### Variable Costs

**Production Costs**

- **Seed**
  - Seed - Alfalfa: 18 pounds at $5.65 per pound = $101.78
  - Total: $12,417.72

- **Fertilizer**
  - Fertilizer (P) - Dry: 80 pounds at $0.52 per pound = $41.60
  - Total: $5,075.20

- **Herbicide**
  - Herbicide and Application Alfalfa: 1 acre at $22.01 per acre = $22.01
  - Total: $2,684.74

- **Custom**
  - Fertilizer Application: 1 acre at $5.50 per acre = $5.50
  - Total: $671.00

- **Irrigation**
  - Energy or Water Cost: 6.00 acre-inches at $11.75 per acre-inch = $70.50
  - Irrigation Labor: 0.38 hour at $11.75 per hour = $4.51
  - Total: $75.01

- **Machinery Labor**
  - Tractors/Self-Propelled: 1.73 hours at $11.75 per hour = $20.33
  - Total: $20.33

- **Diesel Fuel**
  - Tractors/Self-Propelled: 3.09 gallons at $3.28 per gallon = $10.14
  - Total: $10.14

- **Gasoline**
  - Pickup/General Use Equipment: 1 acre at $6.66 per acre = $6.66
  - Total: $812.50

- **Repairs & Maintenance**
  - Pickup/General Use Equipment: 1 acre at $2.51 per acre = $2.51
  - Tractors/Self-Propelled: 1 acre at $11.40 per acre = $11.40
  - Implements: 1 acre at $13.44 per acre = $13.44
  - Total: $27.35

- **Irrigation Equipment**
  - 1 acre at $24.24 per acre = $24.24
  - Total: $2,957.28

- **Tractors/Self-Propelled**
  - 1 acre at $11.40 per acre = $11.40
  - Total: $1,390.40

- **Implements**
  - 1 acre at $13.44 per acre = $13.44
  - Total: $1,639.34

- **Interest on Credit Line**
  - 4.75% interest at $5.06 per acre = $616.90
  - Total: $616.90

**Total Variable Costs**: $294.96

Planned Returns Above Variable Costs: ($294.96)

**Breakeven Price to Cover Variable Costs**: n/a

### Fixed Costs

- **Machinery Depreciation**
  - Pickup/General Use Equipment: 1 acre at $2.63 per acre = $2.63
  - Tractors/Self-Propelled: 1 acre at $22.50 per acre = $22.50
  - Implements: 1 acre at $10.71 per acre = $10.71
  - Total: $35.84

- **Equipment Investment**
  - Pickup/General Use Equipment: $31.35 per acre = $31.35
  - Irrigation Equipment: $703.28 per acre = $703.28
  - Tractors/Self-Propelled: $120.93 per acre = $120.93
  - Implements: $125.49 per acre = $125.49
  - Total: $980.05

- **Cash Rent - Alfalfa**
  - 1 acre at $140.00 per acre = $140.00
  - Total: $17,080.00

**Total Fixed Costs**: $243.49

**Total Specified Costs**: $538.45

Returns Above Specified Costs: ($538.45)

**Breakeven Price to Cover Total Costs**: n/a

### Example Breakeven Prices

<table>
<thead>
<tr>
<th>Yield Percent</th>
<th>Price Needed to Cover Example Variable Costs</th>
<th>Price Needed to Cover Example Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Own/Rent</td>
<td>ShareTenant</td>
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<tr>
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</tr>
<tr>
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</tr>
<tr>
<td>125%</td>
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<td>0.00</td>
</tr>
</tbody>
</table>

Developed by Steve Amosson, Regents Fellow, Professor and Extension Economist, Texas A&M AgriLife Extension.

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.