

**Projections for Planning Purposes Only -- *Not to be Used without Updating***

**2014 Estimated Costs and Returns per Acre  
Dryland Alfalfa Establishment - 100 Acres  
Rolling Plains Extension District - 3**

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Total Revenue				\$0.00		\$0.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Production Costs</b>						
Seed						
Alfalfa Seed	20	Pound	\$4.50	\$90.00		\$9,000.00
Fertilizer						
Fertilizer (N)	40	Pound	\$0.48	\$19.20		\$1,920.00
Fertilizer (P)	80	Pound	\$0.42	\$33.60		\$3,360.00
Potash (K)	40	Pound	\$0.43	\$17.20		\$1,720.00
Sulfur	12	Pound	\$0.22	\$2.64		\$264.00
Herbicide						
Roundup	2	Pint	\$3.90	\$7.80		\$780.00
Herbicide Application	1	Acre	\$5.00	\$5.00		\$500.00
Machinery Labor						
Tractors/Self-Propelled	1.09	Hour	\$10.00	\$10.90		\$1,090.00
Diesel Fuel						
Tractors/Self-Propelled	3.43	Gallon	\$3.24	\$11.11		\$1,111.32
Gasoline						
Pickup/General Use Equipment	1	Acre	\$9.00	\$9.00		\$900.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$2.42	\$2.42		\$241.50
Tractors/Self-Propelled	1	Acre	\$4.42	\$4.42		\$442.46
Implements	1	Acre	\$4.62	\$4.62		\$462.33
Interest on Credit Line			6.25%	\$4.53		\$452.92
<b>Total Variable Costs</b>				<b>\$222.45</b>		<b>\$22,244.54</b>
Planned Returns Above Variable Costs:						
Breakeven Price to Cover Variable Costs			n/a			
				<b>(\$222.45)</b>		<b>(\$22,244.54)</b>
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$3.35	\$3.35		\$335.28
Tractors/Self-Propelled	1	Acre	\$4.28	\$4.28		\$427.71
Implements	1	Acre	\$5.87	\$5.87		\$586.61
Equipment Investment						
Pickup/General Use Equipment	\$40.25	Dollars	5.85%	\$2.35		\$235.46
Tractors/Self-Propelled	\$73.74	Dollars	5.85%	\$4.31		\$431.40
Implements	\$45.63	Dollars	5.85%	\$2.67		\$266.91
Cash Rent - Dryland Alfalfa	1	Acre	\$32.00	\$32.00		\$3,200.00
<b>Total Fixed Costs</b>				<b>\$54.83</b>		<b>\$5,483.38</b>
<b>Total Specified Costs</b>				<b>\$277.28</b>		<b>\$27,727.92</b>
Returns Above Specified Costs						
				<b>(\$277.28)</b>		<b>(\$27,727.92)</b>
Breakeven Price to Cover Total Costs			n/a			

<b>Example Breakeven Prices</b>						
Example Yield Percent	Example Yield	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	Share/Tenant	Own/Rent	Share/Tenant	Landlord
75%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
90%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
100%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
110%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
125%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

**Information presented is prepared solely as a general guide and not intended to recognize or predict the costs and returns from any one operation. Brand names are mentioned only as examples and imply no endorsement.**