

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

Crop Acres		100				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Alfalfa Hay		6.50	Ton	\$225.00	\$1,462.50	\$146,250.00
Total Revenue					\$1,462.50	\$146,250.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
	Herbicide Application	2	Acre	\$5.50	\$11.00	\$1,100.00
	Insecticide Application	3	Acre	\$5.50	\$16.50	\$1,650.00
	Fertilizer Application	1	Acre	\$4.50	\$4.50	\$450.00
	Custom Baling - Alfalfa	6.5	Ton	\$32.00	\$208.00	\$20,800.00
Fertilizer						
	Fertilizer (N)	30	Pound	\$0.38	\$11.40	\$1,140.00
	Fertilizer (P)	50	Pound	\$0.30	\$15.00	\$1,500.00
	Sulfur	12	Pound	\$0.22	\$2.64	\$264.00
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
Irrigation						
	Energy Cost	10.00	AcreInch	\$4.50	\$45.00	\$4,500.00
	Irrigation Labor	0.96	Hour	\$12.00	\$11.52	\$1,152.00
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$6.75	\$6.75	\$675.00
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$50.70	\$50.70	\$5,070.00
	Irrigation Equipment	1	Acre	\$20.00	\$20.00	\$2,000.00
	Interest on Credit Line			6.50%	\$7.21	\$721.20
Total Variable Costs					\$452.88	\$45,287.60
Planned Returns Above Variable Costs:					\$1,009.62	\$100,962.40
Breakeven Price to Cover Variable Costs				\$69.67	Ton	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$73.73	\$73.73	\$7,372.85
	Irrigation Equipment	1	Acre	\$18.00	\$18.00	\$1,800.00
Equipment Investment						
	Pickup/General Use Equipment	\$576.36	Dollars	5.50%	\$31.70	\$3,169.97
	Irrigation Equipment	\$525.00	Dollars	5.50%	\$28.88	\$2,887.50
	Allocated Establishment Cost	1	Acre	\$85.66	\$85.66	\$8,566.00
	Cash Rent - Irrigated Alfalfa	1	Acre	\$90.00	\$90.00	\$9,000.00
Total Fixed Costs					\$327.96	\$32,796.32
Total Specified Costs					\$780.84	\$78,083.92
Returns Above Specified Costs					\$681.66	\$68,166.08
Breakeven Price to Cover Total Costs				\$120.13	Ton	

Example Breakeven Prices			
Example	Example	To Cover	To Cover
Yield	Yield	Variable	Total
Percent	Ton	Costs	Costs
75%	4.88	\$92.90	\$160.17
90%	5.85	\$77.41	\$133.48
100%	6.50	\$69.67	\$120.13
110%	7.15	\$63.34	\$109.21
125%	8.13	\$55.74	\$96.10

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.