

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, 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	
	Pursuit	1	Ounce	\$2.65	\$2.65	\$323.30	
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	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	25.71	Mcf	\$4.25	\$109.25	\$13,328.87	
	Irrigation Labor	0.10	Hour	\$11.00	\$1.05	\$128.30	
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	\$43.79	\$43.79	\$5,342.38	
	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%	\$7.31	\$891.75	
Total Variable Costs						\$394.01	\$48,068.99
Planned Returns Above Variable Costs:						\$1,405.99	\$171,531.01
Breakeven Price to Cover Variable Costs					\$52.53	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	\$57.32	\$57.32	\$6,993.62	
	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	\$859.87	Dollars	6.50%	\$55.89	\$6,818.78	
	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						\$346.47	\$42,269.13
Total Specified Costs						\$740.48	\$90,338.12
Returns Above Specified Costs						\$1,059.52	\$129,261.88
Breakeven Price to Cover Total Costs					\$98.73	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	\$70.05	\$70.05	\$131.64	\$131.64	\$0.00
90%	6.75	\$58.37	\$58.37	\$109.70	\$109.70	\$0.00
100%	7.50	\$52.53	\$52.53	\$98.73	\$98.73	\$0.00
110%	8.25	\$47.76	\$47.76	\$89.75	\$89.75	\$0.00
125%	9.38	\$42.03	\$42.03	\$78.98	\$78.98	\$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.