

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 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	Enterprise	
Hay - Alfalfa	5.50	Ton	\$150.00	\$825.00	\$100,650.00		
Total Revenue				\$825.00	\$100,650.00		
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Production Costs							
Custom							
Fertilizer Application	1	Acre	\$5.65	\$5.65	\$689.45		
Custom Baling	5.5	Ton	\$41.61	\$228.88	\$2,922.83		
Fertilizer							
Fertilizer (P) - Liquid	60	Pound	\$0.90	\$54.00	\$6,588.00		
Herbicide							
Herbicide and Application Alfalfa	1	Acre	\$21.79	\$21.79	\$2,658.19		
Insecticide							
Insecticide Application Alfalfa	1	Acre	\$10.03	\$10.03	\$1,223.87		
Irrigation							
Energy Cost	24.00	AcreInch	\$3.20	\$76.80	\$9,369.60		
Irrigation Labor	1.54	Hour	\$12.16	\$18.68	\$2,278.48		
Gasoline							
Pickup/General Use Equipment	1	Acre	\$4.22	\$4.22	\$515.00		
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			5.15%	\$5.10	\$622.76		
Total Variable Costs				\$524.62	\$64,003.30		
Planned Returns Above Variable Costs:				\$300.38	\$36,646.70		
Breakeven Price to Cover Variable Costs			\$95.38	Ton			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Machinery Depreciation							
Pickup/General Use Equipment	1	Acre	\$2.63	\$2.63	\$321.30		
Irrigation Equipment	1	Acre	\$22.50	\$22.50	\$2,745.60		
Equipment Investment							
Pickup/General Use Equipment	\$18.18	Dollars	5.40%	\$0.98	\$119.80		
Irrigation Equipment	\$421.97	Dollars	5.40%	\$22.79	\$2,779.92		
Allocated Establishment Cost	1	Acre	\$75.00	\$75.00	\$9,150.00		
Cash Rent - Alfalfa	1	Acre	\$125.00	\$125.00	\$15,250.00		
Total Fixed Costs				\$248.91	\$30,366.62		
Total Specified Costs				\$773.52	\$94,369.92		
Returns Above Specified Costs				\$51.48	\$6,280.08		
Breakeven Price to Cover Total Costs			\$140.64	Ton			

Example Breakeven Prices			
Example	Example	Price Needed to Cover	Price Needed to Cover
Yield	Yield	Your Variable Costs	Your Total Costs
Percent	Ton		
75%	4.13	\$127.18	\$187.52
90%	4.95	\$105.98	\$156.27
100%	5.50	\$95.38	\$140.64
110%	6.05	\$86.71	\$127.86
125%	6.88	\$76.31	\$112.51

Developed by Steve Amosson, Regents Fellow, Professor and Extension Economist, Texas A&M AgrLife 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.