

**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**  
**Far West Extension District - 6**

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Alfalfa Hay - 3X4	7.50	Ton	\$267.00	\$2,002.50	\$244,305.00	\$244,305.00
<b>Total Revenue</b>				<b>\$2,002.50</b>	<b>\$244,305.00</b>	<b>\$244,305.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Production Costs</b>						
Custom						
Soil Test	0.5	Each	\$5.00	\$2.50	\$305.00	\$305.00
Custom Apply Fertilizer	1	Acre	\$5.00	\$5.00	\$610.00	\$610.00
Fertilizer						
Fertilizer 11-52-0	73	Pound	\$0.39	\$28.47	\$3,473.34	\$3,473.34
Herbicide						
Trifluralin	2	Pint	\$2.75	\$5.50	\$671.00	\$671.00
Pursuit	5	Ounce	\$3.35	\$16.73	\$2,040.64	\$2,040.64
Crop Oil Concentrate	5	Pint	\$1.48	\$7.40	\$902.80	\$902.80
Insecticide						
Warrior Z	7.04	Ounce	\$1.25	\$8.80	\$1,073.60	\$1,073.60
Intrepid	2.31	Ounce	\$2.08	\$4.80	\$586.19	\$586.19
Irrigation						
Energy Cost	40.76	Mcf	\$5.61	\$228.66	\$27,896.96	\$27,896.96
Irrigation Labor	0.91	Hour	\$15.00	\$13.58	\$1,656.15	\$1,656.15
Machinery Labor						
Tractors/Self-Propelled	7.82	Hour	\$15.00	\$117.30	\$14,310.60	\$14,310.60
Diesel Fuel						
Tractors/Self-Propelled	35.69	Gallon	\$2.60	\$92.79	\$11,320.87	\$11,320.87
Gasoline						
Pickup/General Use Equipment	1	Acre	\$7.72	\$7.72	\$941.76	\$941.76
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$1.61	\$1.61	\$196.20	\$196.20
Irrigation Equipment	1	Acre	\$18.98	\$18.98	\$2,315.30	\$2,315.30
Tractors/Self-Propelled	1	Acre	\$62.38	\$62.38	\$7,610.15	\$7,610.15
Implements	1	Acre	\$2.83	\$2.83	\$344.87	\$344.87
Interest on Credit Line			6.00%	\$12.51	\$1,525.82	\$1,525.82
<b>Total Variable Costs</b>				<b>\$637.55</b>	<b>\$77,781.25</b>	<b>\$77,781.25</b>
<b>Planned Returns Above Variable Costs:</b>				<b>\$1,364.95</b>	<b>\$166,523.75</b>	<b>\$166,523.75</b>
Breakeven Price to Cover Variable Costs			\$85.01	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Machinery Depreciation</b>						
Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03	\$735.75	\$735.75
Irrigation Equipment	1	Acre	\$24.82	\$24.82	\$3,028.33	\$3,028.33
Tractors/Self-Propelled	1	Acre	\$79.97	\$79.97	\$9,756.08	\$9,756.08
Implements	1	Acre	\$6.86	\$6.86	\$837.51	\$837.51
<b>Equipment Investment</b>						
Pickup/General Use Equipment	\$25.13	Dollars	6.00%	\$1.51	\$183.94	\$183.94
Irrigation Equipment	\$186.17	Dollars	6.00%	\$11.17	\$1,362.75	\$1,362.75
Tractors/Self-Propelled	\$600.62	Dollars	6.00%	\$36.04	\$4,396.54	\$4,396.54
Implements	\$49.78	Dollars	6.00%	\$2.99	\$364.41	\$364.41
Allocated Establishment Cost	1	Acre	\$109.50	\$109.50	\$13,359.00	\$13,359.00
Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00	\$4,880.00	\$4,880.00
<b>Total Fixed Costs</b>				<b>\$318.89</b>	<b>\$38,904.31</b>	<b>\$38,904.31</b>
<b>Total Specified Costs</b>				<b>\$956.44</b>	<b>\$116,685.56</b>	<b>\$116,685.56</b>
<b>Returns Above Specified Costs</b>				<b>\$1,046.06</b>	<b>\$127,619.44</b>	<b>\$127,619.44</b>
<b>Breakeven Price to Cover Total Costs</b>			<b>\$127.53</b>	<b>Ton</b>		

Example Breakeven Prices			
Example	Example	To Cover	To Cover
Yield	Yield	Variable	Total
Percent	Ton	Costs	Costs
75%	5.63	\$113.34	\$170.03
90%	6.75	\$94.45	\$141.69
100%	7.50	\$85.01	\$127.53
110%	8.25	\$77.28	\$115.93
125%	9.38	\$68.01	\$102.02

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.**