

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

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Alfalfa Hay	6.50	Ton	\$200.00	\$1,300.00	\$130,000.00
Total Revenue				\$1,300.00	\$130,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Herbicide Application	2	Acre	\$5.50	\$11.00	\$1,100.00
Insecticide Application	3	Acre	\$5.50	\$16.50	\$1,650.00
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$550.00
Custom Baling - Alfalfa	6.5	Ton	\$25.00	\$162.50	\$16,250.00
Fertilizer					
Fertilizer (N)	30	Pound	\$0.41	\$12.30	\$1,230.00
Fertilizer (P)	50	Pound	\$0.34	\$17.00	\$1,700.00
Sulfur	12	Pound	\$0.25	\$3.00	\$300.00
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
Irrigation					
Energy Cost	10.00	AcreInch	\$1.20	\$12.00	\$1,200.04
Irrigation Labor	0.96	Hour	\$10.00	\$9.60	\$960.00
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.75	\$6.75	\$675.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$1.81	\$1.81	\$181.13
Irrigation Equipment	1	Acre	\$20.00	\$20.00	\$2,000.00
Interest on Credit Line			5.75%	\$5.35	\$534.76
Total Variable Costs				\$325.96	\$32,596.33
Planned Returns Above Variable Costs:				\$974.04	\$97,403.67
Breakeven Price to Cover Variable Costs			\$50.15	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$2.51	\$2.51	\$251.46
Irrigation Equipment	1	Acre	\$12.00	\$12.00	\$1,200.00
Equipment Investment					
Pickup/General Use Equipment	\$17.61	Dollars	5.50%	\$0.97	\$96.88
Irrigation Equipment	\$350.00	Dollars	5.50%	\$19.25	\$1,925.00
Coa Allocated Establishment Cost	1	Acre	\$78.00	\$78.00	\$7,800.00
Cash Rent - Irrigated Alfalfa	1	Acre	\$75.00	\$75.00	\$7,500.00
Total Fixed Costs				\$187.73	\$18,773.34
Total Specified Costs				\$513.70	\$51,369.67
Returns Above Specified Costs				\$786.30	\$78,630.33
Breakeven Price to Cover Total Costs			\$79.03	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	4.88	\$66.86	\$105.37
90%	5.85	\$55.72	\$87.81
100%	6.50	\$50.15	\$79.03
110%	7.15	\$45.59	\$71.85
125%	8.13	\$40.12	\$63.22

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.