

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Alfalfa, Full Season, Baled - 7.5 Ton Goal, Center Pivot Irrigated - 122 Acres
Far West Extension District - 6

Crop Acres	122		Enterprise		
REVENUE	Quantity	Units	\$/Unit	Total	Total
Alfalfa Hay - 3X4	7.50	Ton	\$250.00	\$1,875.00	\$228,750.00
Total Revenue				\$1,875.00	\$228,750.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Custom					
Soil Test	0.5	Each	\$5.00	\$2.50	\$305.00
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$488.00
Fertilizer					
Fertilizer 11-52-0	73	Pound	\$0.29	\$21.17	\$2,582.74
Herbicide					
Trifluralin	2	Pint	\$3.13	\$6.25	\$762.50
Pursuit	5	Ounce	\$3.35	\$16.73	\$2,040.64
Crop Oil Concentrate	5	Pint	\$1.98	\$9.90	\$1,207.80
Insecticide					
Warrior Z	7.04	Ounce	\$1.36	\$9.57	\$1,168.08
Intrepid	2.31	Ounce	\$1.98	\$4.57	\$558.14
Irrigation					
Energy Cost	50.22	Mcf	\$4.00	\$200.88	\$24,507.36
Irrigation Labor	0.29	Hour	\$11.00	\$3.18	\$387.57
Machinery Labor					
Tractors/Self-Propelled	2.5	Hour	\$12.00	\$30.00	\$3,660.00
Diesel Fuel					
Tractors/Self-Propelled	13.67	Gallon	\$2.10	\$28.71	\$3,502.25
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.43	\$6.43	\$784.80
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$1.61	\$1.61	\$196.20
Irrigation Equipment	1	Acre	\$132.34	\$132.34	\$16,146.06
Tractors/Self-Propelled	1	Acre	\$14.48	\$14.48	\$1,766.69
Implements	1	Acre	\$2.09	\$2.09	\$254.72
Interest on Credit Line			6.50%	\$10.31	\$1,257.33
Total Variable Costs				\$504.72	\$61,575.88
Planned Returns Above Variable Costs:				\$1,370.28	\$167,174.12
Breakeven Price to Cover Variable Costs			\$67.30	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03	\$735.75
Irrigation Equipment	1	Acre	\$45.01	\$45.01	\$5,491.76
Tractors/Self-Propelled	1	Acre	\$27.16	\$27.16	\$3,312.97
Implements	1	Acre	\$5.45	\$5.45	\$664.74
Equipment Investment					
Pickup/General Use Equipment	\$25.13	Dollars	6.50%	\$1.63	\$199.27
Irrigation Equipment	\$337.61	Dollars	6.50%	\$21.94	\$2,677.23
Tractors/Self-Propelled	\$194.18	Dollars	6.50%	\$12.62	\$1,539.83
Implements	\$45.82	Dollars	6.50%	\$2.98	\$363.37
Allocated Establishment Cost	1	Acre	\$120.04	\$120.04	\$14,644.88
Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs				\$282.87	\$34,509.79
Total Specified Costs				\$787.59	\$96,085.67
Returns Above Specified Costs				\$1,087.41	\$132,664.33
Breakeven Price to Cover Total Costs			\$105.01	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	5.63	\$89.73	\$140.02
90%	6.75	\$74.77	\$116.68
100%	7.50	\$67.30	\$105.01
110%	8.25	\$61.18	\$95.47
125%	9.38	\$53.84	\$84.01

Developed by Rob Hogan, Associate 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.