

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, Center Pivot Irrigated
Far West Extension District - 6

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise 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					
Fertilizer					
Fertilizer 11-52-0	73	Pound	\$0.39	\$28.47	\$3,473.34
Custom					
Soil Test	0.5	Each	\$5.00	\$2.50	\$305.00
Custom Apply Fertilizer	1	Acre	\$5.00	\$5.00	\$610.00
Herbicide					
Trifluralin	2	Pint	\$2.75	\$5.50	\$671.00
Pursuit	5	Ounce	\$3.35	\$16.73	\$2,040.64
Crop Oil Concentrate	5	Pint	\$1.48	\$7.40	\$902.80
Insecticide					
Warrior Z	7.04	Ounce	\$1.25	\$8.80	\$1,073.60
Intrepid	2.31	Ounce	\$2.08	\$4.80	\$586.19
Irrigation					
Energy Cost	50.22	Mcf	\$5.61	\$281.73	\$34,371.57
Irrigation Labor	0.29	Hour	\$15.00	\$4.33	\$528.50
Machinery Labor					
Tractors/Self-Propelled	7.84	Hour	\$15.00	\$117.60	\$14,347.20
Diesel Fuel					
Tractors/Self-Propelled	35.92	Gallon	\$2.60	\$93.39	\$11,393.82
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
Irrigation Equipment	1	Acre	\$132.34	\$132.34	\$16,146.06
Tractors/Self-Propelled	1	Acre	\$62.65	\$62.65	\$7,643.72
Implements	1	Acre	\$2.83	\$2.83	\$344.87
Interest on Credit Line			6.00%	\$15.58	\$1,900.22
Total Variable Costs				\$798.99	\$97,476.50
Planned Returns Above Variable Costs:				\$1,203.51	\$146,828.50
Breakeven Price to Cover Variable Costs			\$106.53	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03	\$735.75
Irrigation Equipment	1	Acre	\$45.01	\$45.01	\$5,491.76
Tractors/Self-Propelled	1	Acre	\$81.25	\$81.25	\$9,912.73
Implements	1	Acre	\$6.86	\$6.86	\$837.51
Equipment Investment					
Pickup/General Use Equipment	\$25.13	Dollars	6.00%	\$1.51	\$183.94
Irrigation Equipment	\$337.61	Dollars	6.00%	\$20.26	\$2,471.29
Tractors/Self-Propelled	\$610.16	Dollars	6.00%	\$36.61	\$4,466.37
Implements	\$49.78	Dollars	6.00%	\$2.99	\$364.41
Allocated Establishment Cost	1	Acre	\$122.75	\$122.75	\$14,975.50
Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs				\$363.27	\$44,319.26
Total Specified Costs				\$1,162.26	\$141,795.76
Returns Above Specified Costs				\$840.24	\$102,509.24
Breakeven Price to Cover Total Costs			\$154.97	Ton	

Example Breakeven Prices			
Examp ^t	Example	To Cover	To Cover
Yield	Yield	Variable	Total
Percent	Ton	Costs	Costs
75%	5.63	\$142.04	\$206.62
90%	6.75	\$118.37	\$172.19
100%	7.50	\$106.53	\$154.97
110%	8.25	\$96.85	\$140.88
125%	9.38	\$85.23	\$123.97

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.