

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2020 Estimated Costs and Returns per Acre
Alfalfa, Full Season, Baled - 7.5 Ton Goal, Flood Irrigated, El Paso Irrigation District
Far West Extension District - 6

Crop Acres		122				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Alfalfa Hay - 3X4		7.50	Ton	\$267.00	\$2,002.50	\$244,305.00
Total Revenue					\$2,002.50	\$244,305.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
	Custom Apply Fertilizer	1	Acre	\$5.00	\$5.00	\$610.00
	Soil Test	0.5	Each	\$5.00	\$2.50	\$305.00
Fertilizer						
	Fertilizer 11-52-0	73	Pound	\$0.39	\$28.47	\$3,473.34
Herbicide						
	Crop Oil Concentrate	5	Pint	\$1.48	\$7.40	\$902.80
	Trifluralin	2	Pint	\$2.75	\$5.50	\$671.00
	Pursuit	5	Ounce	\$3.35	\$16.73	\$2,040.64
Insecticide						
	Warrior Z	7.04	Ounce	\$1.25	\$8.80	\$1,073.60
	Intrepid	2.31	Ounce	\$2.08	\$4.80	\$586.19
Irrigation						
	Water Cost	48.00	AcreInch	\$1.75	\$84.00	\$10,248.00
Machinery Labor						
	Tractors/Self-Propelled	7.82	Hour	\$15.00	\$117.30	\$14,310.60
Diesel Fuel						
	Tractors/Self-Propelled	35.69	Gallon	\$2.60	\$92.79	\$11,320.87
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$7.72	\$7.72	\$941.76
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$1.61	\$1.61	\$196.20
	Tractors/Self-Propelled	1	Acre	\$62.38	\$62.38	\$7,610.15
	Implements	1	Acre	\$2.83	\$2.83	\$344.87
	Interest on Credit Line			6.00%	\$9.47	\$1,155.42
Total Variable Costs					\$457.30	\$55,790.43
Planned Returns Above Variable Costs:					\$1,545.20	\$188,514.57
Breakeven Price to Cover Variable Costs				\$60.97	Ton	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03	\$735.75
	Tractors/Self-Propelled	1	Acre	\$79.97	\$79.97	\$9,756.08
	Implements	1	Acre	\$6.86	\$6.86	\$837.51
Equipment Investment						
	Pickup/General Use Equipment	\$25.13	Dollars	6.00%	\$1.51	\$183.94
	Tractors/Self-Propelled	\$600.62	Dollars	6.00%	\$36.04	\$4,396.54
	Implements	\$49.78	Dollars	6.00%	\$2.99	\$364.41
Allocated Establishment Cost						
	Trans Pecos Irrigated Land	1	Acre	\$109.50	\$109.50	\$13,359.00
		1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs					\$282.90	\$34,513.23
Total Specified Costs					\$740.19	\$90,303.66
Returns Above Specified Costs					\$1,262.31	\$154,001.34
Breakeven Price to Cover Total Costs				\$98.69	Ton	

Example Breakeven Prices

Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	5.63	\$81.30	\$131.59
90%	6.75	\$67.75	\$109.66
100%	7.50	\$60.97	\$98.69
110%	8.25	\$55.43	\$89.72
125%	9.38	\$48.78	\$78.95

Developed by Bill Thompson, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension Service, 325-653-4576.

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.