

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Alfalfa, RoundUp Ready, Full Season, Baled - 6.5 ton, Center Pivot Irrigated - 122 Acres
West Central Extension District - 7

Crop Acres		122		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Alfalfa Hay - Baled 3X4	6.50	Ton	\$160.00	\$1,040.00	\$126,880.00
Total Revenue				\$1,040.00	\$126,880.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Soil Test-Irrigated	1	Each	\$0.50	\$0.50	\$61.00
Apply Dry Fertilizer	1	Acre	\$4.50	\$4.50	\$549.00
Swath, Rake and Bale	9.24	Bale	\$25.20	\$232.85	\$28,407.46
Fertilizer					
11-52-0	73	Pounds	\$0.26	\$18.98	\$2,315.56
Herbicide					
Trifluralin	2	Pint	\$3.13	\$6.25	\$762.50
Glyphosate	110	Ounce	\$0.12	\$12.67	\$1,545.98
Insecticide					
Intrepid	2.3	Ounce	\$1.98	\$4.56	\$555.72
Mustang Max(Warrior Z)	7.04	Ounce	\$1.31	\$9.24	\$1,127.28
Irrigation					
Energy Cost	36.00	AcreInch	\$5.98	\$215.37	\$26,274.93
Irrigation Labor	0.80	Hour	\$12.00	\$9.60	\$1,171.20
Machinery Labor					
Tractors/Self-Propelled	3.08	Hour	\$12.00	\$36.96	\$4,509.12
Diesel Fuel					
Tractors/Self-Propelled	22.67	Gallon	\$1.50	\$34.01	\$4,148.61
Gasoline					
Pickup/General Use Equipment	1	Acre	\$5.34	\$5.34	\$651.60
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$2.69	\$2.69	\$328.50
Irrigation Equipment	1	Acre	\$94.87	\$94.87	\$11,574.24
Tractors/Self-Propelled	1	Acre	\$42.36	\$42.36	\$5,167.33
Implements	1	Acre	\$0.39	\$0.39	\$48.10
Interest on Credit Line			6.50%	\$12.22	\$1,490.85
Total Variable Costs				\$743.35	\$90,688.97
Planned Returns Above Variable Costs:				\$296.65	\$36,191.03
Breakeven Price to Cover Variable Costs			\$114.36	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$5.71	\$5.71	\$696.60
Irrigation Equipment	1	Acre	\$60.11	\$60.11	\$7,333.33
Tractors/Self-Propelled	1	Acre	\$50.29	\$50.29	\$6,134.97
Implements	1	Acre	\$0.89	\$0.89	\$108.22
Equipment Investment					
Pickup/General Use Equipment	\$31.65	Dollars	6.50%	\$2.06	\$250.97
Irrigation Equipment	\$450.82	Dollars	6.50%	\$29.30	\$3,575.00
Tractors/Self-Propelled	\$388.72	Dollars	6.50%	\$25.27	\$3,082.55
Implements	\$5.42	Dollars	6.50%	\$0.35	\$42.99
Allocated Establishment Cost	1	Acre	\$85.35	\$85.35	\$10,412.94
Rent-Irrigated Crop	1	Acre	\$70.00	\$70.00	\$8,540.00
Total Fixed Costs				\$329.32	\$40,177.57
Total Specified Costs				\$1,072.68	\$130,866.54
Returns Above Specified Costs				(\$32.68)	(\$3,986.54)
Breakeven Price to Cover Total Costs			\$165.03	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%	0.00	\$152.48	\$220.04
90%	0.00	\$127.07	\$183.36
100%	0.00	\$114.36	\$165.03
110%	0.00	\$103.97	\$150.02
125%	0.00	\$91.49	\$132.02

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service.

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.