

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Canola, Dryland, 1500 lb. Yield Goal - 500 Acres
Coastal Bend Extension District - 11

Crop Acres		500			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Canola	1,500.00	Pound	\$0.16	\$240.00	\$120,000.00
Total Revenue				\$240.00	\$120,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application LC	1	Acre	\$5.25	\$5.25	\$2,625.00
Custom Haul - Canola	15	CWT	\$0.75	\$11.25	\$5,625.00
Fertilizer					
32-11-3 6S	0.12	Ton	\$510.00	\$61.20	\$30,600.00
Herbicide					
Glyphosate (Generic)	2	Quart	\$4.00	\$8.00	\$4,000.00
Insecticide					
Aphid Control	20	Ounce	\$2.03	\$40.60	\$20,300.00
Miscellaneous					
Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,940.00
Crop Insurance -Canola	1	Acre	\$16.70	\$16.70	\$8,350.00
Seed					
Roundup Ready Canola Seed	4	Pound	\$5.80	\$23.20	\$11,600.00
Other Labor					
Hand Labor	0.018	Hour	\$16.00	\$0.29	\$144.00
Machinery Labor					
Tractors/Self-Propelled	0.59	Hour	\$19.50	\$11.51	\$5,752.50
Diesel Fuel					
Tractors/Self-Propelled	6.66	Gallon	\$2.10	\$13.99	\$6,993.00
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$20.97	\$20.97	\$10,486.74
Implements	1	Acre	\$10.18	\$10.18	\$5,091.33
Interest on Credit Line			4.25%	\$4.58	\$2,289.38
Total Variable Costs				\$231.59	\$115,796.95
Planned Returns Above Variable Costs:				\$8.41	\$4,203.05
Breakeven Price to Cover Variable Costs			\$0.15	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$23.28	\$23.28	\$11,639.34
Implements	1	Acre	\$12.36	\$12.36	\$6,178.93
Equipment Investment					
Tractors/Self-Propelled	\$176.85	Dollars	7.00%	\$12.38	\$6,189.60
Implements	\$68.26	Dollars	7.00%	\$4.78	\$2,388.99
Management Fee, Owner/Operator Labor	1	Acre	\$12.00	\$12.00	\$6,000.00
LCB - Land Charge	1	Acre	\$70.00	\$70.00	\$35,000.00
Total Fixed Costs				\$134.79	\$67,396.86
Total Specified Costs				\$366.39	\$183,193.80
Returns Above Specified Costs				(\$126.39)	(\$63,193.80)
Breakeven Price to Cover Total Costs			\$0.24	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	1125.00	\$0.21	\$0.33
90%	1350.00	\$0.17	\$0.27
100%	1500.00	\$0.15	\$0.24
110%	1650.00	\$0.14	\$0.22
125%	1875.00	\$0.12	\$0.20

Developed by Levi Russell, Assistant 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.