

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2016 Estimated Costs and Returns per Acre**  
**Alfalfa, Full Season, Baled - 7.5 Ton Goal, Flood Irrigated, El Paso Irrigation District - 122 Acres**  
**Far West Extension District - 6**

Crop Acres		122				Enterprise	
REVENUE			Quantity	Units	\$/Unit	Total	Total
Alfalfa Hay - 3X4			7.50	Ton	\$250.00	\$1,875.00	\$228,750.00
Total Revenue						\$1,875.00	\$228,750.00
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	\$0.29	\$21.17	\$2,582.74
Herbicide							
Trifluralin			2	Pint	\$3.13	\$6.25	\$762.50
Pursuit			5	Ounce	\$3.35	\$16.73	\$2,040.64
Crop Oil Concentrate			5	Pint	\$1.98	\$9.90	\$1,207.80
Insecticide							
Warrior Z			7.04	Ounce	\$1.36	\$9.57	\$1,168.08
Intrepid			2.31	Ounce	\$1.98	\$4.57	\$558.14
Irrigation							
Water Cost			48.00	AcreInch	\$1.75	\$84.00	\$10,248.00
Machinery Labor							
Tractors/Self-Propelled			2.48	Hour	\$12.00	\$29.76	\$3,630.72
Diesel Fuel							
Tractors/Self-Propelled			13.49	Gallon	\$2.10	\$28.33	\$3,456.14
Gasoline							
Pickup/General Use Equipment			1	Acre	\$6.43	\$6.43	\$784.80
Repairs & Maintenance							
Pickup/General Use Equipment			1	Acre	\$1.61	\$1.61	\$196.20
Tractors/Self-Propelled			1	Acre	\$14.29	\$14.29	\$1,743.04
Implements			1	Acre	\$2.09	\$2.09	\$254.72
Interest on Credit Line					6.50%	\$5.31	\$648.26
Total Variable Costs						\$246.51	\$30,074.76
Planned Returns Above Variable Costs:						\$1,628.49	\$198,675.24
Breakeven Price to Cover Variable Costs					\$32.87	Ton	
FIXED COSTS			Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation							
Pickup/General Use Equipment			1	Acre	\$6.03	\$6.03	\$735.75
Tractors/Self-Propelled			1	Acre	\$26.25	\$26.25	\$3,202.59
Implements			1	Acre	\$5.45	\$5.45	\$664.74
Equipment Investment							
Pickup/General Use Equipment			\$25.13	Dollars	6.50%	\$1.63	\$199.27
Tractors/Self-Propelled			\$187.46	Dollars	6.50%	\$12.18	\$1,486.53
Implements			\$45.82	Dollars	6.50%	\$2.98	\$363.37
Allocated Establishment Cost							
Trans Pecos Irrigated Land			1	Acre	\$104.83	\$104.83	\$12,789.26
Trans Pecos Irrigated Land			1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs						\$199.36	\$24,321.50
Total Specified Costs						\$445.87	\$54,396.27
Returns Above Specified Costs						\$1,429.13	\$174,353.73
Breakeven Price to Cover Total Costs					\$59.45	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%	5.63	\$43.82	\$79.27
90%	6.75	\$36.52	\$66.05
100%	7.50	\$32.87	\$59.45
110%	8.25	\$29.88	\$54.04
125%	9.38	\$26.29	\$47.56

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.**