

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Irrigated Bermudagrass Hay - 100 Acres
Southwest Extension District - 10

Crop Acres		100		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Bermuda Hay	12.00	Ton	\$170.00	\$2,040.00	\$204,000.00
Total Revenue				\$2,040.00	\$204,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Fertilizer					
Fertilizer 22-6-17	1816	Pound	\$0.22	\$390.83	\$39,082.58
Herbicide					
Prowl H2O	4	Pint	\$5.06	\$20.24	\$2,024.00
Miscellaneous					
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00
Irrigation					
Energy Cost	2990.00	kWh	\$0.17	\$508.30	\$50,830.00
Irrigation Labor	0.18	Hour	\$11.00	\$2.02	\$202.40
Machinery Labor					
Tractors/Self-Propelled	4.03	Hour	\$12.00	\$48.36	\$4,836.00
Diesel Fuel					
Tractors/Self-Propelled	17.65	Gallon	\$2.15	\$37.95	\$3,794.75
Gasoline					
Pickup/General Use Equipment	1	Acre	\$58.86	\$58.86	\$5,886.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$13.44	\$13.44	\$1,344.00
Irrigation Equipment	1	Acre	\$31.06	\$31.06	\$3,105.72
Tractors/Self-Propelled	1	Acre	\$23.55	\$23.55	\$2,354.89
Implements	1	Acre	\$8.09	\$8.09	\$808.94
Interest on Credit Line			6.50%	\$27.33	\$2,732.94
Total Variable Costs				\$1,174.02	\$117,402.22
Planned Returns Above Variable Costs:				\$865.98	\$86,597.78
Breakeven Price to Cover Variable Costs			\$97.84	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$25.74	\$25.74	\$2,574.00
Irrigation Equipment	1	Acre	\$48.53	\$48.53	\$4,853.31
Tractors/Self-Propelled	1	Acre	\$23.62	\$23.62	\$2,361.93
Implements	1	Acre	\$9.62	\$9.62	\$961.86
Equipment Investment					
Pickup/General Use Equipment	\$171.60	Dollars	6.50%	\$11.15	\$1,115.40
Irrigation Equipment	\$728.00	Dollars	6.50%	\$47.32	\$4,731.98
Tractors/Self-Propelled	\$266.82	Dollars	6.50%	\$17.34	\$1,734.35
Implements	\$126.79	Dollars	6.50%	\$8.24	\$824.13
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00
Total Fixed Costs				\$241.57	\$24,156.96
Total Specified Costs				\$1,415.59	\$141,559.18
Returns Above Specified Costs				\$624.41	\$62,440.82
Breakeven Price to Cover Total Costs			\$117.97	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	\$130.45	\$130.45	\$157.29	\$157.29	\$0.00
90%	10.80	\$108.71	\$108.71	\$131.07	\$131.07	\$0.00
100%	12.00	\$97.84	\$97.84	\$117.97	\$117.97	\$0.00
110%	13.20	\$88.94	\$88.94	\$107.24	\$107.24	\$0.00
125%	15.00	\$78.27	\$78.27	\$94.37	\$94.37	\$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.