

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 Estimated Costs and Returns per Acre
Alfalfa, Sprinkler Irrigated (NG)
Panhandle Extension District - 1

Crop Acres		122				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Hay - Alfalfa		5.50	Ton	\$215.00	\$1,182.50	\$144,265.00
Total Revenue					\$1,182.50	\$144,265.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Fertilizer Application		1	Acre	\$5.35	\$5.35	\$652.76
Custom Baling		5.5	Ton	\$42.81	\$235.48	\$28,728.32
Fertilizer						
Fertilizer (P) - Liquid		60	Pound	\$0.48	\$28.66	\$3,495.98
Herbicide						
Herbicide and Application Alfalfa		1	Acre	\$23.95	\$23.95	\$2,921.45
Insecticide						
Insecticide Application Alfalfa		1	Acre	\$10.80	\$10.80	\$1,317.76
Irrigation						
Energy Cost		24.00	AcreInch	\$3.96	\$95.04	\$11,594.88
Irrigation Labor		1.54	Hour	\$13.65	\$20.97	\$2,557.90
Gasoline						
Pickup/General Use Equipment		1	Acre	\$4.82	\$4.82	\$587.50
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$2.51	\$2.51	\$306.00
Irrigation Equipment		1	Acre	\$90.00	\$90.00	\$10,980.00
Interest on Credit Line				6.25%	\$5.59	\$681.49
Total Variable Costs					\$523.15	\$63,824.03
Planned Returns Above Variable Costs:					\$659.35	\$80,440.97
Breakeven Price to Cover Variable Costs				\$95.12	Ton	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$2.63	\$2.63	\$321.30
Irrigation Equipment		1	Acre	\$47.34	\$47.34	\$5,775.00
Equipment Investment						
Pickup/General Use Equipment		\$18.18	Dollars	6.25%	\$1.14	\$138.66
Irrigation Equipment		\$571.72	Dollars	6.25%	\$35.73	\$4,359.38
Allocated Establishment Cost		1	Acre	\$76.00	\$76.00	\$9,272.00
Cash Rent - Alfalfa		1	Acre	\$100.00	\$100.00	\$12,200.00
Total Fixed Costs					\$262.84	\$32,066.33
Total Specified Costs					\$785.99	\$95,890.36
Returns Above Specified Costs					\$396.51	\$48,374.64
Breakeven Price to Cover Total Costs				\$142.91	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	4.13	\$126.82	\$190.54
90%	4.95	\$105.69	\$158.79
100%	5.50	\$95.12	\$142.91
110%	6.05	\$86.47	\$129.92
125%	6.88	\$76.09	\$114.33

Developed by Justin Benavidez, Assistant Professor, Texas A&M AgriLife Extension, 806-677-5600.

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.