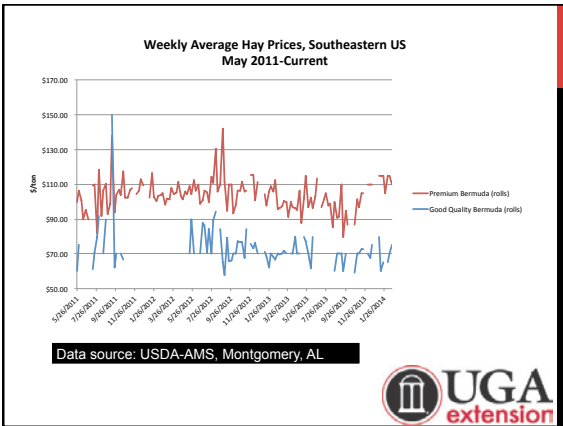


2014 Southeast Hay Convention Hay Production Outlook



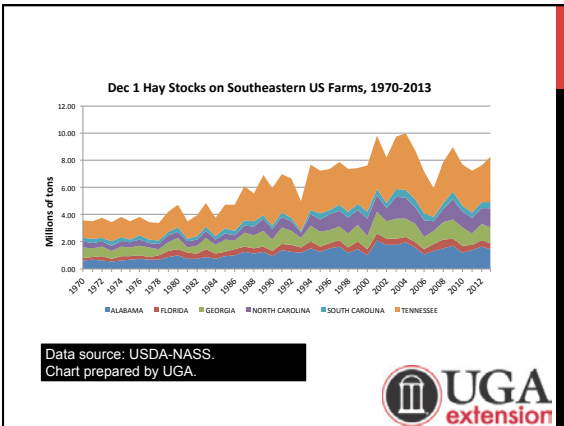
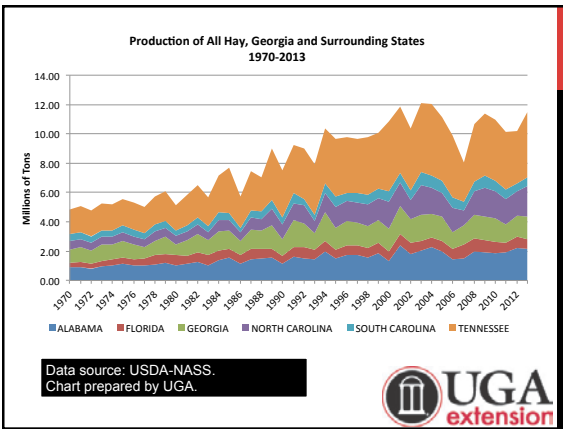
HAY PRODUCTION OUTLOOK

DR. CURT LACY
EXTENSION ECONOMIST-LIVESTOCK



FACTORS INFLUENCING HAY ECONOMICS IN 2014

- Recent production and inventory
- Animal inventory numbers
- Fertilizer and input prices

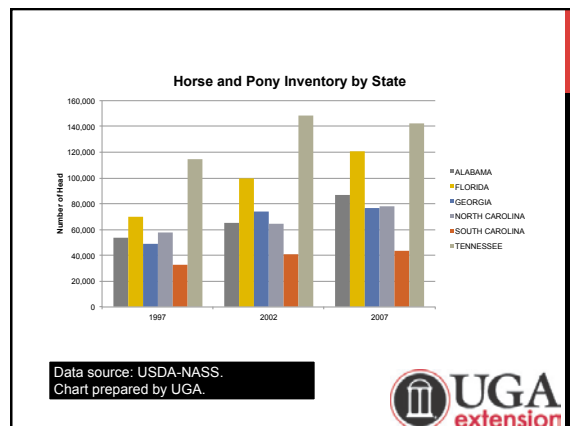
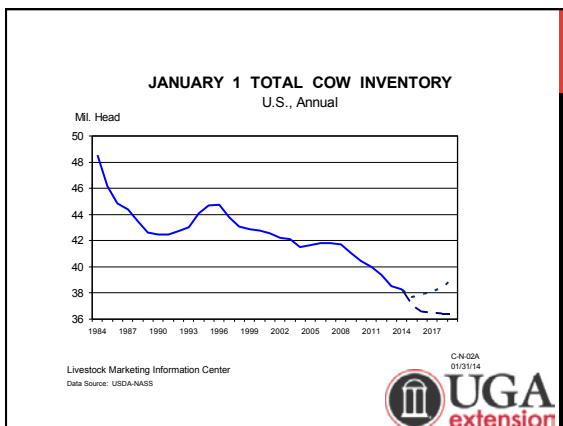
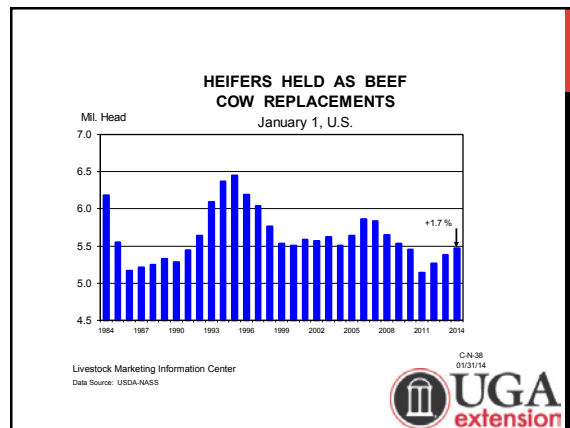
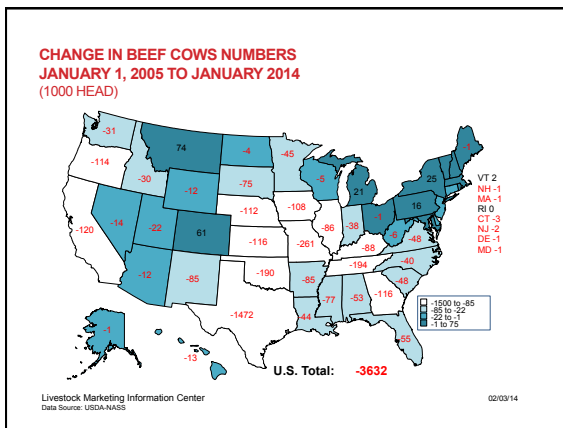
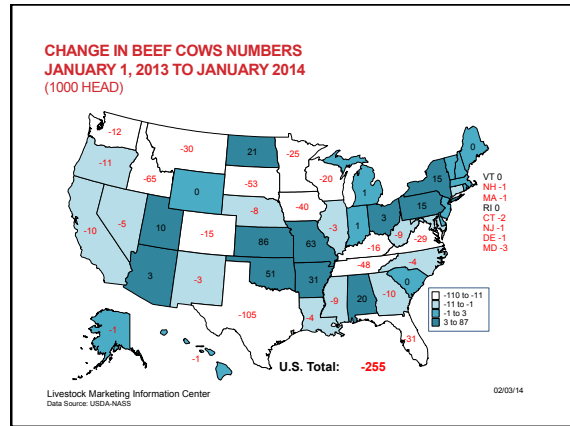
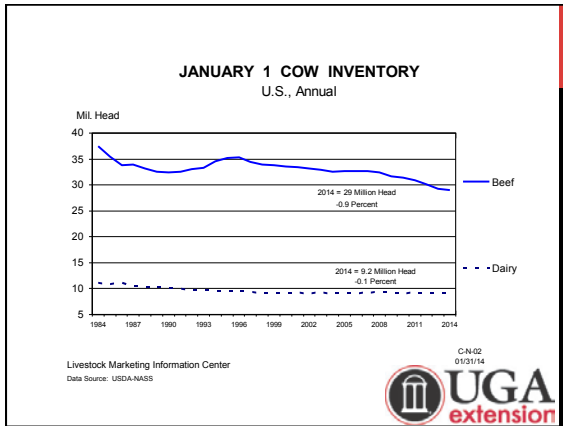


LIVESTOCK INVENTORIES

Dr. Curt Lacy,
Livestock and Forage Economist



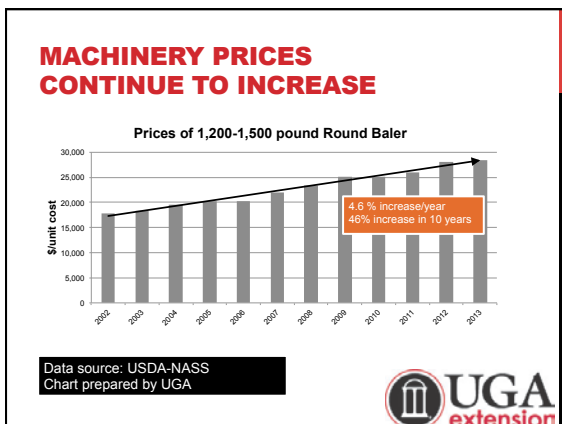
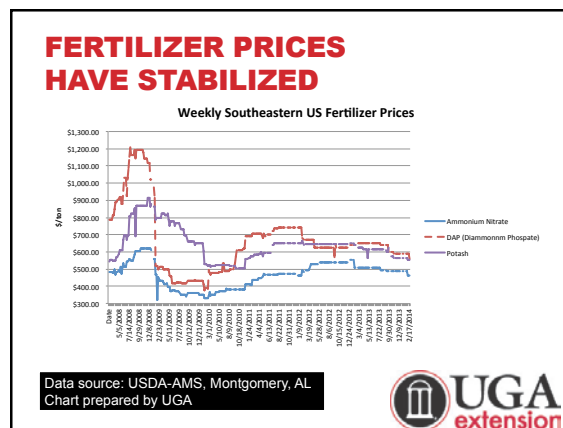
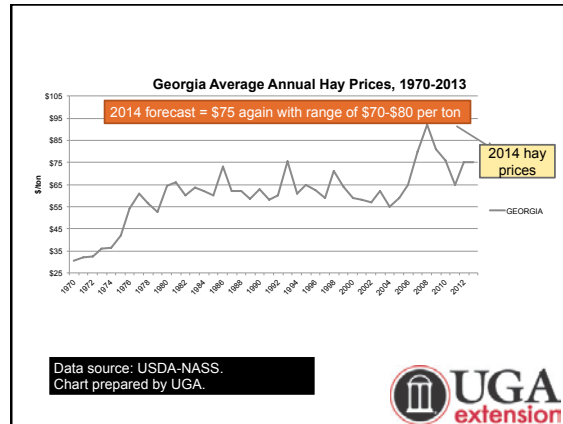
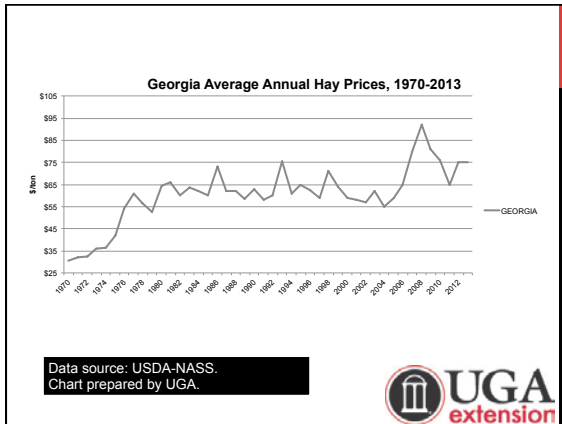
2014 Southeast Hay Convention Hay Production Outlook



Dr. Curt Lacy,
Livestock and Forage Economist



2014 Southeast Hay Convention Hay Production Outlook



PROFIT OUTLOOK – BERMUDA SQUARE + ROUND

NUMBER OF ACRES: 120.00

	BEST	OPT.	MEDIAN	POSS.	WORST
YIELD (TONS)	10.00	8.75	7.50	6.75	6.00
SELLING PRICE (\$/TON)	\$260.00	\$230.00	\$180.00	\$127.50	\$75.00

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Livestock and Forage Economist



2014 Southeast Hay Convention Hay Production Outlook



PROFIT OUTLOOK – BERMUDA SQUARE + ROUND

ITEM	UNITS	UNITS/ACRE	TOTAL UNITS	TOTAL COST (\$)	TOTAL COST (\$/ACRE)	TOTAL COST (\$/TON)
VARIABLE COSTS:						
FERTILIZER:						
NITROGEN	LB.	350.00	42,000.00	\$0.55	\$23,100.00	\$162.50
PHOSPHATE	LB.	60.00	7,200.00	\$0.60	\$4,320.00	\$36.00
POTASH	LB.	180.00	21,600.00	\$0.45	\$9,720.00	\$87.00
LIME	TON	0.50	60.00	\$35.00	\$2,100.00	\$17.50
CROP PROTECTION						
HERBICIDE	APPS	1.00	120.00	\$11.00	\$1,320.00	\$11.00
ARMYWORM CONTROL	APPS	2.00	240.00	\$14.75	\$3,540.00	\$29.50
MACHINERY:						
FUEL	GAL.	19.92	2,390.40	\$3.50	\$8,366.40	\$69.72
REPAIRS & MAINT.	ACRE	1.00	120.00	\$26.74	\$3,208.80	\$26.74
TWINE	BALE	0.13	15.60	\$25.00	\$390.00	\$3.25
IRRIGATION	INCHES	6.00	720.00	\$8.50	\$6,120.00	\$51.00
LAND RENTAL	ACRE	1.00	120.00	\$0.00	\$0.00	\$0.00
LABOR - Hay Production	HRS.	3.81	457.20	\$10.00	\$4,572.00	\$38.10
Hauling square hay to barn	Tons	3.07	367.92	\$50.00	\$18,396.00	\$153.30
OTHER	\$	0.00	0.00	\$0.00	\$0.00	\$0.00
INTEREST ON OP. CAP.	\$		\$85,153.20	7.00%	\$2,980.36	\$24.84
TOTAL VARIABLE COST					\$88,133.96	\$734.45



PROFIT OUTLOOK – BERMUDA SQUARE + ROUND

ITEM	UNITS	UNITS/ACRE	TOTAL UNITS	TOTAL COST (\$)	TOTAL COST (\$/ACRE)	TOTAL COST (\$/TON)
FIXED COSTS:						
ESTABLISHMENT COSTS	YEAR	0.10	120.00	23.64	\$2,836.24	\$23.64
ANNUAL FIXED COSTS	YEAR	1.00	120.00	\$22,284.12	\$185.70	\$24.23
ANNUAL FIXED COSTS FOR IRRIGATION	YEAR	1.00	1.00	\$10,800.00	\$90.00	\$11.74
MANAGEMENT	% OF REV.	1.00	88,134	6.00%	\$5,288.01	\$44.07
LAND	ACRE	1.00	120	\$0.00	\$0.00	\$0.00
TOTAL FIXED COST					\$41,208.37	\$44.96

ITEM	TOTAL AMOUNT	\$/TON	\$/ACRE
VARIABLE COST	\$88,133.96	\$734.45	\$734.45
ESTABLISHMENT+FIXED	\$41,208.37	\$343.40	\$412.08
COST	\$35,925.59	\$299.05	\$399.54
MANAGEMENT	\$5,288.01	\$44.07	\$53.75
LAND	\$0.00	\$0.00	\$0.00
TOTAL	\$129,341.93	\$1077.85	\$1077.85



PROFIT OUTLOOK – BERMUDA SQUARE + ROUND

Net return levels (TOP ROW):
The chances of obtaining this level or more (MIDDLE ROW), and
The chances of obtaining this level or less (BOTTOM ROW).

	Optimistic	Expected	Pessimistic	
Returns	113,867	87,732	61,598	35,463
Chances	7%	16%	31%	50%
Chances	93%	84%	69%	50%

CHANCE FOR PROFIT **75%** BASE BUDGETED NET REVENUE NET REVENUE PER ACRE **\$35,463.23**

PROFIT IS RETURN TO RISK AND ALL "ZERO" ITEMS IN THE BUDGET.
MAY ENTER YOUR OWN VALUES.

RETURNS TO LAND, LABOR, CAPITAL AND MANAGEMENT	\$84,223.97
RETURNS TO LAND, CAPITAL AND MANAGEMENT	\$79,851.97
RETURNS TO CAPITAL AND MANAGEMENT	\$76,871.60
RETURNS TO CAPITAL	\$71,383.59
RETURNS TO LAND	\$35,463.23
RETURNS TO MANAGEMENT	\$40,751.24



HAY OUTLOOK SUMMARY

- Stable sales prices
- Quality will be in demand this year
- Lower inputs
- Higher profits



HAY PRODUCTION OUTLOOK

DR. CURT LACY
EXTENSION ECONOMIST-LIVESTOCK
CLACY@UGA.EDU

Dr. Curt Lacy,
Livestock and Forage Economist

