

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 Estimated Costs and Returns per Acre
Dryland Alfalfa Hay
Rolling Plains Extension District - 3

Crop Acres		100			
				Total	Enterprise Total
REVENUE					
Alfalfa Hay	Quantity	Units	\$/Unit	\$731.25	\$73,125.00
	3.25	Ton	\$225.00		
Total Revenue				\$731.25	\$73,125.00
VARIABLE COSTS					
				Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	1	Acre	\$4.50	\$4.50	\$450.00
Herbicide Application	2	Acre	\$5.50	\$11.00	\$1,100.00
Insecticide Application	2	Acre	\$5.50	\$11.00	\$1,100.00
Custom Baling - Alfalfa	3.25	Ton	\$32.00	\$104.00	\$10,400.00
Fertilizer					
Sulfur	12	Pound	\$0.22	\$2.64	\$264.00
Fertilizer (N)	20	Pound	\$0.38	\$7.60	\$760.00
Fertilizer (P)	50	Pound	\$0.30	\$15.00	\$1,500.00
Herbicide					
Valpar	2	Pint	\$11.88	\$23.75	\$2,375.00
Butyrac	2	Pint	\$3.75	\$7.50	\$750.00
Insecticide					
Insecticide - Alfalfa 1	2	Pint	\$4.12	\$8.24	\$824.00
Insecticide - Alfalfa 2 Baythroid	3	Fluid Ounce	\$1.05	\$3.16	\$316.41
Gasoline					
Pickup/General Use Equipment	1	Acre	\$4.50	\$4.50	\$450.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$37.80	\$37.80	\$3,780.00
Interest on Credit Line			6.50%	\$4.48	\$448.01
Total Variable Costs				\$245.17	\$24,517.42
Planned Returns Above Variable Costs:				\$486.08	\$48,607.58
Breakeven Price to Cover Variable Costs			\$75.44	Ton	
FIXED COSTS					
				Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$54.98	\$54.98	\$5,498.40
Equipment Investment					
Pickup/General Use Equipment	\$430.08	Dollars	5.50%	\$23.65	\$2,365.44
Allocated Establishment Cost	1	Acre	\$60.18	\$60.18	\$6,017.60
Cash Rent - Dryland Alfalfa	1	Acre	\$30.00	\$30.00	\$3,000.00
Total Fixed Costs				\$168.81	\$16,881.44
Total Specified Costs				\$413.99	\$41,398.86
Returns Above Specified Costs				\$317.26	\$31,726.14
Breakeven Price to Cover Total Costs			\$127.38	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.44	\$100.58	\$169.84
90%	2.93	\$83.82	\$141.53
100%	3.25	\$75.44	\$127.38
110%	3.58	\$68.58	\$115.80
125%	4.06	\$60.35	\$101.90

Developed by Extension Economists, Texas A&M AgriLife Extension Service, budgets@tamu.edu.

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.