

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2018 Estimated Costs and Returns per Acre
Alfalfa, Sprinkler Irrigated (NG)
Panhandle Extension District - 1

Crop Acres		122				Enterprise
		Quantity	Units	\$/Unit	Total	Total
REVENUE						
Hay - Alfalfa		5.50	Ton	\$190.00	\$1,045.00	\$127,490.00
Total Revenue					\$1,045.00	\$127,490.00
VARIABLE COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Fertilizer Application		1	Acre	\$5.12	\$5.12	\$624.64
Custom Baling		5.5	Ton	\$40.97	\$225.34	\$27,490.87
Fertilizer						
Fertilizer (P) - Liquid		60	Pound	\$0.47	\$28.20	\$3,440.40
Herbicide						
Herbicide and Application Alfalfa		1	Acre	\$22.37	\$22.37	\$2,729.14
Insecticide						
Insecticide Application Alfalfa		1	Acre	\$10.13	\$10.13	\$1,235.86
Irrigation						
Energy Cost		24.00	AcreInch	\$3.50	\$84.00	\$10,248.00
Irrigation Labor		1.54	Hour	\$12.64	\$19.42	\$2,368.63
Gasoline						
Pickup/General Use Equipment		1	Acre	\$4.30	\$4.30	\$525.00
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				5.74%	\$4.98	\$608.02
Total Variable Costs					\$503.33	\$61,405.69
Planned Returns Above Variable Costs:					\$541.67	\$66,084.31
Breakeven Price to Cover Variable Costs				\$91.51	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	6.01%	\$1.09	\$133.33
Irrigation Equipment		\$571.72	Dollars	6.01%	\$34.36	\$4,191.98
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					\$277.42	\$33,845.61
Total Specified Costs					\$780.75	\$95,251.29
Returns Above Specified Costs					\$264.25	\$32,238.71
Breakeven Price to Cover Total Costs				\$141.95	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	4.13	\$122.02	\$189.27
90%	4.95	\$101.68	\$157.73
100%	5.50	\$91.51	\$141.95
110%	6.05	\$83.19	\$129.05
125%	6.88	\$73.21	\$113.56

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.