

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2017 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
Total Revenue							\$0.00	\$0.00
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs								
Fertilizer								
	Fertilizer (N)	40	Pound	\$0.35			\$14.00	\$1,400.00
	Fertilizer (P)	80	Pound	\$0.34			\$27.20	\$2,720.00
	Potash (K)	40	Pound	\$0.30			\$12.00	\$1,200.00
	Sulfur	12	Pound	\$0.36			\$4.32	\$432.00
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	\$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	\$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	\$8.44			\$8.44	\$843.57
	Implements	1	Acre	\$9.18			\$9.18	\$917.97
	Interest on Credit Line			5.75%			\$2.46	\$246.11
Total Variable Costs							<u>\$255.84</u>	<u>\$25,584.44</u>
Planned Returns Above Variable Costs:							<u>(\$255.84)</u>	<u>(\$25,584.44)</u>
Breakeven Price to Cover Variable Costs						n/a		
FIXED COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
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	\$8.72			\$8.72	\$871.69
	Implements	1	Acre	\$11.09			\$11.09	\$1,109.01
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	\$67.91	Dollars	5.50%			\$3.73	\$373.49
	Implements	\$47.44	Dollars	5.50%			\$2.61	\$260.92
	Cash Rent - Irrigated Alfalfa	1	Acre	\$75.00			\$75.00	\$7,500.00
Total Fixed Costs							<u>\$121.42</u>	<u>\$12,142.07</u>
Total Specified Costs							<u>\$377.27</u>	<u>\$37,726.51</u>
Returns Above Specified Costs							<u>(\$377.27)</u>	<u>(\$37,726.51)</u>
Breakeven Price to Cover Total Costs						n/a		

Example Breakeven Prices			
Example Yield Percent	Example Yield	To Cover Variable Costs	To Cover 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 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.**