

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Dryland Alfalfa Hay
Rolling Plains Extension District - 3

Crop Acres		100				Enterprise	
REVENUE		Quantity	Units	\$/Unit	Total	Total	
Alfalfa Hay		3.25	Ton	\$200.00	\$650.00	\$65,000.00	
Total Revenue					\$650.00	\$65,000.00	
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs						Total	
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							
Sulfur		12	Pound	\$0.25	\$3.00	\$300.00	
Fertilizer (N)		20	Pound	\$0.41	\$8.20	\$820.00	
Fertilizer (P)		50	Pound	\$0.34	\$17.00	\$1,700.00	
Herbicide							
Valpar		2	Pint	\$11.88	\$23.75	\$2,375.00	
Butyrac		2	Pint	\$3.75	\$7.50	\$750.00	
Insecticide							
Insecticide - Alfalfa 1		2	Pint	\$4.12	\$8.24	\$824.00	
Insecticide - Alfalfa 2 Baythroid		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%	\$3.87	\$387.27	
Total Variable Costs					\$189.18	\$18,918.43	
Planned Returns Above Variable Costs:					\$460.82	\$46,081.57	
Breakeven Price to Cover Variable Costs				\$58.21	Ton		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						Total	
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					\$284.51	\$28,450.66	
Returns Above Specified Costs					\$365.49	\$36,549.34	
Breakeven Price to Cover Total Costs				\$87.54	Ton		

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.44	\$77.61	\$116.72
90%	2.93	\$64.68	\$97.27
100%	3.25	\$58.21	\$87.54
110%	3.58	\$52.92	\$79.58
125%	4.06	\$46.57	\$70.03

Developed by Extension Economists, Texas A&M AgriLife Extension Service, budgets@tamu.edu.

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.