

**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 - 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	\$1,875.00	\$228,750.00
<b>Total Revenue</b>				<b>\$1,875.00</b>		<b>\$228,750.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Production Costs</b>						
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						
Energy Cost	40.76	Mcf	\$4.00	\$163.04		\$19,890.88
Irrigation Labor	0.91	Hour	\$11.00	\$9.96		\$1,214.51
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
Irrigation Equipment	1	Acre	\$18.98	\$18.98		\$2,315.30
Tractors/Self-Propelled	1	Acre	\$25.92	\$25.92		\$3,162.16
Implements	1	Acre	\$2.09	\$2.09		\$254.72
Interest on Credit Line			6.50%	\$7.63		\$931.36
<b>Total Variable Costs</b>				<b>\$368.44</b>		<b>\$44,949.67</b>
<b>Planned Returns Above Variable Costs:</b>				<b>\$1,506.56</b>		<b>\$183,800.33</b>
Breakeven Price to Cover Variable Costs			\$49.13	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Machinery Depreciation</b>						
Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03		\$735.75
Irrigation Equipment	1	Acre	\$24.82	\$24.82		\$3,028.33
Tractors/Self-Propelled	1	Acre	\$91.88	\$91.88		\$11,209.96
Implements	1	Acre	\$5.45	\$5.45		\$664.74
<b>Equipment Investment</b>						
Pickup/General Use Equipment	\$25.13	Dollars	6.50%	\$1.63		\$199.27
Irrigation Equipment	\$186.17	Dollars	6.50%	\$12.10		\$1,476.31
Tractors/Self-Propelled	\$685.56	Dollars	6.50%	\$44.56		\$5,436.53
Implements	\$45.82	Dollars	6.50%	\$2.98		\$363.37
Allocated Establishment Cost	1	Acre	\$104.83	\$104.83		\$12,789.26
Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00		\$4,880.00
<b>Total Fixed Costs</b>				<b>\$334.29</b>		<b>\$40,783.52</b>
<b>Total Specified Costs</b>				<b>\$702.73</b>		<b>\$85,733.19</b>
<b>Returns Above Specified Costs</b>				<b>\$1,172.27</b>		<b>\$143,016.81</b>
<b>Breakeven Price to Cover Total Costs</b>			<b>\$93.70</b>	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	\$65.50	\$124.93
90%	6.75	\$54.58	\$104.11
100%	7.50	\$49.13	\$93.70
110%	8.25	\$44.66	\$85.18
125%	9.38	\$39.30	\$74.96

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.**