## 2015 Estimated Costs and Returns per Acre

### Dryland Bermudagrass Establishment - 100 Acres

**West Central Extension District - 7**

**Crop Acres:** 100

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
<th>Enterprise Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grazing</td>
<td>50.00</td>
<td>Pound</td>
<td>$0.65</td>
<td>$32.50</td>
<td>$3,250.00</td>
</tr>
</tbody>
</table>

**Total Revenue:**

<table>
<thead>
<tr>
<th></th>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
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</tr>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$32.50</td>
<td>$3,250.00</td>
</tr>
</tbody>
</table>

### VARIABLE COSTS

#### Production Costs
- **Custom**
  - Soil Test-Dryland
    - 1 Each
    - $0.25
    - $0.25
    - $25.00
- **Fertilizer**
  - 11-37-0
    - 200 Pounds
    - $0.24
    - $48.00
    - $4,800.00
  - 32-0-0
    - 125 Pounds
    - $0.54
    - $67.50
    - $6,750.00
- **Herbicide**
  - Herbicide-Banvel/24D
    - 1 Pint
    - $3.69
    - $3.69
    - $368.75
- **Seed**
  - Sprigs and Sprigging
    - 1 Acre
    - $125.00
    - $125.00
    - $12,500.00
- **Miscellaneous**
  - Rainfall Insurance
    - 1 Acre
    - $23.26
    - $23.26
    - $2,326.00
  - Machinery Labor
    - Tractors/Self-Propelled
      - 0.65 Hour
      - $12.00
      - $7.80
      - $780.00
  - Diesel Fuel
    - Tractors/Self-Propelled
      - 3.8 Gallon
      - $2.75
      - $10.45
      - $1,045.00
  - Gasoline
    - Tractors/Self-Propelled
      - 1 Acre
      - $3.89
      - $3.89
      - $388.50
  - Repairs & Maintenance
    - Pickup/General Use Equipment
      - 1 Acre
      - $1.83
      - $1.83
      - $182.50
    - Tractors/Self-Propelled
      - 1 Acre
      - $7.31
      - $7.31
      - $731.29
  - Implements
    - 1 Acre
    - $8.28
    - $8.28
    - $828.47
  - Interest on Credit Line
    - 3.75%
    - $4.36
    - $435.81

**Total Variable Costs:**

<table>
<thead>
<tr>
<th></th>
<th>Quantity</th>
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<tr>
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<td>$311.61</td>
<td>$31,161.31</td>
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</tbody>
</table>

### Planned Returns Above Variable Costs:

- ($279.11) ($27,911.31)

**Breakeven Price to Cover Variable Costs:**

- $6.23 Pound

### FIXED COSTS

#### Machinery Depreciation
- Pickup/General Use Equipment
  - 1 Acre
  - $3.87
  - $3.87
  - $387.00
- Tractors/Self-Propelled
  - 1 Acre
  - $8.03
  - $8.03
  - $803.33
- Implements
  - 1 Acre
  - $10.56
  - $10.56
  - $1,055.68

#### Equipment Investment
- Pickup/General Use Equipment
  - $39.00 Dollars
  - 3.75%
  - $1.46
  - $146.25
- Tractors/Self-Propelled
  - $90.84 Dollars
  - 3.75%
  - $3.41
  - $340.64
- Implements
  - $86.16 Dollars
  - 3.75%
  - $3.23
  - $323.09
- Rent-Dryland Crop
  - 1 Acre
  - $35.00
  - $35.00
  - $3,500.00

**Total Fixed Costs:**

<table>
<thead>
<tr>
<th></th>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
<th>Enterprise Total</th>
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<td>$65.56</td>
<td>$6,555.99</td>
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**Total Specified Costs:**

<table>
<thead>
<tr>
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<th>Quantity</th>
<th>Units</th>
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<th>Enterprise Total</th>
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</thead>
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<td>$377.17</td>
<td>$37,717.31</td>
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</table>

### Returns Above Specified Costs

- ($344.67) ($34,467.31)

**Breakeven Price to Cover Total Costs:**

- $7.54 Pound

### Example Breakeven Prices

<table>
<thead>
<tr>
<th>Example Yield Percent</th>
<th>Example Yield Pound</th>
<th>Price Needed to Cover Example Variable Costs</th>
<th>Price Needed to Cover Example Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Own/Rent</td>
<td>ShareTenant</td>
</tr>
<tr>
<td>75%</td>
<td>37.50</td>
<td>$8.31</td>
<td>$8.31</td>
</tr>
<tr>
<td>90%</td>
<td>45.00</td>
<td>$6.92</td>
<td>$6.92</td>
</tr>
<tr>
<td>100%</td>
<td>50.00</td>
<td>$6.23</td>
<td>$6.23</td>
</tr>
<tr>
<td>110%</td>
<td>55.00</td>
<td>$5.67</td>
<td>$5.67</td>
</tr>
<tr>
<td>125%</td>
<td>62.50</td>
<td>$4.99</td>
<td>$4.99</td>
</tr>
</tbody>
</table>

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service.

*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.*