

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2014 Estimated Costs and Returns per Acre**  
**Dryland Alfalfa Hay - 100 Acres**  
**Rolling Plains Extension District - 3**

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total		Total
Alfalfa Hay	3.25	Ton	\$300.00	\$975.00		\$97,500.00
<b>Total Revenue</b>				<b>\$975.00</b>		<b>\$97,500.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total		Enterprise
<b>Production Costs</b>						<b>Total</b>
Fertilizer						
Fertilizer (N)	20	Pound	\$0.48	\$9.60		\$960.00
Fertilizer (P)	50	Pound	\$0.42	\$21.00		\$2,100.00
Sulfur	12	Pound	\$0.22	\$2.64		\$264.00
Herbicide						
Valpar	2	Pint	\$8.61	\$17.22		\$1,722.00
Butyrac	2	Pint	\$3.50	\$7.00		\$700.00
Insecticide						
Insecticide - Alfalfa 1	2	Pint	\$4.12	\$8.24		\$824.00
Insecticide - Alfalfa 2	3	Fluid Ounce	\$2.23	\$6.69		\$669.00
Custom						
Fertilizer Application	1	Acre	\$5.00	\$5.00		\$500.00
Herbicide Application	1	Acre	\$5.00	\$5.00		\$500.00
Insecticide Application	1	Acre	\$5.00	\$5.00		\$500.00
Herbicide Application	1	Acre	\$5.00	\$5.00		\$500.00
Custom Baling - Alfalfa	1.25	Ton	\$25.00	\$31.25		\$3,125.00
Custom Baling - Alfalfa	1	Ton	\$25.00	\$25.00		\$2,500.00
Insecticide Application	1	Acre	\$5.00	\$5.00		\$500.00
Custom Baling - Alfalfa	1	Ton	\$25.00	\$25.00		\$2,500.00
Gasoline						
Pickup/General Use Equipment	1	Acre	\$4.50	\$4.50		\$450.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$1.21	\$1.21		\$120.75
Interest on Credit Line			6.25%	\$4.36		\$435.91
<b>Total Variable Costs</b>				<b>\$188.71</b>		<b>\$18,870.66</b>
Planned Returns Above Variable Costs:				\$786.29		\$78,629.34
Breakeven Price to Cover Variable Costs			\$58.06	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$1.68	\$1.68		\$167.64
Equipment Investment						
Pickup/General Use Equipment	\$20.13	Dollars	5.85%	\$1.18		\$117.73
Allocated Establishment Cost	1	Acre	\$64.20	\$64.20		\$6,420.00
Cash Rent - Dryland Alfalfa	1	Acre	\$32.00	\$32.00		\$3,200.00
<b>Total Fixed Costs</b>				<b>\$99.05</b>		<b>\$9,905.37</b>
<b>Total Specified Costs</b>				<b>\$287.76</b>		<b>\$28,776.03</b>
Returns Above Specified Costs				\$687.24		\$68,723.97
<b>Breakeven Price to Cover Total Costs</b>			<b>\$88.54</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%	2.44	\$77.42	\$77.42	\$118.06	\$118.06	\$0.00
90%	2.93	\$64.52	\$64.52	\$98.38	\$98.38	\$0.00
100%	3.25	\$58.06	\$58.06	\$88.54	\$88.54	\$0.00
110%	3.58	\$52.79	\$52.79	\$80.49	\$80.49	\$0.00
125%	4.06	\$46.45	\$46.45	\$70.83	\$70.83	\$0.00

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

**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.**