

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 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				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Alfalfa Hay - 3X4		7.50	Ton	\$243.00	\$1,822.50	\$222,345.00
Total Revenue					\$1,822.50	\$222,345.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
	Soil Test	0.5	Each	\$5.00	\$2.50	\$305.00
	Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$488.00
Fertilizer						
	Fertilizer 11-52-0	73	Pound	\$0.34	\$24.82	\$3,028.04
Herbicide						
	Trifluralin	2	Pint	\$3.13	\$6.26	\$763.72
	Pursuit	5	Ounce	\$2.65	\$13.25	\$1,616.50
	Crop Oil Concentrate	5	Pint	\$2.03	\$10.15	\$1,238.30
Insecticide						
	Warrior Z	7.04	Ounce	\$1.36	\$9.57	\$1,168.08
	Intrepid	2.31	Ounce	\$1.67	\$3.86	\$470.64
Irrigation						
	Energy Cost	50.22	Mcf	\$4.00	\$200.88	\$24,507.36
	Irrigation Labor	0.29	Hour	\$11.00	\$3.18	\$387.57
Machinery Labor						
	Tractors/Self-Propelled	2.5	Hour	\$12.00	\$30.00	\$3,660.00
Diesel Fuel						
	Tractors/Self-Propelled	13.67	Gallon	\$2.15	\$29.39	\$3,585.64
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$7.04	\$7.04	\$859.36
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$1.61	\$1.61	\$196.20
	Irrigation Equipment	1	Acre	\$132.34	\$132.34	\$16,146.06
	Tractors/Self-Propelled	1	Acre	\$14.48	\$14.48	\$1,766.69
	Implements	1	Acre	\$2.09	\$2.09	\$254.72
Interest on Credit Line				6.50%	\$10.21	\$1,245.85
Total Variable Costs					\$505.64	\$61,687.72
Planned Returns Above Variable Costs:					\$1,316.86	\$160,657.28
Breakeven Price to Cover Variable Costs				\$67.42	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	\$27.16	\$27.16	\$3,312.97
	Implements	1	Acre	\$5.45	\$5.45	\$664.74
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	\$292.99	Dollars	6.50%	\$19.04	\$2,323.41
	Implements	\$64.99	Dollars	6.50%	\$4.22	\$515.36
Allocated Establishment Cost						
	Trans Pecos Irrigated Land	1	Acre	\$120.04	\$120.04	\$14,644.88
		1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs					\$313.46	\$38,242.16
Total Specified Costs					\$819.10	\$99,929.88
Returns Above Specified Costs					\$1,003.40	\$122,415.12
Breakeven Price to Cover Total Costs				\$109.21	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	\$89.89	\$89.89	\$145.62	\$145.62	\$0.00
90%	6.75	\$74.91	\$74.91	\$121.35	\$121.35	\$0.00
100%	7.50	\$67.42	\$67.42	\$109.21	\$109.21	\$0.00
110%	8.25	\$61.29	\$61.29	\$99.28	\$99.28	\$0.00
125%	9.38	\$53.93	\$53.93	\$87.37	\$87.37	\$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.