

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

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Hay - Alfalfa	5.50	Ton	\$200.00	\$1,100.00	\$134,200.00	
<b>Total Revenue</b>				<b>\$1,100.00</b>	<b>\$134,200.00</b>	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
<b>Production Costs</b>						
Fertilizer						
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	
<b>Total Variable Costs</b>				<b>\$534.18</b>	<b>\$65,170.09</b>	
Planned Returns Above Variable Costs:				\$565.82	\$69,029.91	
Breakeven Price to Cover Variable Costs			\$97.12	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
<b>Machinery Depreciation</b>						
Pickup/General Use Equipment	1	Acre	\$2.63	\$2.63	\$321.30	
Irrigation Equipment	1	Acre	\$22.50	\$22.50	\$2,745.60	
<b>Equipment Investment</b>						
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	1	Acre	\$94.00	\$94.00	\$11,468.00	
Cash Rent - Alfalfa	1	Acre	\$140.00	\$140.00	\$17,080.00	
<b>Total Fixed Costs</b>				<b>\$297.71</b>	<b>\$36,320.21</b>	
<b>Total Specified Costs</b>				<b>\$831.89</b>	<b>\$101,490.30</b>	
Returns Above Specified Costs				\$268.11	\$32,709.70	
<b>Breakeven Price to Cover Total Costs</b>			<b>\$151.25</b>	<b>Ton</b>		

Example Breakeven Prices						
Example Yield Percent	Example Yield Ton	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	4.13	\$129.50	\$129.50	\$201.67	\$201.67	\$0.00
90%	4.95	\$107.92	\$107.92	\$168.06	\$168.06	\$0.00
100%	5.50	\$97.12	\$97.12	\$151.25	\$151.25	\$0.00
110%	6.05	\$88.29	\$88.29	\$137.50	\$137.50	\$0.00
125%	6.88	\$77.70	\$77.70	\$121.00	\$121.00	\$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.**