

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2017 Estimated Costs and Returns per Acre
Alfalfa, Sprinkler Irrigated (NG) - 122 Acres
Panhandle Extension District - 1

Crop Acres	122		Enterprise		
REVENUE	Quantity	Units	\$/Unit	Total	Total
Hay - Alfalfa	5.50	Ton	\$140.00	\$770.00	\$93,940.00
Total Revenue				\$770.00	\$93,940.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	1	Acre	\$5.00	\$5.00	\$610.00
Custom Baling	5.5	Ton	\$40.00	\$220.00	\$26,840.00
Fertilizer					
Fertilizer (P) - Liquid	60	Pound	\$0.47	\$28.20	\$3,440.40
Herbicide					
Herbicide and Application Alfalfa	1	Acre	\$22.00	\$22.00	\$2,684.00
Insecticide					
Insecticide Application Alfalfa	1	Acre	\$10.00	\$10.00	\$1,220.00
Irrigation					
Energy Cost	24.00	AcreInch	\$3.60	\$86.40	\$10,540.80
Irrigation Labor	1.54	Hour	\$12.45	\$19.12	\$2,333.03
Gasoline					
Pickup/General Use Equipment	1	Acre	\$3.95	\$3.95	\$482.50
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$2.51	\$2.51	\$306.00
Irrigation Equipment	1	Acre	\$96.96	\$96.96	\$11,829.12
Interest on Credit Line			5.40%	\$4.70	\$572.81
Total Variable Costs				\$498.84	\$60,858.66
Planned Returns Above Variable Costs:				\$271.16	\$33,081.34
Breakeven Price to Cover Variable Costs			\$90.70	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$2.63	\$2.63	\$321.30
Irrigation Equipment	1	Acre	\$47.34	\$47.34	\$5,775.00
Equipment Investment					
Pickup/General Use Equipment	\$18.18	Dollars	5.65%	\$1.03	\$125.35
Irrigation Equipment	\$571.72	Dollars	5.65%	\$32.30	\$3,940.88
Allocated Establishment Cost	1	Acre	\$72.00	\$72.00	\$8,784.00
Cash Rent - Alfalfa	1	Acre	\$120.00	\$120.00	\$14,640.00
Total Fixed Costs				\$275.30	\$33,586.52
Total Specified Costs				\$774.14	\$94,445.18
Returns Above Specified Costs				(\$4.14)	(\$505.18)
Breakeven Price to Cover Total Costs			\$140.75	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	4.13	\$120.93	\$187.67
90%	4.95	\$100.78	\$156.39
100%	5.50	\$90.70	\$140.75
110%	6.05	\$82.45	\$127.96
125%	6.88	\$72.56	\$112.60

Developed by Steve Amosson, Regents Fellow, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-677-5600.

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.