

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2017 Estimated Costs and Returns per Acre
Irrigated Alfalfa Hay - 100 Acres
Rolling Plains Extension District - 3

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Alfalfa Hay	6.50	Ton	\$180.00	\$1,170.00	\$117,000.00
Total Revenue				\$1,170.00	\$117,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Herbicide Application	2	Acre	\$5.50	\$11.00	\$1,100.00
Insecticide Application	3	Acre	\$5.50	\$16.50	\$1,650.00
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$550.00
Custom Baling - Alfalfa	6.5	Ton	\$25.00	\$162.50	\$16,250.00
Fertilizer					
Fertilizer (N)	30	Pound	\$0.35	\$10.50	\$1,050.00
Fertilizer (P)	50	Pound	\$0.34	\$17.00	\$1,700.00
Sulfur	12	Pound	\$0.36	\$4.32	\$432.00
Herbicide					
Valpar	2	Pint	\$9.91	\$19.81	\$1,981.25
Butyrac	2	Pint	\$3.31	\$6.63	\$662.50
Insecticide					
Insecticide - Alfalfa 1	2	Pint	\$4.12	\$8.24	\$824.00
Insecticide - Alfalfa 2 Bythroid	3	Fluid Ounce	\$1.05	\$3.16	\$316.41
Irrigation					
Energy Cost	10.00	AcreInch	\$1.20	\$12.00	\$1,200.04
Irrigation Labor	0.96	Hour	\$10.00	\$9.60	\$960.00
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.75	\$6.75	\$675.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$1.81	\$1.81	\$181.13
Irrigation Equipment	1	Acre	\$20.00	\$20.00	\$2,000.00
Interest on Credit Line			5.75%	\$5.18	\$518.27
Total Variable Costs				\$320.51	\$32,050.59
Planned Returns Above Variable Costs:				\$849.49	\$84,949.41
Breakeven Price to Cover Variable Costs			\$49.31	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$2.51	\$2.51	\$251.46
Irrigation Equipment	1	Acre	\$12.00	\$12.00	\$1,200.00
Equipment Investment					
Pickup/General Use Equipment	\$17.61	Dollars	5.50%	\$0.97	\$96.88
Irrigation Equipment	\$350.00	Dollars	5.50%	\$19.25	\$1,925.00
Coa Allocated Establishment Cost	1	Acre	\$78.00	\$78.00	\$7,800.00
Cash Rent - Irrigated Alfalfa	1	Acre	\$75.00	\$75.00	\$7,500.00
Total Fixed Costs				\$187.73	\$18,773.34
Total Specified Costs				\$508.24	\$50,823.93
Returns Above Specified Costs				\$661.76	\$66,176.07
Breakeven Price to Cover Total Costs			\$78.19	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	4.88	\$65.74	\$104.25
90%	5.85	\$54.79	\$86.88
100%	6.50	\$49.31	\$78.19
110%	7.15	\$44.83	\$71.08
125%	8.13	\$39.45	\$62.55

Developed by Extension Economists, 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.