

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Irrigated Alfalfa - 122 Acres
South Plains Extension District - 2

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Hay - Alfalfa	6.00	Ton	\$180.00	\$1,080.00	\$131,760.00
Total Revenue				\$1,080.00	\$131,760.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Custom Baling	6	Ton	\$50.00	\$300.00	\$36,600.00
Fertilizer Application - Liquid Low	1	Acre	\$3.50	\$3.50	\$427.00
Fertilizer					
Fertilizer (P) - Liquid	65	Pound	\$0.74	\$47.78	\$5,828.55
Fertilizer (N) - Liquid	30	Pound	\$0.58	\$17.34	\$2,115.48
Sulfur	12	Pound	\$0.12	\$1.44	\$175.68
Herbicide					
Herbicide and Application Alfalfa	1	Acre	\$21.47	\$21.47	\$2,619.34
Insecticide					
Insecticide Application Alfalfa	1	Acre	\$25.90	\$25.90	\$3,159.80
Miscellaneous					
Crop Insurance Alfalfa	1	Acre	\$2.50	\$2.50	\$305.00
Irrigation					
Energy Cost	24.00	AcreInch	\$9.00	\$216.00	\$26,352.00
Irrigation Labor	0.96	Hour	\$12.00	\$11.52	\$1,405.44
Machinery Labor					
Tractors/Self-Propelled	0.13	Hour	\$12.00	\$1.56	\$190.32
Diesel Fuel					
Tractors/Self-Propelled	2.01	Gallon	\$3.00	\$6.03	\$735.66
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$61.00
Irrigation Equipment	1	Acre	\$42.00	\$42.00	\$5,124.00
Tractors/Self-Propelled	1	Acre	\$3.00	\$3.00	\$366.00
Implements	1	Acre	\$6.00	\$6.00	\$732.00
Interest on Credit Line			6.00%	\$12.29	\$1,499.77
Total Variable Costs				\$718.83	\$87,697.04
Planned Returns Above Variable Costs:				\$361.17	\$44,062.96
Breakeven Price to Cover Variable Costs			\$119.80	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment					
Pickup/General Use Equipment	\$17.89	Dollars	7.00%	\$1.25	\$152.78
Irrigation Equipment	\$785.72	Dollars	7.00%	\$55.00	\$6,710.01
Tractors/Self-Propelled	\$171.40	Dollars	7.00%	\$12.00	\$1,463.76
Implements	\$142.80	Dollars	7.00%	\$10.00	\$1,219.51
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$244.00
Management Fee, Ownwer/Operator Labor	1	Acre	\$30.00	\$30.00	\$3,660.00
Allocated Establishment Cost	1	Acre	\$98.00	\$98.00	\$11,956.00
Cash Rent - Alfalfa	1	Acre	\$130.00	\$130.00	\$15,860.00
Total Fixed Costs				\$338.25	\$41,266.05
Total Specified Costs				\$1,057.07	\$128,963.10
Returns Above Specified Costs				\$22.93	\$2,796.90
Breakeven Price to Cover Total Costs			\$176.18	Ton	

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%	4.50	\$159.74	\$159.74	\$234.91	\$234.91	\$0.00
90%	5.40	\$133.12	\$133.12	\$195.75	\$195.75	\$0.00
100%	6.00	\$119.80	\$119.80	\$176.18	\$176.18	\$0.00
110%	6.60	\$108.91	\$108.91	\$160.16	\$160.16	\$0.00
125%	7.50	\$95.84	\$95.84	\$140.94	\$140.94	\$0.00

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension.

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.