

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2017 Estimated Costs and Returns per Acre**  
**Alfalfa Establishment, Center Pivot Irrigated - 122 Acres**  
**Far West Extension District - 6**

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Total Revenue				\$0.00	\$0.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>					
Custom					
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$488.00
Fertilizer					
Fertilizer 11-52-0	38	Pound	\$0.22	\$8.36	\$1,019.92
Herbicide					
Glyphosate	2	Pint	\$1.37	\$2.74	\$334.28
Seed					
Alfalfa Seed Inoculated RR	32	Pound	\$7.00	\$224.00	\$27,328.00
Irrigation					
Energy Cost	3.04	Mcf	\$4.00	\$12.16	\$1,483.52
Irrigation Labor	0.02	Hour	\$12.00	\$0.21	\$25.77
Machinery Labor					
Tractors/Self-Propelled	0.4	Hour	\$12.00	\$4.80	\$585.60
Diesel Fuel					
Tractors/Self-Propelled	3.88	Gallon	\$1.83	\$7.10	\$866.25
Gasoline					
Pickup/General Use Equipment	1	Acre	\$3.36	\$3.36	\$410.06
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.80	\$0.80	\$98.10
Irrigation Equipment	1	Acre	\$8.01	\$8.01	\$977.38
Tractors/Self-Propelled	1	Acre	\$8.85	\$8.85	\$1,079.75
Implements	1	Acre	\$10.74	\$10.74	\$1,310.02
Interest on Credit Line			6.50%	\$6.43	\$784.73
Total Variable Costs				<u>\$301.57</u>	<u>\$36,791.37</u>
Planned Returns Above Variable Costs:				<u>(\$301.57)</u>	<u>(\$36,791.37)</u>
Breakeven Price to Cover Variable Costs			n/a		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Machinery Depreciation</b>					
Pickup/General Use Equipment	1	Acre	\$3.02	\$3.02	\$367.88
Irrigation Equipment	1	Acre	\$45.01	\$45.01	\$5,491.76
Tractors/Self-Propelled	1	Acre	\$10.08	\$10.08	\$1,229.99
Implements	1	Acre	\$13.41	\$13.41	\$1,636.53
<b>Equipment Investment</b>					
Pickup/General Use Equipment	\$12.56	Dollars	6.50%	\$0.82	\$99.63
Irrigation Equipment	\$337.61	Dollars	6.50%	\$21.94	\$2,677.23
Tractors/Self-Propelled	\$78.11	Dollars	6.50%	\$5.08	\$619.38
Implements	\$57.38	Dollars	6.50%	\$3.73	\$455.05
Total Fixed Costs				<u>\$103.09</u>	<u>\$12,577.45</u>
Total Specified Costs				<u>\$404.66</u>	<u>\$49,368.82</u>
Returns Above Specified Costs				<u>(\$404.66)</u>	<u>(\$49,368.82)</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 Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension, 830-278-9151.

**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.**