0	0%	\$0		\$0	0%	\$0
Total	\$0		\$0	Total			\$1,440
Leased Equipment TOTAL		\$1,440		\$2.40 per acre			

* Leased equipment costs are listed under Operating Costs on the Summary Page.

Other Assumptions

Fuel Costs:

Includes fuel used for field work, and trucking in inputs.

Machinery Operating Costs:

Includes costs for maintenance, repairs, licenses and insurance.

Crop Insurance: (2024 rates)

Forage Region 6 - Establishment Insurance at \$80/ac coverage and annual Select_Hay insurance at 80% coverage. Risk Area 15 - Greenfeed Insurance at 80% coverage.

Other Costs:

Includes overhead expenses: hydro, telephone, accounting, buildings, supplies and insurance, etc.

Bale Moisture:

Bale moisture based on: 12.1% alfalfa hay; 12.6% alfalfa-grass hay; 14.2% greenfeed hay; 50% alfalfa baled silage; 50% alfalfa-grass baled silage and 50% greenfeed baled silage.

Land Taxes:

The average for the province was based on land tax assessment and mill rates of a sample of municipalities growing crops less provincial tax rebate.

Interest On Operating:

Interest charges on operating costs are calculated at 7.5% for six months.

Land Cost:

Based on approximate average land values. Budget assumed 15% financed at 6.5% for 25 years, plus 1.5% land equity opportunity cost. Budget can be used to estimate cashflow by removing investment cost.

P&I Cost (based on \$270,000 Mortgage) = \$22,135 payments per year / 600 acres = \$36.89/acre)

Investment = (Total Investment x Owned Equity %) x Investment Rate % (eg. ((\$3,000 x 85%) x 1.5%) = \$38.25/acre)

Machinery Cost:

Based on approximate average machinery values. Budget assumed 45% financed at 7% for 7 years, depreciation costs over 15 years with a 25% residual value, plus 1.5% machinery equity opportunity cost. Budget can be used to estimate cashflow by removing depreciation and investment cost.

P&I Cost (based on \$102,465 + \$18,000 Loan) = \$19,013 + \$3,340 payment per year / 600 + 300 acres = \$31.69 + \$11.13/acre)

Depreciation (Useage Cost) = (Total Investment - Residual Value) / Years Useful Life (eg. (\$379.50 - (\$379.50 x 25%)) / 15 = \$18.98/acre)

Investment = (Total Investment x Owned Equity %) x Investment Rate % (eg. (\$379.50 x 55%) x 1.5%) = \$3.13/acre)

Estimated Farmgate Values:

Forage prices are based on estimated prices for fall/winter 2024/25.

Profitability & Breakeven Analysis:

Gross Revenue = Price per unit x Yield per acre (eg. alfalfa: \$155.00/ton x 3.5 ton/ac = \$542.50/ac)

Net Profit = Gross Revenue - Total Cost

(eg. alfalfa: \$542.50 gross revenue - \$408.12 total cost = \$134.38 per acre)

Operating Expense Ratio = (Operating Cost / Gross Revenue) x 100

(eg. alfalfa: \$246.78 operating expense / \$542.50 gross revenue = 45.5%)

Breakeven Price = Cost / Target Yield (eg. alfalfa cost \$408.12 / 3.5 ton = \$116.60 per ton)

Breakeven Yield = Cost / Price per Unit (eg. alfalfa cost \$408.12 / \$155.00 ton = 2.63 ton)

September, 2024

Contact Us

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- Follow us on Twitter [@MBGovAg](https://twitter.com/MBGovAg)
- Visit your nearest ARD/MASC Service Centre