

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Dryland Alfalfa Establishment - 100 Acres
Rolling Plains Extension District - 3

Crop Acres	100					
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total	
Total Revenue				\$0.00	\$0.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total	
Production Costs						
Fertilizer						
Fertilizer (N)	40	Pound	\$0.45	\$18.00	\$1,800.00	
Fertilizer (P)	80	Pound	\$0.40	\$32.00	\$3,200.00	
Potash (K)	40	Pound	\$0.45	\$18.00	\$1,800.00	
Sulfur	12	Pound	\$0.22	\$2.64	\$264.00	
Herbicide						
Roundup	2	Pint	\$2.00	\$4.00	\$400.00	
Herbicide Application	1	Acre	\$5.50	\$5.50	\$550.00	
Seed						
Alfalfa Seed	20	Acre	\$5.75	\$115.00	\$11,500.00	
Machinery Labor						
Tractors/Self-Propelled	1.3	Hour	\$10.00	\$13.00	\$1,300.00	
Diesel Fuel						
Tractors/Self-Propelled	4.25	Gallon	\$1.65	\$7.01	\$701.25	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$9.00	\$9.00	\$900.00	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$2.42	\$2.42	\$241.50	
Tractors/Self-Propelled	1	Acre	\$6.64	\$6.64	\$663.99	
Implements	1	Acre	\$9.31	\$9.31	\$931.41	
Interest on Credit Line			5.75%	\$1.88	\$187.80	
Total Variable Costs				\$244.40	\$24,439.96	
Planned Returns Above Variable Costs:				(\$244.40)	(\$24,439.96)	
Breakeven Price to Cover Variable Costs			n/a			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total	
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$3.35	\$3.35	\$335.28	
Tractors/Self-Propelled	1	Acre	\$6.86	\$6.86	\$686.12	
Implements	1	Acre	\$11.20	\$11.20	\$1,120.31	
Equipment Investment						
Pickup/General Use Equipment	\$23.49	Dollars	5.50%	\$1.29	\$129.17	
Tractors/Self-Propelled	\$53.45	Dollars	5.50%	\$2.94	\$293.98	
Implements	\$47.92	Dollars	5.50%	\$2.64	\$263.58	
Cash Rent - Dryland Alfalfa	1	Acre	\$32.00	\$32.00	\$3,200.00	
Total Fixed Costs				\$60.28	\$6,028.45	
Total Specified Costs				\$304.68	\$30,468.41	
Returns Above Specified Costs				(\$304.68)	(\$30,468.41)	
Breakeven Price to Cover Total Costs			n/a			

Example Breakeven Prices			
Example Yield Percent	Example Yield	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	0.00	\$0.00	\$0.00
90%	0.00	\$0.00	\$0.00
100%	0.00	\$0.00	\$0.00
110%	0.00	\$0.00	\$0.00
125%	0.00	\$0.00	\$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.