

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2020 Estimated Costs and Returns per Acre**  
**Irrigated Alfalfa**  
**South Plains Extension District - 2**

Crop Acres		122			
				Total	Enterprise Total
<b>REVENUE</b>					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Hay - Alfalfa	6.00	Ton	\$240.00	\$1,440.00	\$175,680.00
<b>Total Revenue</b>				<b>\$1,440.00</b>	<b>\$175,680.00</b>
<b>VARIABLE COSTS</b>					
	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>					
Custom					
Custom Baling	6	Ton	\$50.00	\$300.00	\$36,600.00
Fertilizer Application - Liquid Low	1	Acre	\$3.50	\$3.50	\$427.00
Crop Consultant	1	Acre	\$6.00	\$6.00	\$732.00
Fertilizer					
Fertilizer (P) - Liquid	65	Pound	\$0.64	\$41.60	\$5,075.20
Fertilizer (N) - Liquid	30	Pound	\$0.38	\$11.40	\$1,390.80
Sulfur	12	Pound	\$0.12	\$1.44	\$175.68
Herbicide					
Herbicide and Application Alfalfa	1	Acre	\$22.00	\$22.00	\$2,684.00
Insecticide					
Insecticide Application Alfalfa	1	Acre	\$25.90	\$25.90	\$3,159.80
Miscellaneous					
Crop Insurance Alfalfa	1	Acre	\$2.50	\$2.50	\$305.00
Irrigation					
Energy Cost	24.00	AcreInch	\$10.00	\$240.00	\$29,280.00
Irrigation Labor	1.25	Hour	\$12.00	\$15.00	\$1,830.00
Machinery Labor					
Tractors/Self-Propelled	1	Hour	\$12.00	\$12.00	\$1,464.00
Diesel Fuel					
Tractors/Self-Propelled	2.01	Gallon	\$1.90	\$3.82	\$465.92
Gasoline					
Pickup/General Use Equipment	1	Acre	\$4.40	\$4.40	\$536.80
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$61.00
Irrigation Equipment	1	Acre	\$42.00	\$42.00	\$5,124.00
Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$732.00
Implements	1	Acre	\$3.00	\$3.00	\$366.00
Interest on Credit Line			6.00%	\$12.86	\$1,569.14
<b>Total Variable Costs</b>				<b>\$753.92</b>	<b>\$91,978.34</b>
Planned Returns Above Variable Costs:				\$686.08	\$83,701.66
Breakeven Price to Cover Variable Costs			\$125.65	Ton	
<b>FIXED COSTS</b>					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs					
Pickup/General Use Equipment	1	Acre	\$1.25	\$1.25	\$152.50
Irrigation Equipment	1	Acre	\$55.00	\$55.00	\$6,710.00
Tractors/Self-Propelled	1	Acre	\$12.00	\$12.00	\$1,464.00
Implements	1	Acre	\$10.00	\$10.00	\$1,220.00
Management Fee, Owner/Operator Labor	1	Acre	\$25.00	\$25.00	\$3,050.00
Allocated Establishment Cost	1	Acre	\$100.00	\$100.00	\$12,200.00
Cash Rent - Alfalfa	1	Acre	\$130.00	\$130.00	\$15,860.00
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$244.00
<b>Total Fixed Costs</b>				<b>\$335.25</b>	<b>\$40,900.50</b>
<b>Total Specified Costs</b>				<b>\$1,089.17</b>	<b>\$132,878.84</b>
Returns Above Specified Costs				\$350.83	\$42,801.16
Breakeven Price to Cover Total Costs			\$181.53	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	4.50	\$167.54	\$242.04
90%	5.40	\$139.61	\$201.70
100%	6.00	\$125.65	\$181.53
110%	6.60	\$114.23	\$165.03
125%	7.50	\$100.52	\$145.22

Developed by Agricultural Economists, Texas A&M AgriLife Extension.

**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.**