

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Alfalfa Establishment, Sprinkler Irrigated (NG), Fall Seeding Only - 122 Acres
Panhandle Extension District - 1

Crop Acres		122				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Total Revenue					\$0.00	\$0.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Seed - Alfalfa	18	Pound	\$5.65	\$101.78	\$12,417.72	
Fertilizer						
Fertilizer (P) - Dry	80	Pound	\$0.52	\$41.60	\$5,075.20	
Herbicide						
Herbicide and Application Alfalfa	1	Acre	\$22.01	\$22.01	\$2,684.74	
Custom						
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$671.00	
Irrigation						
Energy or Water Cost	6.00	AcreInch	\$4.30	\$25.80	\$3,147.60	
Irrigation Labor	0.38	Hour	\$11.75	\$4.51	\$550.46	
Machinery Labor						
Tractors/Self-Propelled	1.73	Hour	\$11.75	\$20.33	\$2,479.96	
Diesel Fuel						
Tractors/Self-Propelled	3.09	Gallon	\$3.28	\$10.14	\$1,236.49	
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	\$24.24	\$24.24	\$2,957.28	
Tractors/Self-Propelled	1	Acre	\$11.40	\$11.40	\$1,390.40	
Implements	1	Acre	\$13.44	\$13.44	\$1,639.34	
Interest on Credit Line			4.75%	\$5.06	\$616.90	
Total Variable Costs					\$294.96	\$35,985.59
Planned Returns Above Variable Costs:					(\$294.96)	(\$35,985.59)
Breakeven Price to Cover Variable Costs				n/a		
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	\$22.50	\$22.50	\$2,745.60	
Tractors/Self-Propelled	1	Acre	\$10.71	\$10.71	\$1,306.72	
Implements	1	Acre	\$16.13	\$16.13	\$1,968.45	
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	
Tractors/Self-Propelled	\$120.93	Dollars	5.25%	\$6.35	\$774.55	
Implements	\$125.49	Dollars	5.25%	\$6.59	\$803.78	
Cash Rent - Alfalfa	1	Acre	\$140.00	\$140.00	\$17,080.00	
Total Fixed Costs					\$243.49	\$29,705.71
Total Specified Costs					\$538.45	\$65,691.30
Returns Above Specified Costs					(\$538.45)	(\$65,691.30)
Breakeven Price to Cover Total Costs				n/a		

Example Breakeven Prices						
Example Yield Percent	Example Yield	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
90%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
100%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
110%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
125%	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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.