

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Irrigated Bermudagrass Hay - 100 Acres
Southwest Extension District - 10

Crop Acres		100			
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Bermuda Hay	12.00	Ton	\$123.00	\$1,476.00	\$147,600.00
Total Revenue				\$1,476.00	\$147,600.00
VARIABLE COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Fertilizer					
Fertilizer 22-6-17	454	Pound	\$0.22	\$97.71	\$9,770.65
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Herbicide					
Prowl H2O	4	Pint	\$4.63	\$18.52	\$1,852.00
Miscellaneous					
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00
Irrigation					
Energy or Water Cost	2081.45	kWh	\$0.18	\$374.66	\$37,466.17
Machinery Labor					
Tractors/Self-Propelled	4.68	Hour	\$12.00	\$56.16	\$5,616.00
Diesel Fuel					
Tractors/Self-Propelled	20.04	Gallon	\$2.85	\$57.11	\$5,711.40
Gasoline					
Pickup/General Use Equipment	1	Acre	\$65.86	\$65.86	\$6,586.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$13.44	\$13.44	\$1,344.00
Irrigation Equipment	1	Acre	\$21.62	\$21.62	\$2,162.00
Tractors/Self-Propelled	1	Acre	\$7.54	\$7.54	\$754.36
Implements	1	Acre	\$22.60	\$22.60	\$2,259.82
Interest on Credit Line			6.50%	\$23.61	\$2,361.36
Total Variable Costs				\$1,055.96	\$105,595.69
Planned Returns Above Variable Costs:				\$420.04	\$42,004.31
Breakeven Price to Cover Variable Costs			\$88.00	Ton	
FIXED COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$25.74	\$25.74	\$2,574.00
Irrigation Equipment	1	Acre	\$34.75	\$34.75	\$3,475.12
Tractors/Self-Propelled	1	Acre	\$17.97	\$17.97	\$1,796.94
Implements	1	Acre	\$21.83	\$21.83	\$2,182.62
Equipment Investment					
Pickup/General Use Equipment	\$171.60	Dollars	6.50%	\$11.15	\$1,115.40
Irrigation Equipment	\$521.27	Dollars	6.50%	\$33.88	\$3,388.24
Tractors/Self-Propelled	\$282.32	Dollars	6.50%	\$18.35	\$1,835.11
Implements	\$216.20	Dollars	6.50%	\$14.05	\$1,405.28
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00
Total Fixed Costs				\$227.73	\$22,772.71
Total Specified Costs				\$1,283.68	\$128,368.40
Returns Above Specified Costs				\$192.32	\$19,231.60
Breakeven Price to Cover Total Costs			\$106.97	Ton	

Example Breakeven Prices						
Example Yield Percent	Example Yield Ton	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	Share Tenant	Own/Rent	Share Tenant	Landlord
75%	9.00	\$117.33	\$117.33	\$142.63	\$142.63	\$0.00
90%	10.80	\$97.77	\$97.77	\$118.86	\$118.86	\$0.00
100%	12.00	\$88.00	\$88.00	\$106.97	\$106.97	\$0.00
110%	13.20	\$80.00	\$80.00	\$97.25	\$97.25	\$0.00
125%	15.00	\$70.40	\$70.40	\$85.58	\$85.58	\$0.00

Developed by Rob Hogan, Associate Professor and Extension Economist, 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.