

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

Crop Acres		122						
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total
Hay - Alfalfa		6.00	Ton	\$200.00		\$1,200.00	\$146,400.00	
Total Revenue						\$1,200.00	\$146,400.00	
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs								
Custom								
Custom Baling		6	Ton	\$50.00		\$300.00	\$36,600.00	
Fertilizer Application - Liquid Low		1	Acre	\$3.50		\$3.50	\$427.00	
Fertilizer								
Fertilizer (P) - Liquid		65	Pound	\$0.52		\$33.93	\$4,139.93	
Fertilizer (N) - Liquid		30	Pound	\$0.40		\$11.95	\$1,458.28	
Sulfur		12	Pound	\$0.12		\$1.44	\$175.68	
Herbicide								
Herbicide and Application Alfalfa		1	Acre	\$21.47		\$21.47	\$2,619.34	
Insecticide								
Insecticide Application Alfalfa		1	Acre	\$25.90		\$25.90	\$3,159.80	
Miscellaneous								
Crop Insurance Alfalfa		1	Acre	\$2.50		\$2.50	\$305.00	
Irrigation								
Energy Cost		24.00	AcreInch	\$11.00		\$264.00	\$32,208.00	
Irrigation Labor		0.96	Hour	\$12.00		\$11.52	\$1,405.44	
Machinery Labor								
Tractors/Self-Propelled		0.13	Hour	\$12.00		\$1.56	\$190.32	
Diesel Fuel								
Tractors/Self-Propelled		2.01	Gallon	\$1.84		\$3.70	\$451.20	
Repairs & Maintenance								
Pickup/General Use Equipment		1	Acre	\$0.50		\$0.50	\$61.00	
Irrigation Equipment		1	Acre	\$42.00		\$42.00	\$5,124.00	
Tractors/Self-Propelled		1	Acre	\$6.00		\$6.00	\$732.00	
Implements		1	Acre	\$3.00		\$3.00	\$366.00	
Interest on Credit Line				6.00%		\$12.90	\$1,574.20	
Total Variable Costs						\$745.88	\$90,997.19	
Planned Returns Above Variable Costs:						\$454.12	\$55,402.81	
Breakeven Price to Cover Variable Costs					\$124.31	Ton		
FIXED COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs								
Pickup/General Use Equipment		1	Acre	\$1.25		\$1.25	\$152.50	
Irrigation Equipment		1	Acre	\$55.00		\$55.00	\$6,710.00	
Tractors/Self-Propelled		1	Acre	\$12.00		\$12.00	\$1,464.00	
Implements		1	Acre	\$10.00		\$10.00	\$1,220.00	
Management Fee, Owner/Operator Labor		1	Acre	\$30.00		\$30.00	\$3,660.00	
Allocated Establishment Cost		1	Acre	\$98.00		\$98.00	\$11,956.00	
Cash Rent - Alfalfa		1	Acre	\$130.00		\$130.00	\$15,860.00	
Whole Farm Insurance		1	Acre	\$2.00		\$2.00	\$244.00	
Total Fixed Costs						\$338.25	\$41,266.50	
Total Specified Costs						\$1,084.13	\$132,263.69	
Returns Above Specified Costs						\$115.87	\$14,136.31	
Breakeven Price to Cover Total Costs					\$180.69	Ton		

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	4.50	\$165.75	\$240.92
90%	5.40	\$138.13	\$200.76
100%	6.00	\$124.31	\$180.69
110%	6.60	\$113.01	\$164.26
125%	7.50	\$99.45	\$144.55

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.