

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Alfalfa, Full Season, Baled - 7.5 Ton Goal, Flood Irrigated, Dell City - 122 Acres
Far West Extension District - 6

Crop Acres		122					
REVENUE			Quantity	Units	\$/Unit	Total	Enterprise Total
Alfalfa Hay - 3X4			7.50	Ton	\$240.00	\$1,800.00	\$219,600.00
Total Revenue						\$1,800.00	\$219,600.00
VARIABLE COSTS			Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs							
Fertilizer							
Fertilizer	Fertilizer 11-52-0	73	Pound	\$0.26	\$18.98	\$2,315.56	
Herbicide							
	Trifluralin	2	Pint	\$3.25	\$6.50	\$793.00	
	Pursuit	1	Ounce	\$2.65	\$2.65	\$323.30	
	Crop Oil Concentrate	1	Pint	\$2.50	\$2.50	\$305.00	
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	Pursuit	1	Ounce	\$2.65	\$2.65	\$323.30	
	Crop Oil Concentrate	1	Pint	\$2.50	\$2.50	\$305.00	
Insecticide							
	Warrior Z	3.84	Ounce	\$1.36	\$5.22	\$637.13	
	Warrior Z	3.2	Ounce	\$1.36	\$4.35	\$530.94	
	Intrepid	2.31	Ounce	\$1.67	\$3.86	\$470.64	
Custom							
	Soil Test	0.5	Each	\$5.00	\$2.50	\$305.00	
	Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$488.00	
Irrigation							
	Energy or Water Cost	21.52	Mcf	\$4.25	\$91.47	\$11,159.05	
	Irrigation Labor	0.30	Hour	\$11.00	\$3.29	\$401.12	
Machinery							
	Labor	4.42	Hour	\$12.00	\$53.04	\$6,470.88	
Diesel Fuel							
	Tractors/Self-Propelled	30.02	Gallon	\$2.85	\$85.56	\$10,437.95	
Gasoline							
	Pickup/General Use Equipment	1	Acre	\$7.88	\$7.88	\$961.38	
Repairs & Maintenance							
	Pickup/General Use Equipment	1	Acre	\$1.61	\$1.61	\$196.20	
	Irrigation Equipment	1	Acre	\$28.48	\$28.48	\$3,474.56	
	Tractors/Self-Propelled	1	Acre	\$12.37	\$12.37	\$1,508.84	
	Implements	1	Acre	\$0.99	\$0.99	\$120.66	
	Interest on Credit Line			6.50%	\$6.71	\$818.53	
Total Variable Costs						\$362.55	\$44,230.96
Planned Returns Above Variable Costs:						\$1,437.45	\$175,369.04
Breakeven Price to Cover Variable Costs						\$48.34	Ton
FIXED COSTS			Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation							
	Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03	\$735.75	
	Irrigation Equipment	1	Acre	\$37.28	\$37.28	\$4,548.34	
	Tractors/Self-Propelled	1	Acre	\$37.73	\$37.73	\$4,603.24	
	Implements	1	Acre	\$3.41	\$3.41	\$415.43	
Equipment Investment							
	Pickup/General Use Equipment	\$40.20	Dollars	6.50%	\$2.61	\$318.83	
	Irrigation Equipment	\$559.22	Dollars	6.50%	\$36.35	\$4,434.63	
	Tractors/Self-Propelled	\$539.60	Dollars	6.50%	\$35.07	\$4,279.05	
	Implements	\$51.95	Dollars	6.50%	\$3.38	\$411.99	
	Allocated Establishment Cost	1	Acre	\$105.02	\$105.02	\$12,812.44	
	Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00	\$4,880.00	
Total Fixed Costs						\$306.88	\$37,439.69
Total Specified Costs						\$669.43	\$81,670.65
Returns Above Specified Costs						\$1,130.57	\$137,929.35
Breakeven Price to Cover Total Costs						\$89.26	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	Share/Tenant	Own/Rent	Share/Tenant	Landlord
75%	5.63	\$64.45	\$64.45	\$119.01	\$119.01	\$0.00
90%	6.75	\$53.71	\$53.71	\$99.18	\$99.18	\$0.00
100%	7.50	\$48.34	\$48.34	\$89.26	\$89.26	\$0.00
110%	8.25	\$43.95	\$43.95	\$81.14	\$81.14	\$0.00
125%	9.38	\$38.67	\$38.67	\$71.41	\$71.41	\$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.