

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, Center Pivot Irrigated - 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
	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	50.21	Mcf	\$4.25	\$213.41	\$26,036.19
	Irrigation Labor	0.29	Hour	\$11.00	\$3.18	\$387.50
Machinery						
	Labor	4.44	Hour	\$12.00	\$53.28	\$6,500.16
Diesel Fuel						
	Tractors/Self-Propelled	30.17	Gallon	\$2.85	\$85.98	\$10,490.11
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	\$132.33	\$132.33	\$16,144.08
	Tractors/Self-Propelled	1	Acre	\$12.47	\$12.47	\$1,521.66
	Implements	1	Acre	\$0.99	\$0.99	\$120.66
	Interest on Credit Line			6.50%	\$11.12	\$1,356.49
Total Variable Costs					\$593.41	\$72,396.21
Planned Returns Above Variable Costs:					\$1,206.59	\$147,203.79
Breakeven Price to Cover Variable Costs				\$79.12	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	\$45.01	\$45.01	\$5,491.76
	Tractors/Self-Propelled	1	Acre	\$38.22	\$38.22	\$4,663.06
	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	\$675.22	Dollars	6.50%	\$43.89	\$5,354.47
	Tractors/Self-Propelled	\$545.21	Dollars	6.50%	\$35.44	\$4,323.48
	Implements	\$51.95	Dollars	6.50%	\$3.38	\$411.99
Allocated Establishment Cost						
	Trans Pecos Irrigated Land	1	Acre	\$105.02	\$105.02	\$12,812.44
		1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs					\$323.01	\$39,407.20
Total Specified Costs					\$916.42	\$111,803.41
Returns Above Specified Costs					\$883.58	\$107,796.59
Breakeven Price to Cover Total Costs				\$122.19	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	\$105.50	\$105.50	\$162.92	\$162.92	\$0.00
90%	6.75	\$87.91	\$87.91	\$135.77	\$135.77	\$0.00
100%	7.50	\$79.12	\$79.12	\$122.19	\$122.19	\$0.00
110%	8.25	\$71.93	\$71.93	\$111.08	\$111.08	\$0.00
125%	9.38	\$63.30	\$63.30	\$97.75	\$97.75	\$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.