

**Projections for Planning Purposes Only -- Not to be Used without Updating**

**2015 Estimated Costs and Returns per Acre  
Alfalfa, Sprinkler Irrigated (NG) - 122 Acres  
Panhandle Extension District - 1**

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Hay - Alfalfa	5.50	Ton	\$207.50	\$1,141.25	\$139,232.50	
<b>Total Revenue</b>				<b>\$1,141.25</b>	<b>\$139,232.50</b>	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
<b>Production Costs</b>						
Custom						
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$671.00	
Custom Baling	5.5	Ton	\$40.50	\$222.75	\$27,175.50	
Fertilizer						
Fertilizer (P) - Liquid	60	Pound	\$0.85	\$51.00	\$6,222.00	
Herbicide						
Herbicide and Application Alfalfa	1	Acre	\$22.40	\$22.40	\$2,732.80	
Insecticide						
Insecticide Application Alfalfa	1	Acre	\$10.50	\$10.50	\$1,281.00	
Irrigation						
Energy Cost	24.00	AcreInch	\$4.30	\$103.20	\$12,590.40	
Irrigation Labor	1.54	Hour	\$11.75	\$18.05	\$2,201.86	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$6.13	\$6.13	\$747.50	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$2.51	\$2.51	\$306.00	
Irrigation Equipment	1	Acre	\$96.96	\$96.96	\$11,829.12	
Interest on Credit Line			4.90%	\$5.14	\$627.28	
<b>Total Variable Costs</b>				<b>\$544.13</b>	<b>\$66,384.45</b>	
Planned Returns Above Variable Costs:				\$597.12	\$72,848.05	
Breakeven Price to Cover Variable Costs			\$98.93	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
<b>Machinery Depreciation</b>						
Pickup/General Use Equipment	1	Acre	\$2.63	\$2.63	\$321.30	
Irrigation Equipment	1	Acre	\$22.50	\$22.50	\$2,745.60	
<b>Equipment Investment</b>						
Pickup/General Use Equipment	\$31.35	Dollars	5.40%	\$1.69	\$206.55	
Irrigation Equipment	\$703.28	Dollars	5.40%	\$37.98	\$4,633.20	
Allocated Establishment Cost	1	Acre	\$90.00	\$90.00	\$10,980.00	
Cash Rent - Alfalfa	1	Acre	\$133.00	\$133.00	\$16,226.00	
<b>Total Fixed Costs</b>				<b>\$287.81</b>	<b>\$35,112.65</b>	
<b>Total Specified Costs</b>				<b>\$831.94</b>	<b>\$101,497.10</b>	
Returns Above Specified Costs				\$309.31	\$37,735.40	
<b>Breakeven Price to Cover Total Costs</b>			<b>\$151.26</b>	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	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	4.13	\$131.91	\$131.91	\$201.68	\$201.68	\$0.00
90%	4.95	\$109.93	\$109.93	\$168.07	\$168.07	\$0.00
100%	5.50	\$98.93	\$98.93	\$151.26	\$151.26	\$0.00
110%	6.05	\$89.94	\$89.94	\$137.51	\$137.51	\$0.00
125%	6.88	\$79.15	\$79.15	\$121.01	\$121.01	\$0.00

Developed by Steve Amosson, Regents Fellow, 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.**