

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Alfalfa Establishment, Center Pivot Irrigated - 122 Acres
Far West Extension District - 6

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					
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$488.00
Fertilizer 11-52-0	38	Pound	\$0.29	\$11.02	\$1,344.44
Herbicide					
Glyphosate	2	Pint	\$2.00	\$4.00	\$488.00
Seed					
Alfalfa Seed Inoculated	32	Ounce	\$4.84	\$154.88	\$18,895.36
Irrigation					
Energy Cost	3.04	Mcf	\$4.00	\$12.16	\$1,483.52
Irrigation Labor	0.02	Hour	\$11.00	\$0.19	\$23.62
Machinery Labor					
Tractors/Self-Propelled	0.27	Hour	\$12.00	\$3.24	\$395.28
Diesel Fuel					
Tractors/Self-Propelled	2.71	Gallon	\$2.10	\$5.69	\$694.30
Gasoline					
Pickup/General Use Equipment	1	Acre	\$3.22	\$3.22	\$392.40
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.80	\$0.80	\$98.10
Irrigation Equipment	1	Acre	\$8.01	\$8.01	\$977.38
Tractors/Self-Propelled	1	Acre	\$5.55	\$5.55	\$677.43
Implements	1	Acre	\$5.88	\$5.88	\$717.79
Interest on Credit Line			6.50%	\$4.87	\$594.21
Total Variable Costs				<u>\$223.52</u>	<u>\$27,269.83</u>
Planned Returns Above Variable Costs:				(\$223.52)	(\$27,269.83)
Breakeven Price to Cover Variable Costs			n/a		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$3.02	\$3.02	\$367.88
Irrigation Equipment	1	Acre	\$45.01	\$45.01	\$5,491.76
Tractors/Self-Propelled	1	Acre	\$6.44	\$6.44	\$785.94
Implements	1	Acre	\$7.25	\$7.25	\$884.45
Equipment Investment					
Pickup/General Use Equipment	\$12.56	Dollars	6.50%	\$0.82	\$99.63
Irrigation Equipment	\$337.61	Dollars	6.50%	\$21.94	\$2,677.23
Tractors/Self-Propelled	\$49.86	Dollars	6.50%	\$3.24	\$395.38
Implements	\$31.01	Dollars	6.50%	\$2.02	\$245.93
Total Fixed Costs				<u>\$89.74</u>	<u>\$10,948.20</u>
Total Specified Costs				<u>\$313.26</u>	<u>\$38,218.03</u>
Returns Above Specified Costs				(\$313.26)	(\$38,218.03)
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 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.