

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Irrigated Alfalfa
South Plains Extension District - 2

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Hay - Alfalfa	6.00	Ton	\$200.00	\$1,200.00	\$146,400.00	
Total Revenue				\$1,200.00	\$146,400.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total	
Production Costs						
Custom						
Custom Baling	6	Ton	\$50.00	\$300.00	\$36,600.00	
Fertilizer Application - Liquid Low	1	Acre	\$3.50	\$3.50	\$427.00	
Crop Consultant	1	Acre	\$6.00	\$6.00	\$732.00	
Fertilizer						
Fertilizer (P) - Liquid	65	Pound	\$0.57	\$37.28	\$4,548.09	
Fertilizer (N) - Liquid	30	Pound	\$0.39	\$11.72	\$1,429.69	
Sulfur	12	Pound	\$0.12	\$1.44	\$175.68	
Herbicide						
Herbicide and Application Alfalfa	1	Acre	\$22.00	\$22.00	\$2,684.00	
Insecticide						
Insecticide Application Alfalfa	1	Acre	\$25.90	\$25.90	\$3,159.80	
Miscellaneous						
Crop Insurance Alfalfa	1	Acre	\$2.50	\$2.50	\$305.00	
Irrigation						
Energy Cost	24.00	AcreInch	\$10.00	\$240.00	\$29,280.00	
Irrigation Labor	1.25	Hour	\$12.00	\$15.00	\$1,830.00	
Machinery Labor						
Tractors/Self-Propelled	1	Hour	\$12.00	\$12.00	\$1,464.00	
Diesel Fuel						
Tractors/Self-Propelled	2.01	Gallon	\$2.30	\$4.62	\$564.01	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$6.00	\$6.00	\$732.00	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$61.00	
Irrigation Equipment	1	Acre	\$42.00	\$42.00	\$5,124.00	
Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$732.00	
Implements	1	Acre	\$3.00	\$3.00	\$366.00	
Interest on Credit Line			6.00%	\$12.78	\$1,559.49	
Total Variable Costs				\$752.24	\$91,773.75	
Planned Returns Above Variable Costs:				\$447.76	\$54,626.25	
Breakeven Price to Cover Variable Costs			\$125.37	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total	
Equipment Fixed Costs						
Pickup/General Use Equipment	1	Acre	\$1.25	\$1.25	\$152.50	
Irrigation Equipment	1	Acre	\$55.00	\$55.00	\$6,710.00	
Tractors/Self-Propelled	1	Acre	\$12.00	\$12.00	\$1,464.00	
Implements	1	Acre	\$10.00	\$10.00	\$1,220.00	
Management Fee, Owner/Operator Labor	1	Acre	\$25.00	\$25.00	\$3,050.00	
Allocated Establishment Cost	1	Acre	\$100.00	\$100.00	\$12,200.00	
Cash Rent - Alfalfa	1	Acre	\$130.00	\$130.00	\$15,860.00	
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$244.00	
Total Fixed Costs				\$335.25	\$40,900.50	
Total Specified Costs				\$1,087.49	\$132,674.25	
Returns Above Specified Costs				\$112.51	\$13,725.75	
Breakeven Price to Cover Total Costs			\$181.25	Ton		

Example Breakeven Prices			
Example	Example	To Cover	To Cover
Yield	Yield	Variable	Total
Percent	Ton	Costs	Costs
75%	4.50	\$167.17	\$241.67
90%	5.40	\$139.30	\$201.39
100%	6.00	\$125.37	\$181.25
110%	6.60	\$113.98	\$164.77
125%	7.50	\$100.30	\$145.00

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-746-6101.

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.