

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2015 Estimated Costs and Returns per Acre
Alamo Switchgrass, Full Season, Pivot Irrigated, Grazed - 122 Acres
Far West Extension District - 6

Crop Acres		122			
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
AUM Grazing Lease	6.30	AUM	\$18.75	\$118.13	\$14,411.25
Total Revenue				\$118.13	\$14,411.25
VARIABLE COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Fertilizer					
N-32 in Water	20	Pound	\$0.17	\$3.40	\$414.80
Urea, Solid (46% N)	0.45	CWT	\$25.75	\$11.59	\$1,413.68
Herbicide					
2,4-D Amine 4	40	Ounce	\$0.14	\$5.60	\$683.20
Other Labor					
Hand Labor	0.14	Hour	\$8.50	\$1.19	\$145.18
Irrigation					
Energy Cost	4.56	Mcf	\$4.25	\$19.38	\$2,364.36
Irrigation Labor	0.03	Hour	\$11.00	\$0.29	\$35.43
Machinery Labor					
Tractors/Self-Propelled	0.31	Hour	\$12.00	\$3.72	\$453.84
Diesel Fuel					
Tractors/Self-Propelled	1.17	Gallon	\$2.15	\$2.52	\$306.89
Repairs & Maintenance					
Irrigation Equipment	1	Acre	\$12.02	\$12.02	\$1,466.07
Tractors/Self-Propelled	1	Acre	\$1.55	\$1.55	\$189.33
Implements	1	Acre	\$0.49	\$0.49	\$59.83
Interest on Credit Line			6.50%	\$1.30	\$158.05
Total Variable Costs				\$63.04	\$7,690.66
Planned Returns Above Variable Costs:				\$55.09	\$6,720.59
Breakeven Price to Cover Variable Costs			\$10.01	AUM	
FIXED COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Irrigation Equipment	1	Acre	\$48.64	\$48.64	\$5,933.75
Tractors/Self-Propelled	1	Acre	\$1.50	\$1.50	\$183.40
Implements	1	Acre	\$0.47	\$0.47	\$57.09
Equipment Investment					
Irrigation Equipment	\$729.56	Dollars	6.50%	\$47.42	\$5,785.40
Tractors/Self-Propelled	\$16.97	Dollars	6.50%	\$1.10	\$134.59
Implements	\$5.94	Dollars	6.50%	\$0.39	\$47.08
Allocated Establishment Cost					
Trans Pecos Irrigated Land	1	Acre	\$41.84	\$41.84	\$5,104.48
	1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs				\$181.36	\$22,125.79
Total Specified Costs				\$244.40	\$29,816.45
Returns Above Specified Costs				(\$126.27)	(\$15,405.20)
Breakeven Price to Cover Total Costs			\$38.79	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%	4.73	\$13.34	\$13.34	\$51.72	\$51.72	\$0.00
90%	5.67	\$11.12	\$11.12	\$43.10	\$43.10	\$0.00
100%	6.30	\$10.01	\$10.01	\$38.79	\$38.79	\$0.00
110%	6.93	\$9.10	\$9.10	\$35.27	\$35.27	\$0.00
125%	7.88	\$8.00	\$8.00	\$31.03	\$31.03	\$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.