

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Alfalfa Establishment, Center Pivot Irrigated - 122 Acres
Far West Extension District - 6

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					
Alfalfa Seed Inoculated	32	Pound	\$3.50	\$112.00	\$13,664.00
Fertilizer					
Fertilizer 11-52-0	38	Pound	\$0.26	\$9.88	\$1,205.36
Herbicide					
Glyphosate	2	Pint	\$2.25	\$4.50	\$549.00
Custom					
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$488.00
Irrigation					
Energy or Water Cost	3.04	Mcf	\$4.25	\$12.93	\$1,577.95
Irrigation Labor	0.02	Hour	\$11.00	\$0.19	\$23.49
Machinery Labor					
Tractors/Self-Propelled	0.27	Hour	\$12.00	\$3.24	\$395.28
Diesel Fuel					
Tractors/Self-Propelled	2.5	Gallon	\$2.85	\$7.13	\$869.25
Gasoline					
Pickup/General Use Equipment	1	Acre	\$3.94	\$3.94	\$480.69
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.80	\$0.80	\$98.10
Irrigation Equipment	1	Acre	\$8.02	\$8.02	\$978.44
Tractors/Self-Propelled	1	Acre	\$0.94	\$0.94	\$114.94
Implements	1	Acre	\$1.79	\$1.79	\$218.36
Interest on Credit Line			6.50%	\$3.57	\$435.61
Total Variable Costs				\$172.94	\$21,098.46
Planned Returns Above Variable Costs:				(\$172.94)	(\$21,098.46)
Breakeven Price to Cover Variable Costs			n/a		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$3.02	\$3.02	\$367.88
Irrigation Equipment	1	Acre	\$45.01	\$45.01	\$5,491.76
Tractors/Self-Propelled	1	Acre	\$4.12	\$4.12	\$502.35
Implements	1	Acre	\$2.19	\$2.19	\$267.31
Equipment Investment					
Pickup/General Use Equipment	\$20.10	Dollars	6.50%	\$1.31	\$159.41
Irrigation Equipment	\$675.22	Dollars	6.50%	\$43.89	\$5,354.47
Tractors/Self-Propelled	\$50.25	Dollars	6.50%	\$3.27	\$398.46
Implements	\$32.96	Dollars	6.50%	\$2.14	\$261.41
Total Fixed Costs				\$104.94	\$12,803.05
Total Specified Costs				\$277.88	\$33,901.51
Returns Above Specified Costs				(\$277.88)	(\$33,901.51)
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	Share Tenant	Own/Rent	Share Tenant	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 Rob Hogan, Associate 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.