

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Coastal Bermudagrass Hay - 100 Acres
Central Texas Extension District - 8

Crop Acres		100				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Bermuda Hay		4.50	Roll	\$70.00	\$315.00	\$31,500.00
Total Revenue					\$315.00	\$31,500.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
	Land Renovation	1	Acre	\$5.00	\$5.00	\$500.00
	Custom Spray	3	Acre	\$7.00	\$21.00	\$2,100.00
	Cut and Bale	3	Acre	\$35.00	\$105.00	\$10,500.00
Fertilizer						
	17-4-9	300	Pound	\$0.65	\$195.00	\$19,500.00
	34-0-0	200	Pound	\$0.48	\$96.00	\$9,600.00
Insecticide						
	Hay Pre and Post Herbicide	1	Acre	\$6.75	\$6.75	\$675.00
Machinery Labor						
	Tractors/Self-Propelled	1.43	Hour	\$10.00	\$14.30	\$1,430.00
Diesel Fuel						
	Tractors/Self-Propelled	4.64	Gallon	\$2.65	\$12.30	\$1,229.60
Repairs & Maintenance						
	Tractors/Self-Propelled	1	Acre	\$5.37	\$5.37	\$536.64
	Implements	1	Acre	\$0.68	\$0.68	\$67.61
Interest on Credit Line				4.75%	\$6.04	\$604.32
Total Variable Costs					\$467.43	\$46,743.18
Planned Returns Above Variable Costs:					(\$152.43)	(\$15,243.18)
Breakeven Price to Cover Variable Costs				\$103.87	Roll	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Tractors/Self-Propelled	1	Acre	\$4.44	\$4.44	\$443.63
	Implements	1	Acre	\$0.81	\$0.81	\$81.20
Equipment Investment						
	Tractors/Self-Propelled	\$50.09	Dollars	6.00%	\$3.01	\$300.52
	Implements	\$10.09	Dollars	6.00%	\$0.61	\$60.52
Total Fixed Costs					\$8.86	\$885.87
Total Specified Costs					\$476.29	\$47,629.04
Returns Above Specified Costs					(\$161.29)	(\$16,129.04)
Breakeven Price to Cover Total Costs				\$105.84	Roll	

Example Breakeven Prices						
Example Yield Percent	Example Yield Roll	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	3.38	\$138.50	\$138.50	\$141.12	\$141.12	\$0.00
90%	4.05	\$115.42	\$115.42	\$117.60	\$117.60	\$0.00
100%	4.50	\$103.87	\$103.87	\$105.84	\$105.84	\$0.00
110%	4.95	\$94.43	\$94.43	\$96.22	\$96.22	\$0.00
125%	5.63	\$83.10	\$83.10	\$84.67	\$84.67	\$0.00

Developed by Jason Johnson, 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.