

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

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Alfalfa Hay	6.50	Ton	\$300.00	\$1,950.00	\$195,000.00	\$195,000.00
Total Revenue				\$1,950.00	\$195,000.00	\$195,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Fertilizer						
Fertilizer (N)	30	Pound	\$0.48	\$14.40	\$1,440.00	\$1,440.00
Fertilizer (P)	50	Pound	\$0.42	\$21.00	\$2,100.00	\$2,100.00
Sulfur	12	Pound	\$0.22	\$2.64	\$264.00	\$264.00
Herbicide						
Valpar	2	Pint	\$8.61	\$17.22	\$1,722.00	\$1,722.00
Butyrac	2	Pint	\$3.50	\$7.00	\$700.00	\$700.00
Insecticide						
Insecticide - Alfalfa 1	1	Pint	\$4.12	\$4.12	\$412.00	\$412.00
Insecticide - Alfalfa 1	1	Pint	\$4.12	\$4.12	\$412.00	\$412.00
Insecticide - Alfalfa 2	3	Fluid Ounce	\$2.23	\$6.69	\$669.00	\$669.00
Custom						
Herbicide Application	1	Acre	\$5.00	\$5.00	\$500.00	\$500.00
Insecticide Application	1	Acre	\$5.00	\$5.00	\$500.00	\$500.00
Fertilizer Application	1	Acre	\$5.00	\$5.00	\$500.00	\$500.00
Insecticide Application	1	Acre	\$5.00	\$5.00	\$500.00	\$500.00
Herbicide Application	1	Acre	\$5.00	\$5.00	\$500.00	\$500.00
Custom Baling - Alfalfa	2	Ton	\$25.00	\$50.00	\$5,000.00	\$5,000.00
Insecticide Application	1	Acre	\$5.00	\$5.00	\$500.00	\$500.00
Custom Baling - Alfalfa	2	Ton	\$25.00	\$50.00	\$5,000.00	\$5,000.00
Custom Baling - Alfalfa	2.5	Ton	\$25.00	\$62.50	\$6,250.00	\$6,250.00
Irrigation						
Energy or Water Cost	10.00	Acre/Inch	\$1.80	\$18.00	\$1,800.06	\$1,800.06
Irrigation Labor	0.96	Hour	\$10.00	\$9.60	\$960.00	\$960.00
Gasoline						
Pickup/General Use Equipment	1	Acre	\$6.75	\$6.75	\$675.00	\$675.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$1.81	\$1.81	\$181.13	\$181.13
Irrigation Equipment	1	Acre	\$20.00	\$20.00	\$2,000.00	\$2,000.00
Interest on Credit Line			6.25%	\$5.29	\$529.17	\$529.17
Total Variable Costs				\$331.14	\$33,114.35	\$33,114.35
Planned Returns Above Variable Costs:				\$1,618.86	\$161,885.65	\$161,885.65
Breakeven Price to Cover Variable Costs			\$50.95	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$2.51	\$2.51	\$251.46	\$251.46
Irrigation Equipment	1	Acre	\$12.00	\$12.00	\$1,200.00	\$1,200.00
Equipment Investment						
Pickup/General Use Equipment	\$30.19	Dollars	5.85%	\$1.77	\$176.60	\$176.60
Irrigation Equipment	\$500.00	Dollars	5.85%	\$29.25	\$2,925.00	\$2,925.00
Allocated Establishment Cost	1	Acre	\$84.84	\$84.84	\$8,484.00	\$8,484.00
Cash Rent - Irrigated Alfalfa	1	Acre	\$75.00	\$75.00	\$7,500.00	\$7,500.00
Total Fixed Costs				\$205.37	\$20,537.06	\$20,537.06
Total Specified Costs				\$536.51	\$53,651.41	\$53,651.41
Returns Above Specified Costs				\$1,413.49	\$141,348.59	\$141,348.59
Breakeven Price to Cover Total Costs			\$82.54	Ton		

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%	4.88	\$67.93	\$67.93	\$110.05	\$110.05	\$0.00
90%	5.85	\$56.61	\$56.61	\$91.71	\$91.71	\$0.00
100%	6.50	\$50.95	\$50.95	\$82.54	\$82.54	\$0.00
110%	7.15	\$46.31	\$46.31	\$75.04	\$75.04	\$0.00
125%	8.13	\$40.76	\$40.76	\$66.03	\$66.03	\$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.