

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Dryland Bermudagrass Establishment - 100 Acres
West Central Extension District - 7

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Grazing	50.00	Pound	\$0.65	\$32.50	\$3,250.00	
Total Revenue				\$32.50	\$3,250.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
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-Banvell/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						
Pickup/General Use Equipment	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				\$311.61	\$31,161.31	
Planned Returns Above Variable Costs:					(\$279.11)	(\$27,911.31)
Breakeven Price to Cover Variable Costs			\$6.23	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
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				\$65.56	\$6,555.99	
Total Specified Costs				\$377.17	\$37,717.31	
Returns Above Specified Costs					(\$344.67)	(\$34,467.31)
Breakeven Price to Cover Total Costs			\$7.54	Pound		

Example Breakeven Prices						
Example Yield Percent	Example Yield Pound	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	37.50	\$8.31	\$8.31	\$10.06	\$10.06	\$0.00
90%	45.00	\$6.92	\$6.92	\$8.38	\$8.38	\$0.00
100%	50.00	\$6.23	\$6.23	\$7.54	\$7.54	\$0.00
110%	55.00	\$5.67	\$5.67	\$6.86	\$6.86	\$0.00
125%	62.50	\$4.99	\$4.99	\$6.03	\$6.03	\$0.00

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.