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

2015 Estimated Costs and Returns per Acre

Irrigated Alfalfa Establishment - 122 Acres

South Plains Extension District - 2

Crop Acres	122				
REVENUE	Quantity	Units	$/Unit	Total	Enterprise Total
Total Revenue				$0.00	$0.00
VARIABLE COSTS	Quantity	Units	$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application - Dry	1	Acre	$3.50	$3.50	$427.00
Fertilizer					
Fertilizer (P) - Dry	80	Pound	$0.57	$45.36	$5,533.92
Herbicide					
Herbicide and Application Alfalfa	1	Acre	$21.47	$21.47	$2,619.34
Seed					
Seed - Alfalfa	18	Pound	$4.25	$76.50	$9,333.00
Irrigation					
Energy Cost	6.00	AcreInch	$9.00	$54.00	$6,588.00
Irrigation Labor	1.00	Hour	$12.00	$12.00	$1,464.00
Machinery Labor					
Tractors/Self-Propelled	1.37	Hour	$12.00	$16.44	$2,005.68
Diesel Fuel					
Tractors/Self-Propelled	4.84	Gallon	$3.00	$14.52	$1,771.44
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	$1.75	$1.75	$213.45
Irrigation Equipment	1	Acre	$30.00	$30.00	$3,660.00
Tractors/Self-Propelled	1	Acre	$9.07	$9.07	$1,107.09
Implements	1	Acre	$10.49	$10.49	$1,280.37
Interest on Credit Line			6.00%	$5.54	$675.46
Total Variable Costs				$300.65	$36,678.75
Planned Returns Above Variable Costs:				($300.65)	($36,678.75)
Breakeven Price to Cover Variable Costs			n/a		
FIXED COSTS	Quantity	Units	$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	$9.38	$9.38	$1,143.99
Implements	1	Acre	$12.61	$12.61	$1,537.83
Equipment Investment					
Pickup/General Use Equipment	$35.78	Dollars	7.00%	$2.50	$305.55
Irrigation Equipment	$714.29	Dollars	7.00%	$50.00	$6,100.01
Tractors/Self-Propelled	$105.87	Dollars	7.00%	$7.41	$904.12
Implements	$98.04	Dollars	7.00%	$6.86	$837.26
Cash Rent - Alfalfa	1	Acre	$130.00	$130.00	$15,860.00
Total Fixed Costs				$218.76	$26,688.76
Total Specified Costs				$519.41	$63,367.51
Returns Above Specifiied Costs				($519.41)	($63,367.51)
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.