

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Alfalfa Establishment, Pivot Irrigated, Fall Seeding Only - 122 Acres
South Plains Extension District - 2

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Total Revenue				\$0.00	\$0.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs						
Seed						
Seed - Alfalfa	18	Pound	\$5.50	\$99.00	\$12,078.00	
Fertilizer						
Fertilizer (P)	80	Pound	\$0.60	\$48.00	\$5,856.00	
Herbicide						
Herbicide and Application Alfalfa	1	Acre	\$24.00	\$24.00	\$2,928.00	
Custom						
Fertilizer Application	1	Acre	\$10.00	\$10.00	\$1,220.00	
Irrigation						
Energy or Water Cost	6.00	AcreInch	\$9.00	\$54.00	\$6,588.00	
Irrigation Labor	1.00	Hour	\$11.75	\$11.75	\$1,433.50	
Machinery Labor						
Tractors/Self-Propelled	1	Hour	\$11.75	\$11.75	\$1,433.50	
Diesel Fuel						
Tractors/Self-Propelled	2	Gallon	\$3.20	\$6.40	\$780.80	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$1.75	\$1.75	\$213.50	
Irrigation Equipment	1	Acre	\$30.00	\$30.00	\$3,660.00	
Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$732.00	
Implements	1	Acre	\$3.00	\$3.00	\$366.00	
Interest on Credit Line			6.00%	\$5.82	\$710.30	
Total Variable Costs				\$311.47	\$37,999.60	
Planned Returns Above Variable Costs:				(\$311.47)	(\$37,999.60)	
Breakeven Price to Cover Variable Costs			n/a			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Equipment Investment						
Pickup/General Use Equipment	\$35.78	Dollars	7.00%	\$2.50	\$305.55	
Irrigation Equipment	\$714.29	Dollars	7.00%	\$50.00	\$6,100.00	
Tractors/Self-Propelled	\$171.43	Dollars	7.00%	\$12.00	\$1,464.00	
Implements	\$142.86	Dollars	7.00%	\$10.00	\$1,220.00	
Cash Rent - Alfalfa	1	Acre	\$130.00	\$130.00	\$15,860.00	
Total Fixed Costs				\$204.50	\$24,949.55	
Total Specified Costs				\$515.98	\$62,949.15	
Returns Above Specified Costs				(\$515.98)	(\$62,949.15)	
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 Jackie Smith, 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.