

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

Crop Acres		100				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Total Revenue					\$0.00	\$0.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise
Production Costs						Total
Fertilizer						
	Fertilizer (N)	40	Pound	\$0.60	\$24.00	\$2,400.00
	Fertilizer (P)	80	Pound	\$0.42	\$33.60	\$3,360.00
	Potash (K)	40	Pound	\$0.45	\$18.00	\$1,800.00
	Sulfur	12	Pound	\$0.22	\$2.64	\$264.00
Herbicide						
	Roundup	2	Pint	\$5.50	\$11.00	\$1,100.00
	Herbicide Application	1	Acre	\$5.50	\$5.50	\$550.00
Seed						
	Alfalfa Seed	20	Acre	\$5.75	\$115.00	\$11,500.00
Irrigation						
	Energy Cost	6.00	AcreInch	\$1.20	\$7.20	\$720.02
	Irrigation Labor	0.51	Hour	\$10.00	\$5.12	\$512.00
Machinery Labor						
	Tractors/Self-Propelled	1.3	Hour	\$10.00	\$13.00	\$1,300.00
Diesel Fuel						
	Tractors/Self-Propelled	4.25	Gallon	\$2.59	\$11.01	\$1,100.75
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
	Irrigation Equipment	1	Acre	\$10.00	\$10.00	\$1,000.00
	Tractors/Self-Propelled	1	Acre	\$6.64	\$6.64	\$663.99
	Implements	1	Acre	\$9.31	\$9.31	\$931.41
	Interest on Credit Line			6.25%	\$3.12	\$312.40
Total Variable Costs					\$286.56	\$28,656.07
Planned Returns Above Variable Costs:					(\$286.56)	(\$28,656.07)
Breakeven Price to Cover Variable Costs				n/a		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$3.35	\$3.35	\$335.28
	Irrigation Equipment	1	Acre	\$6.00	\$6.00	\$600.00
	Tractors/Self-Propelled	1	Acre	\$6.86	\$6.86	\$686.12
	Implements	1	Acre	\$11.20	\$11.20	\$1,120.31
Equipment Investment						
	Pickup/General Use Equipment	\$40.25	Dollars	5.50%	\$2.21	\$221.38
	Irrigation Equipment	\$250.00	Dollars	5.50%	\$13.75	\$1,375.00
	Tractors/Self-Propelled	\$77.47	Dollars	5.50%	\$4.26	\$426.06
	Implements	\$87.14	Dollars	5.50%	\$4.79	\$479.25
Cash Rent - Irrigated Alfalfa		1	Acre	\$75.00	\$75.00	\$7,500.00
Total Fixed Costs					\$127.43	\$12,743.40
Total Specified Costs					\$413.99	\$41,399.47
Returns Above Specified Costs					(\$413.99)	(\$41,399.47)
Breakeven Price to Cover Total Costs				n/a		

Example Breakeven Prices						
Example Yield Percent	Example Yield	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	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.