

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2015 Estimated Costs and Returns per Acre**  
**Irrigated Alfalfa Hay - 100 Acres**  
**Rolling Plains Extension District - 3**

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Alfalfa Hay	6.50	Ton	\$275.00	\$1,787.50	\$178,750.00	\$178,750.00
<b>Total Revenue</b>				<b>\$1,787.50</b>	<b>\$178,750.00</b>	<b>\$178,750.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Production Costs</b>						
Custom						
Herbicide Application	2	Acre	\$5.50	\$11.00	\$1,100.00	\$1,100.00
Insecticide Application	3	Acre	\$5.50	\$16.50	\$1,650.00	\$1,650.00
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$550.00	\$550.00
Custom Baling - Alfalfa	6.5	Ton	\$25.00	\$162.50	\$16,250.00	\$16,250.00
Fertilizer						
Fertilizer (N)	30	Pound	\$0.60	\$18.00	\$1,800.00	\$1,800.00
Fertilizer (P)	50	Pound	\$0.42	\$21.00	\$2,100.00	\$2,100.00
Sulfur	12	Pound	\$0.22	\$2.64	\$264.00	\$264.00
Herbicide						
Valpar	2	Pint	\$8.61	\$17.22	\$1,722.00	\$1,722.00
Butyrac	2	Pint	\$3.50	\$7.00	\$700.00	\$700.00
Insecticide						
Insecticide - Alfalfa 1	2	Pint	\$4.12	\$8.24	\$824.00	\$824.00
Insecticide - Alfalfa 2	3	Pint	\$4.12	\$12.36	\$1,236.00	\$1,236.00
Irrigation						
Energy Cost	10.00	AcreInch	\$1.20	\$12.00	\$1,200.04	\$1,200.04
Irrigation Labor	0.96	Hour	\$10.00	\$9.60	\$960.00	\$960.00
Gasoline						
Pickup/General Use Equipment	1	Acre	\$6.75	\$6.75	\$675.00	\$675.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$1.81	\$1.81	\$181.13	\$181.13
Irrigation Equipment	1	Acre	\$20.00	\$20.00	\$2,000.00	\$2,000.00
Interest on Credit Line			6.25%	\$5.95	\$594.97	\$594.97
<b>Total Variable Costs</b>				<b>\$338.07</b>	<b>\$33,807.13</b>	<b>\$33,807.13</b>
<b>Planned Returns Above Variable Costs:</b>				<b>\$1,449.43</b>	<b>\$144,942.87</b>	<b>\$144,942.87</b>
<b>Breakeven Price to Cover Variable Costs</b>			<b>\$52.01</b>	<b>Ton</b>		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$2.51	\$2.51	\$251.46	\$251.46
Irrigation Equipment	1	Acre	\$12.00	\$12.00	\$1,200.00	\$1,200.00
Equipment Investment						
Pickup/General Use Equipment	\$30.19	Dollars	5.50%	\$1.66	\$166.03	\$166.03
Irrigation Equipment	\$500.00	Dollars	5.50%	\$27.50	\$2,750.00	\$2,750.00
Allocated Establishment Cost	1	Acre	\$414.00	\$414.00	\$41,400.00	\$41,400.00
Cash Rent - Irrigated Alfalfa	1	Acre	\$75.00	\$75.00	\$7,500.00	\$7,500.00
<b>Total Fixed Costs</b>				<b>\$532.67</b>	<b>\$53,267.49</b>	<b>\$53,267.49</b>
<b>Total Specified Costs</b>				<b>\$870.75</b>	<b>\$87,074.63</b>	<b>\$87,074.63</b>
<b>Returns Above Specified Costs</b>				<b>\$916.75</b>	<b>\$91,675.37</b>	<b>\$91,675.37</b>
<b>Breakeven Price to Cover Total Costs</b>			<b>\$133.96</b>	<b>Ton</b>		

Example Breakeven Prices						
Example Yield Percent	Example Yield Ton	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	4.88	\$69.35	\$69.35	\$178.61	\$178.61	\$0.00
90%	5.85	\$57.79	\$57.79	\$148.85	\$148.85	\$0.00
100%	6.50	\$52.01	\$52.01	\$133.96	\$133.96	\$0.00
110%	7.15	\$47.28	\$47.28	\$121.78	\$121.78	\$0.00
125%	8.13	\$41.61	\$41.61	\$107.17	\$107.17	\$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.**