

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

Crop Acres	100					Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
AUM Grazing Lease	16.00	AUM	\$18.75	\$300.00	\$30,000.00	
Total Revenue				\$300.00	\$30,000.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
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	
Machinery Labor						
Tractors/Self-Propelled	0.5	Hour	\$12.00	\$6.00	\$600.00	
Diesel Fuel						
Tractors/Self-Propelled	2.51	Gallon	\$2.15	\$5.40	\$539.65	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$30.06	\$30.06	\$3,006.43	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$6.86	\$6.86	\$686.40	
Irrigation Equipment	1	Acre	\$31.06	\$31.06	\$3,105.72	
Tractors/Self-Propelled	1	Acre	\$3.21	\$3.21	\$320.94	
Implements	1	Acre	\$1.95	\$1.95	\$194.51	
Interest on Credit Line			6.50%	\$25.65	\$2,565.20	
Total Variable Costs				\$1,033.55	\$103,355.44	
Planned Returns Above Variable Costs:						
Breakeven Price to Cover Variable Costs			\$64.60	AUM	(\$733.55)	(\$73,355.44)
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
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	\$4.03	\$4.03	\$402.78	
Implements	1	Acre	\$1.60	\$1.60	\$159.97	
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	\$45.63	Dollars	6.50%	\$2.97	\$296.60	
Implements	\$24.50	Dollars	6.50%	\$1.59	\$159.28	
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00	
Total Fixed Costs				\$192.93	\$19,293.31	
Total Specified Costs				\$1,226.49	\$122,648.76	
Returns Above Specified Costs						(\$926.49) (\$92,648.76)
Breakeven Price to Cover Total Costs			\$76.66	AUM		

Example Breakeven Prices						
Example Yield Percent	Example Yield AUM	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	Share/Tenant	Own/Rent	Share/Tenant	Landlord
75%	12.00	\$86.13	\$86.13	\$102.21	\$102.21	\$0.00
90%	14.40	\$71.77	\$71.77	\$85.17	\$85.17	\$0.00
100%	16.00	\$64.60	\$64.60	\$76.66	\$76.66	\$0.00
110%	17.60	\$58.72	\$58.72	\$69.69	\$69.69	\$0.00
125%	20.00	\$51.68	\$51.68	\$61.32	\$61.32	\$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.