

## Applied Risk Analytics Evaluating Round & Square Bale Systems

*How Much Risk is Right for You and Your Operation?*

**Central** Wyoming hay producer Pat Grey raises alfalfa and other types of hay for sale and for feeding his own cattle. Pat has used round balers for many years and is looking to trade or upgrade his current machine. He has priced new round balers, and is wondering if a switch to a 3x3 big-square bale system might be feasible . . .

Learn more via the APPLIED RISK ANALYTICS series, covering the application of RightRisk Analytics risk analysis tools, available for download at: [RightRisk.org/Analytics](http://RightRisk.org/Analytics).

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Which machine has a much higher cost than round bales, Pat feels there may be advantages to using these systems over his current ones. His main problem is how to compare either system other than by purchase price, which is an accurate operation cost of each system?

Pat is a hay producer who knows what to plant for his bales, he just doesn't have a good idea of what his machine actually costs him to use. He can put together expenses like fuel and repairs, but has not an understanding of what not cash expenses like depreciation would be. Before making a purchase decision, Pat would like to see if purchasing is profitable on a long term basis.

**Using the machinery risk calculator**

The Machinery Risk Calculator (MRC) from RightRisk.org is designed to help producers quantify as much of their machinery and equipment costs as possible and provide an accurate overall cost of ownership, as well as the cost of operation. The MRC uses a comprehensive list of related expenses to calculate overall cost, including expected fuel values, repairs and depreciation, housing, insurance, taxes, and annual use. MRC users can estimate expenses for powered equipment, three different types of implements, vehicles, general irrigation equipment, and more.

RightRisk Analytics Tools and guides are available at no cost at the website [RightRisk.org](http://RightRisk.org)

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Pat would expect this . . .

per a per hour basis for both . . .

With the initial purchase of the square baler compared to the round baler system in . . .

Pat would expect this . . .

the equipment, capacity may or may not be . . .

RightRisk needs to make its programs and services available to an individual regardless of . . .

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