

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Irrigated Alfalfa Establishment - 122 Acres
South Plains Extension District - 2

Crop Acres		122							
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total	
Total Revenue							\$0.00	\$0.00	
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total	
Production Costs									
Custom									
	Fertilizer Application - Dry	1	Acre	\$3.50	\$3.50	\$427.00			
Fertilizer									
	Fertilizer (P) - Dry	80	Pound	\$0.46	\$36.54	\$4,457.69			
Herbicide									
	Herbicide and Application Alfalfa	1	Acre	\$21.47	\$21.47	\$2,619.34			
Seed									
	Seed - Alfalfa	18	Pound	\$4.25	\$76.50	\$9,333.00			
Irrigation									
	Energy Cost	6.00	AcreInch	\$11.00	\$66.00	\$8,052.00			
	Irrigation Labor	1.00	Hour	\$12.00	\$12.00	\$1,464.00			
Machinery Labor									
	Tractors/Self-Propelled	1.36	Hour	\$12.00	\$16.32	\$1,991.04			
Diesel Fuel									
	Tractors/Self-Propelled	4.83	Gallon	\$1.84	\$8.89	\$1,084.24			
Repairs & Maintenance									
	Pickup/General Use Equipment	1	Acre	\$1.75	\$1.75	\$213.45			
	Irrigation Equipment	1	Acre	\$30.00	\$30.00	\$3,660.00			
	Tractors/Self-Propelled	1	Acre	\$10.07	\$10.07	\$1,228.99			
	Implements	1	Acre	\$13.49	\$13.49	\$1,645.33			
Interest on Credit Line							6.00%	\$5.54	\$675.38
Total Variable Costs							\$302.06	\$36,851.46	
Planned Returns Above Variable Costs:							(\$302.06)	(\$36,851.46)	
Breakeven Price to Cover Variable Costs						n/a			
FIXED COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total	
Machinery Depreciation									
	Tractors/Self-Propelled	1	Acre	\$10.41	\$10.41	\$1,269.95			
	Implements	1	Acre	\$16.50	\$16.50	\$2,013.10			
Equipment Investment									
	Pickup/General Use Equipment	\$17.89	Dollars	7.00%	\$1.25	\$152.78			
	Irrigation Equipment	\$357.14	Dollars	7.00%	\$25.00	\$3,050.01			
	Tractors/Self-Propelled	\$81.09	Dollars	7.00%	\$5.68	\$692.53			
	Implements	\$70.59	Dollars	7.00%	\$4.94	\$602.81			
Cash Rent - Alfalfa				1	Acre	\$130.00	\$130.00	\$15,860.00	
Total Fixed Costs							\$193.78	\$23,641.18	
Total Specified Costs							\$495.84	\$60,492.65	
Returns Above Specified Costs							(\$495.84)	(\$60,492.65)	
Breakeven Price to Cover Total Costs						n/a			

Example Breakeven Prices			
Example Yield Percent	Example Yield	To Cover Variable Costs	To Cover Total Costs
75%	0.00	\$0.00	\$0.00
90%	0.00	\$0.00	\$0.00
100%	0.00	\$0.00	\$0.00
110%	0.00	\$0.00	\$0.00
125%	0.00	\$0.00	\$0.00

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-746-6101.

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.