

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 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	Enterprise	
Alfalfa Hay	3.25	Ton	\$275.00	\$893.75	\$89,375.00	\$89,375.00	
Total Revenue				\$893.75	\$89,375.00	\$89,375.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Production Costs							
Custom							
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$550.00	\$550.00	
Herbicide Application	2	Acre	\$5.50	\$11.00	\$1,100.00	\$1,100.00	
Insecticide Application	2	Acre	\$5.50	\$11.00	\$1,100.00	\$1,100.00	
Custom Baling - Alfalfa	3.25	Ton	\$25.00	\$81.25	\$8,125.00	\$8,125.00	
Fertilizer							
Fertilizer (N)	20	Pound	\$0.45	\$9.00	\$900.00	\$900.00	
Fertilizer (P)	50	Pound	\$0.40	\$20.00	\$2,000.00	\$2,000.00	
Sulfur	12	Pound	\$0.22	\$2.64	\$264.00	\$264.00	
Herbicide							
Valpar	2	Pint	\$8.61	\$17.22	\$1,722.00	\$1,722.00	
Butyrac	2	Pint	\$3.50	\$7.00	\$700.00	\$700.00	
Insecticide							
Insecticide - Alfalfa 1	2	Pint	\$4.12	\$8.24	\$824.00	\$824.00	
Insecticide - Alfalfa 2	3	Pint	\$4.12	\$12.36	\$1,236.00	\$1,236.00	
Gasoline							
Pickup/General Use Equipment	1	Acre	\$4.50	\$4.50	\$450.00	\$450.00	
Repairs & Maintenance							
Pickup/General Use Equipment	1	Acre	\$1.21	\$1.21	\$120.75	\$120.75	
Interest on Credit Line			5.75%	\$3.87	\$386.87	\$386.87	
Total Variable Costs				\$194.79	\$19,478.62	\$19,478.62	
Planned Returns Above Variable Costs:				\$698.96	\$69,896.38	\$69,896.38	
Breakeven Price to Cover Variable Costs			\$59.93	Ton			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Machinery Depreciation							
Pickup/General Use Equipment	1	Acre	\$1.68	\$1.68	\$167.64	\$167.64	
Equipment Investment							
Pickup/General Use Equipment	\$11.74	Dollars	5.50%	\$0.65	\$64.59	\$64.59	
Allocated Establishment Cost	1	Acre	\$61.00	\$61.00	\$6,100.00	\$6,100.00	
Cash Rent - Dryland Alfalfa	1	Acre	\$32.00	\$32.00	\$3,200.00	\$3,200.00	
Total Fixed Costs				\$95.32	\$9,532.23	\$9,532.23	
Total Specified Costs				\$290.11	\$29,010.85	\$29,010.85	
Returns Above Specified Costs				\$603.64	\$60,364.15	\$60,364.15	
Breakeven Price to Cover Total Costs			\$89.26	Ton			

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	2.44	\$79.91	\$119.02
90%	2.93	\$66.59	\$99.18
100%	3.25	\$59.93	\$89.26
110%	3.58	\$54.49	\$81.15
125%	4.06	\$47.95	\$71.41

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.