

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2016 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	Enterprise
Total Revenue							\$0.00	Total
								\$0.00
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise
Production Costs								Total
Fertilizer								
	Fertilizer (N)	40	Pound	\$0.45		\$18.00		\$1,800.00
	Fertilizer (P)	80	Pound	\$0.40		\$32.00		\$3,200.00
	Potash (K)	40	Pound	\$0.45		\$18.00		\$1,800.00
	Sulfur	12	Pound	\$0.22		\$2.64		\$264.00
Herbicide								
	Roundup	2	Pint	\$2.00		\$4.00		\$400.00
	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		\$719.79
	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	\$1.65		\$7.01		\$701.25
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		\$1,000.02
	Tractors/Self-Propelled	1	Acre	\$6.64		\$6.64		\$663.99
	Implements	1	Acre	\$9.31		\$9.31		\$931.41
	Interest on Credit Line			5.75%		\$2.54		\$253.94
Total Variable Costs							<u>\$267.38</u>	<u>\$26,737.90</u>
Planned Returns Above Variable Costs:							<u>(\$267.38)</u>	<u>(\$26,737.90)</u>
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	\$23.49	Dollars	5.50%		\$1.29		\$129.17
	Irrigation Equipment	\$175.00	Dollars	5.50%		\$9.63		\$962.50
	Tractors/Self-Propelled	\$53.45	Dollars	5.50%		\$2.94		\$293.98
	Implements	\$47.92	Dollars	5.50%		\$2.64		\$263.58
	Cash Rent - Irrigated Alfalfa	1	Acre	\$75.00		\$75.00		\$7,500.00
Total Fixed Costs							<u>\$118.91</u>	<u>\$11,890.95</u>
Total Specified Costs							<u>\$386.29</u>	<u>\$38,628.85</u>
Returns Above Specified Costs							<u>(\$386.29)</u>	<u>(\$38,628.85)</u>
Breakeven Price to Cover Total Costs						n/a		

Example Breakeven Prices			
Example Yield Percent	Example Yield	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	0.00	\$0.00	\$0.00
90%	0.00	\$0.00	\$0.00
100%	0.00	\$0.00	\$0.00
110%	0.00	\$0.00	\$0.00
125%	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.**