

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

2015 Estimated Costs and Returns per Acre

Dryland Alfalfa Hay - 100 Acres

Rolling Plains Extension District - 3

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total		Total
Alfalfa Hay	3.25	Ton	\$275.00	\$893.75		\$89,375.00
Total Revenue				\$893.75		\$89,375.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Production Costs						
Custom						
Fertilizer Application	1	Acre	\$5.50	\$5.50		\$550.00
Herbicide Application	2	Acre	\$5.50	\$11.00		\$1,100.00
Insecticide Application	2	Acre	\$5.50	\$11.00		\$1,100.00
Custom Baling - Alfalfa	3.25	Ton	\$25.00	\$81.25		\$8,125.00
Fertilizer						
Fertilizer (N)	20	Pound	\$0.60	\$12.00		\$1,200.00
Fertilizer (P)	50	Pound	\$0.42	\$21.00		\$2,100.00
Sulfur	12	Pound	\$0.22	\$2.64		\$264.00
Herbicide						
Valpar	2	Pint	\$8.61	\$17.22		\$1,722.00
Butyrac	2	Pint	\$3.50	\$7.00		\$700.00
Insecticide						
Insecticide - Alfalfa 1	2	Pint	\$4.12	\$8.24		\$824.00
Insecticide - Alfalfa 2	3	Pint	\$4.12	\$12.36		\$1,236.00
Gasoline						
Pickup/General Use Equipment	1	Acre	\$4.50	\$4.50		\$450.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$1.21	\$1.21		\$120.75
Interest on Credit Line			6.25%	\$4.36		\$436.13
Total Variable Costs				\$199.28		\$19,927.88
Planned Returns Above Variable Costs:						\$694.47
Breakeven Price to Cover Variable Costs			\$61.32	Ton		\$69,447.12
FIXED COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$1.68	\$1.68		\$167.64
Equipment Investment						
Pickup/General Use Equipment	\$20.13	Dollars	5.50%	\$1.11		\$110.69
Allocated Establishment Cost	1	Acre	\$328.00	\$328.00		\$32,800.00
Cash Rent - Dryland Alfalfa	1	Acre	\$32.00	\$32.00		\$3,200.00
Total Fixed Costs				\$362.78		\$36,278.33
Total Specified Costs				\$562.06		\$56,206.21
Returns Above Specified Costs				\$331.69		\$33,168.79
Breakeven Price to Cover Total Costs			\$172.94	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%	2.44	\$81.76	\$81.76	\$230.59	\$230.59	\$0.00
90%	2.93	\$68.13	\$68.13	\$192.16	\$192.16	\$0.00
100%	3.25	\$61.32	\$61.32	\$172.94	\$172.94	\$0.00
110%	3.58	\$55.74	\$55.74	\$157.22	\$157.22	\$0.00
125%	4.06	\$49.05	\$49.05	\$138.35	\$138.35	\$0.00

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

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.