

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Dryland Alfalfa Hay - 100 Acres
Rolling Plains Extension District - 3

Crop Acres		100				Enterprise	
		Quantity	Units	\$/Unit	Total	Total	
REVENUE							
Alfalfa Hay		3.25	Ton	\$180.00	\$585.00	\$58,500.00	
Total Revenue					\$585.00	\$58,500.00	
VARIABLE COSTS							
Production Costs							
Custom							
Fertilizer Application		1	Acre	\$5.50	\$5.50	\$550.00	
Herbicide Application		2	Acre	\$5.50	\$11.00	\$1,100.00	
Insecticide Application		2	Acre	\$5.50	\$11.00	\$1,100.00	
Custom Baling - Alfalfa		3.25	Ton	\$25.00	\$81.25	\$8,125.00	
Fertilizer							
Fertilizer (N)		20	Pound	\$0.35	\$7.00	\$700.00	
Fertilizer (P)		50	Pound	\$0.34	\$17.00	\$1,700.00	
Sulfur		12	Pound	\$0.36	\$4.32	\$432.00	
Herbicide							
Valpar		2	Pint	\$9.91	\$19.81	\$1,981.25	
Butyrac		2	Pint	\$3.31	\$6.63	\$662.50	
Insecticide							
Insecticide - Alfalfa 1		2	Pint	\$4.12	\$8.24	\$824.00	
Insecticide - Alfalfa 2 Bythroid		3	Fluid Ounce	\$1.05	\$3.16	\$316.41	
Gasoline							
Pickup/General Use Equipment		1	Acre	\$4.50	\$4.50	\$450.00	
Repairs & Maintenance							
Pickup/General Use Equipment		1	Acre	\$1.21	\$1.21	\$120.75	
Interest on Credit Line							
				5.75%	\$3.74	\$373.52	
Total Variable Costs					\$184.35	\$18,435.43	
Planned Returns Above Variable Costs:					\$400.65	\$40,064.57	
Breakeven Price to Cover Variable Costs				\$56.72	Ton		
FIXED COSTS							
Machinery Depreciation							
Pickup/General Use Equipment		1	Acre	\$1.68	\$1.68	\$167.64	
Equipment Investment							
Pickup/General Use Equipment		\$11.74	Dollars	5.50%	\$0.65	\$64.59	
Allocated Establishment Cost		1	Acre	\$61.00	\$61.00	\$6,100.00	
Cash Rent - Dryland Alfalfa		1	Acre	\$32.00	\$32.00	\$3,200.00	
Total Fixed Costs					\$95.32	\$9,532.23	
Total Specified Costs					\$279.68	\$27,967.65	
Returns Above Specified Costs					\$305.32	\$30,532.35	
Breakeven Price to Cover Total Costs				\$86.05	Ton		

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.44	\$75.63	\$114.74
90%	2.93	\$63.03	\$95.62
100%	3.25	\$56.72	\$86.05
110%	3.58	\$51.57	\$78.23
125%	4.06	\$45.38	\$68.84

Developed by Extension Economists, 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.