

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, Dell City - 122 Acres
Far West Extension District - 6

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Alfalfa Hay - 3X4	7.50	Ton	\$250.00	\$1,875.00	\$228,750.00	\$228,750.00
Total Revenue				\$1,875.00	\$228,750.00	\$228,750.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Custom						
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$488.00	\$488.00
Soil Test	0.5	Each	\$5.00	\$2.50	\$305.00	\$305.00
Fertilizer						
Fertilizer 11-52-0	73	Pound	\$0.29	\$21.17	\$2,582.74	\$2,582.74
Herbicide						
Crop Oil Concentrate	5	Pint	\$1.98	\$9.90	\$1,207.80	\$1,207.80
Trifluralin	2	Pint	\$3.13	\$6.25	\$762.50	\$762.50
Pursuit	5	Ounce	\$3.35	\$16.73	\$2,040.64	\$2,040.64
Insecticide						
Warrior Z	7.04	Ounce	\$1.36	\$9.57	\$1,168.08	\$1,168.08
Intrepid	2.31	Ounce	\$1.98	\$4.57	\$558.14	\$558.14
Irrigation						
Energy Cost	21.52	Mcf	\$4.00	\$86.08	\$10,501.76	\$10,501.76
Irrigation Labor	0.30	Hour	\$11.00	\$3.29	\$400.99	\$400.99
Machinery Labor						
Tractors/Self-Propelled	2.48	Hour	\$12.00	\$29.76	\$3,630.72	\$3,630.72
Diesel Fuel						
Tractors/Self-Propelled	13.49	Gallon	\$2.10	\$28.33	\$3,456.14	\$3,456.14
Gasoline						
Pickup/General Use Equipment	1	Acre	\$6.43	\$6.43	\$784.80	\$784.80
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$1.61	\$1.61	\$196.20	\$196.20
Irrigation Equipment	1	Acre	\$28.48	\$28.48	\$3,474.24	\$3,474.24
Tractors/Self-Propelled	1	Acre	\$14.29	\$14.29	\$1,743.04	\$1,743.04
Implements	1	Acre	\$2.09	\$2.09	\$254.72	\$254.72
Interest on Credit Line			6.50%	\$5.87	\$715.57	\$715.57
Total Variable Costs				\$280.91	\$34,271.07	\$34,271.07
Planned Returns Above Variable Costs:				\$1,594.09	\$194,478.93	\$194,478.93
Breakeven Price to Cover Variable Costs			\$37.45	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03	\$735.75	\$735.75
Irrigation Equipment	1	Acre	\$37.28	\$37.28	\$4,548.34	\$4,548.34
Tractors/Self-Propelled	1	Acre	\$26.25	\$26.25	\$3,202.59	\$3,202.59
Implements	1	Acre	\$5.45	\$5.45	\$664.74	\$664.74
Equipment Investment						
Pickup/General Use Equipment	\$25.13	Dollars	6.50%	\$1.63	\$199.27	\$199.27
Irrigation Equipment	\$279.61	Dollars	6.50%	\$18.17	\$2,217.31	\$2,217.31
Tractors/Self-Propelled	\$187.46	Dollars	6.50%	\$12.18	\$1,486.53	\$1,486.53
Implements	\$45.82	Dollars	6.50%	\$2.98	\$363.37	\$363.37
Allocated Establishment Cost	1	Acre	\$104.83	\$104.83	\$12,789.26	\$12,789.26
Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00	\$4,880.00	\$4,880.00
Total Fixed Costs				\$254.81	\$31,087.15	\$31,087.15
Total Specified Costs				\$535.72	\$65,358.22	\$65,358.22
Returns Above Specified Costs				\$1,339.28	\$163,391.78	\$163,391.78
Breakeven Price to Cover Total Costs			\$71.43	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	\$49.94	\$95.24
90%	6.75	\$41.62	\$79.37
100%	7.50	\$37.45	\$71.43
110%	8.25	\$34.05	\$64.94
125%	9.38	\$29.96	\$57.14

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.