

Projections for Planning Purposes Only -- Not to be Used without Updating
2019 Estimated Costs and Returns per Acre
Irrigated Alfalfa
South Plains Extension District - 2

Crop Acres		122				
		Quantity	Units	\$/Unit	Total	Enterprise Total
REVENUE						
Hay - Alfalfa		6.00	Ton	\$240.00	\$1,440.00	\$175,680.00
Total Revenue					\$1,440.00	\$175,680.00
VARIABLE COSTS						
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
Crop Consultant		1	Acre	\$6.00	\$6.00	\$732.00
Fertilizer						
Fertilizer (P) - Liquid		65	Pound	\$0.71	\$46.36	\$5,655.96
Fertilizer (N) - Liquid		30	Pound	\$0.46	\$13.83	\$1,687.03
Sulfur		12	Pound	\$0.12	\$1.44	\$175.68
Herbicide						
Herbicide and Application Alfalfa		1	Acre	\$22.00	\$22.00	\$2,684.00
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	\$10.00	\$240.00	\$29,280.00
Irrigation Labor		1.25	Hour	\$12.00	\$15.00	\$1,830.00
Machinery Labor						
Tractors/Self-Propelled		1	Hour	\$12.00	\$12.00	\$1,464.00
Diesel Fuel						
Tractors/Self-Propelled		2.01	Gallon	\$2.40	\$4.82	\$588.53
Gasoline						
Pickup/General Use Equipment		1	Acre	\$4.00	\$4.00	\$488.00
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%	\$13.10	\$1,598.28
Total Variable Costs					\$761.95	\$92,958.27
Planned Returns Above Variable Costs:					\$678.05	\$82,721.73
Breakeven Price to Cover Variable Costs				\$126.99	Ton	
FIXED COSTS						
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	\$25.00	\$25.00	\$3,050.00
Allocated Establishment Cost		1	Acre	\$100.00	\$100.00	\$12,200.00
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					\$335.25	\$40,900.50
Total Specified Costs					\$1,097.20	\$133,858.77
Returns Above Specified Costs					\$342.80	\$41,821.23
Breakeven Price to Cover Total Costs				\$182.87	Ton	

Example Breakeven Prices			
Example	Example	To Cover	To Cover
Yield	Yield	Variable	Total
Percent	Ton	Costs	Costs
75%	4.50	\$169.32	\$243.82
90%	5.40	\$141.10	\$203.19
100%	6.00	\$126.99	\$182.87
110%	6.60	\$115.45	\$166.24
125%	7.50	\$101.59	\$146.29

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.