

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

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total		Total
Total Revenue				\$0.00		\$0.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total		Enterprise
<b>Production Costs</b>						
Seed						
Alfalfa Seed	20	Pound	\$4.50	\$90.00		\$9,000.00
Fertilizer						
Fertilizer (N)	40	Pound	\$0.48	\$19.20		\$1,920.00
Fertilizer (P)	80	Pound	\$0.42	\$33.60		\$3,360.00
Potash (K)	40	Pound	\$0.43	\$17.20		\$1,720.00
Sulfur	12	Pound	\$0.22	\$2.64		\$264.00
Herbicide						
Roundup	2	Pint	\$3.90	\$7.80		\$780.00
Herbicide Application	1	Acre	\$5.00	\$5.00		\$500.00
Irrigation						
Energy or Water Cost	6.00	Acre/Inch	\$1.80	\$10.80		\$1,080.03
Irrigation Labor	0.51	Hour	\$10.00	\$5.12		\$512.00
Machinery Labor						
Tractors/Self-Propelled	1.09	Hour	\$10.00	\$10.90		\$1,090.00
Diesel Fuel						
Tractors/Self-Propelled	3.43	Gallon	\$3.24	\$11.11		\$1,111.32
Gasoline						
Pickup/General Use Equipment	1	Acre	\$9.00	\$9.00		\$900.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$2.42	\$2.42		\$241.50
Irrigation Equipment	1	Acre	\$10.00	\$10.00		\$1,000.00
Tractors/Self-Propelled	1	Acre	\$4.42	\$4.42		\$442.46
Implements	1	Acre	\$4.62	\$4.62		\$462.33
Interest on Credit Line			6.25%	\$6.46		\$645.88
Total Variable Costs				\$250.30		\$25,029.53
Planned Returns Above Variable Costs:				(\$250.30)		(\$25,029.53)
Breakeven Price to Cover Variable Costs			n/a			
FIXED COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$3.35	\$3.35		\$335.28
Irrigation Equipment	1	Acre	\$6.00	\$6.00		\$600.00
Tractors/Self-Propelled	1	Acre	\$4.28	\$4.28		\$427.71
Implements	1	Acre	\$5.87	\$5.87		\$586.61
Equipment Investment						
Pickup/General Use Equipment	\$40.25	Dollars	5.85%	\$2.35		\$235.46
Irrigation Equipment	\$250.00	Dollars	5.85%	\$14.63		\$1,462.50
Tractors/Self-Propelled	\$73.74	Dollars	5.85%	\$4.31		\$431.40
Implements	\$45.63	Dollars	5.85%	\$2.67		\$266.91
Cash Rent - Irrigated Alfalfa	1	Acre	\$75.00	\$75.00		\$7,500.00
Total Fixed Costs				\$118.46		\$11,845.88
Total Specified Costs				\$368.75		\$36,875.41
Returns Above Specified Costs				(\$368.75)		(\$36,875.41)
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 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.**