

Projections for Planning Purposes Only -- Not to be Used without Updating
2019 Estimated Costs and Returns per Acre
Alfalfa, Sprinkler Irrigated (NG)
Panhandle Extension District - 1

Crop Acres		122			
				Total	Enterprise Total
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Hay - Alfalfa	5.50	Ton	\$240.00	\$1,320.00	\$161,040.00
Total Revenue				\$1,320.00	\$161,040.00
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	\$0.54	\$32.40	\$3,952.80
Herbicide					
Herbicide and Application Alfalfa	1	Acre	\$22.85	\$22.85	\$2,787.70
Insecticide					
Insecticide Application Alfalfa	1	Acre	\$10.33	\$10.33	\$1,260.26
Irrigation					
Energy Cost	24.00	AcreInch	\$3.40	\$81.60	\$9,955.20
Irrigation Labor	1.54	Hour	\$13.24	\$20.34	\$2,481.07
Gasoline					
Pickup/General Use Equipment	1	Acre	\$4.82	\$4.82	\$587.50
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$2.51	\$2.51	\$306.00
Irrigation Equipment	1	Acre	\$90.00	\$90.00	\$10,980.00
Interest on Credit Line			6.04%	\$5.27	\$643.32
Total Variable Costs				\$500.57	\$61,069.36
Planned Returns Above Variable Costs:				\$819.43	\$99,970.64
Breakeven Price to Cover Variable Costs			\$91.01	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	6.32%	\$1.15	\$140.21
Irrigation Equipment	\$571.72	Dollars	6.32%	\$36.13	\$4,408.20
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				\$279.25	\$34,068.71
Total Specified Costs				\$779.82	\$95,138.07
Returns Above Specified Costs				\$540.18	\$65,901.93
Breakeven Price to Cover Total Costs			\$141.79	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	4.13	\$121.35	\$189.05
90%	4.95	\$101.12	\$157.54
100%	5.50	\$91.01	\$141.79
110%	6.05	\$82.74	\$128.90
125%	6.88	\$72.81	\$113.43

Developed by DeDe Jones, Extension Risk Management Specialist III, 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.