

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, Center Pivot Irrigated, Dell City - 122 Acres
Far West Extension District - 6

Crop Acres		122				
		Quantity	Units	\$/Unit	Total	Enterprise Total
REVENUE						
Alfalfa Hay - 3X4		7.50	Ton	\$250.00	\$1,875.00	\$228,750.00
Total Revenue					\$1,875.00	\$228,750.00
VARIABLE COSTS						
Production Costs						
Custom						
Custom Apply Fertilizer		1	Acre	\$4.00	\$4.00	\$488.00
Soil Test		0.5	Each	\$5.00	\$2.50	\$305.00
Fertilizer						
Fertilizer 11-52-0		73	Pound	\$0.29	\$21.17	\$2,582.74
Herbicide						
Crop Oil Concentrate		5	Pint	\$1.98	\$9.90	\$1,207.80
Trifluralin		2	Pint	\$3.13	\$6.25	\$762.50
Pursuit		5	Ounce	\$3.35	\$16.73	\$2,040.64
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		25.71	Mcf	\$4.00	\$102.84	\$12,546.48
Irrigation Labor		0.10	Hour	\$11.00	\$1.05	\$128.16
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	\$43.80	\$43.80	\$5,343.23
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%	\$6.40	\$780.20
Total Variable Costs					\$311.28	\$37,976.58
Planned Returns Above Variable Costs:					\$1,563.72	\$190,773.42
Breakeven Price to Cover Variable Costs				\$41.50	Ton	
FIXED COSTS						
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$6.03	\$6.03	\$735.75
Irrigation Equipment		1	Acre	\$57.32	\$57.32	\$6,993.62
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
Irrigation Equipment		\$429.94	Dollars	6.50%	\$27.95	\$3,409.39
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		1	Acre	\$120.04	\$120.04	\$14,644.88
Trans Pecos Irrigated Land		1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs					\$299.84	\$36,580.14
Total Specified Costs					\$611.12	\$74,556.71
Returns Above Specified Costs					\$1,263.88	\$154,193.29
Breakeven Price to Cover Total Costs				\$81.48	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	\$55.34	\$108.64
90%	6.75	\$46.12	\$90.54
100%	7.50	\$41.50	\$81.48
110%	8.25	\$37.73	\$74.08
125%	9.38	\$33.20	\$65.19

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.