### 2014 Estimated Costs and Returns per Acre
#### Alfalfa, Sprinkler Irrigated (NG) - 122 Acres
#### Panhandle Extension District - 1

**Crop Acres:** 122

### Revenue

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
<th>Enterprise Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.50</td>
<td>Ton</td>
<td>$200.00</td>
<td>$1,100.00</td>
<td>$134,200.00</td>
</tr>
</tbody>
</table>

**Total Revenue:** $1,100.00 $134,200.00

### Variable Costs

#### Production Costs
- **Fertilizer (P) - Liquid:**
  - 60 Pound $0.79 $47.40 $5,782.80

- **Herbicide**
  - Herbicide and Application Alfalfa: 1 Acre $22.01 $22.01 $2,684.74

- **Insecticide**
  - Insecticide Application Alfalfa: 1 Acre $10.29 $10.29 $1,255.66

- **Custom**
  - Fertilizer Application: 1 Acre $5.50 $5.50 $671.00
  - Custom Baling: 5.5 Ton $39.40 $216.70 $26,437.40

#### Irrigation
- **Energy or Water Cost:**
  - 24.00 AcreInch $4.30 $103.20 $12,590.40

- **Irrigation Labor:**
  - 1.54 Hour $11.75 $18.05 $2,201.86

- **Gasoline**
  - Pickup/General Use Equipment: 1 Acre $6.66 $6.66 $812.50

- **Repairs & Maintenance**
  - Pickup/General Use Equipment: 1 Acre $2.51 $2.51 $306.00
  - Irrigation Equipment: 1 Acre $96.96 $96.96 $11,829.12

- **Interest on Credit Line,** 4.75% $4.91 $598.62

**Total Variable Costs:** $534.18 $65,170.09

**Planned Returns Above Variable Costs:** $565.82 $69,029.91

**Breakeven Price to Cover Variable Costs:** $97.12 Ton

### Fixed Costs

#### Machinery Depreciation
- **Pickup/General Use Equipment:** 1 Acre $2.63 $2.63 $321.30
- **Irrigation Equipment:** 1 Acre $22.50 $22.50 $2,745.60

#### Equipment Investment
- **Pickup/General Use Equipment:** $31.35 Dollars 5.25% $1.65 $200.81
- **Irrigation Equipment:** $703.28 Dollars 5.25% $36.92 $4,504.50

#### Allocated Establishment Cost
- **Cash Rent - Alfalfa:** 1 Acre $94.00 $94.00 $11,468.00

**Total Fixed Costs:** $297.71 $36,320.21

**Total Specified Costs:** $831.89 $101,490.30

**Returns Above Specified Costs:** $268.11 $32,709.70

**Breakeven Price to Cover Total Costs:** $151.25 Ton

### Example Breakeven Prices

<table>
<thead>
<tr>
<th>Example Yield Percent</th>
<th>Example Yield Ton</th>
<th>Price Needed to Cover Example Variable Costs</th>
<th>Price Needed to Cover Example Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>4.13</td>
<td>$129.50 Own/Rent</td>
<td>$201.67 Own/Rent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$129.50 ShareTenant</td>
<td>$201.67 ShareTenant</td>
</tr>
<tr>
<td>90%</td>
<td>4.95</td>
<td>$107.92 Own/Rent</td>
<td>$168.06 Own/Rent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$107.92 ShareTenant</td>
<td>$168.06 ShareTenant</td>
</tr>
<tr>
<td>100%</td>
<td>5.50</td>
<td>$97.12 Own/Rent</td>
<td>$151.25 Own/Rent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$97.12 ShareTenant</td>
<td>$151.25 ShareTenant</td>
</tr>
<tr>
<td>110%</td>
<td>6.05</td>
<td>$88.29 Own/Rent</td>
<td>$137.50 Own/Rent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$88.29 ShareTenant</td>
<td>$137.50 ShareTenant</td>
</tr>
<tr>
<td>125%</td>
<td>6.88</td>
<td>$77.70 Own/Rent</td>
<td>$121.00 Own/Rent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$77.70 ShareTenant</td>
<td>$121.00 ShareTenant</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.*