

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Dryland Coastal Bermudagrass Pasture - 100 Acres
Southwest Extension District - 10

Crop Acres		100				Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise	
AUM Grazing Lease	5.00	AUM	\$18.75	\$93.75	\$9,375.00	\$9,375.00	
Total Revenue				\$93.75	\$9,375.00	\$9,375.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Production Costs							
Fertilizer							
Fertilizer 22-6-17	772	Pound	\$0.20	\$154.40	\$15,440.00	\$15,440.00	
Herbicide							
Prowl H2O	4	Pint	\$5.06	\$20.24	\$2,024.00	\$2,024.00	
Miscellaneous							
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00	\$400.00	
Machinery Labor							
Tractors/Self-Propelled	0.27	Hour	\$12.00	\$3.24	\$324.00	\$324.00	
Diesel Fuel							
Tractors/Self-Propelled	1.42	Gallon	\$2.10	\$2.98	\$298.20	\$298.20	
Gasoline							
Pickup/General Use Equipment	1	Acre	\$18.40	\$18.40	\$1,840.00	\$1,840.00	
Repairs & Maintenance							
Pickup/General Use Equipment	1	Acre	\$4.20	\$4.20	\$420.00	\$420.00	
Tractors/Self-Propelled	1	Acre	\$0.53	\$0.53	\$52.66	\$52.66	
Implements	1	Acre	\$0.97	\$0.97	\$97.26	\$97.26	
Interest on Credit Line			6.50%	\$3.37	\$337.06	\$337.06	
Total Variable Costs				\$212.33	\$21,233.17	\$21,233.17	
Planned Returns Above Variable Costs:				(\$118.58)	(\$11,858.17)	(\$11,858.17)	
Breakeven Price to Cover Variable Costs			\$42.47	AUM			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Machinery Depreciation							
Pickup/General Use Equipment	1	Acre	\$25.74	\$25.74	\$2,574.00	\$2,574.00	
Tractors/Self-Propelled	1	Acre	\$2.27	\$2.27	\$226.58	\$226.58	
Implements	1	Acre	\$0.80	\$0.80	\$79.98	\$79.98	
Equipment Investment							
Pickup/General Use Equipment	\$107.25	Dollars	6.50%	\$6.97	\$697.13	\$697.13	
Tractors/Self-Propelled	\$19.02	Dollars	6.50%	\$1.24	\$123.63	\$123.63	
Implements	\$9.04	Dollars	6.50%	\$0.59	\$58.79	\$58.79	
Dryland Winter Garden Rent	1	Acre	\$20.00	\$20.00	\$2,000.00	\$2,000.00	
Total Fixed Costs				\$57.60	\$5,760.11	\$5,760.11	
Total Specified Costs				\$269.93	\$26,993.28	\$26,993.28	
Returns Above Specified Costs				(\$176.18)	(\$17,618.28)	(\$17,618.28)	
Breakeven Price to Cover Total Costs			\$53.99	AUM			

Example Breakeven Prices			
Example	Example	Price Needed to Cover	Price Needed to Cover
Yield	Yield	Your Variable Costs	Your Total Costs
Percent	AUM		
75%	3.75	\$56.62	\$71.98
90%	4.50	\$47.18	\$59.99
100%	5.00	\$42.47	\$53.99
110%	5.50	\$38.61	\$49.08
125%	6.25	\$33.97	\$43.19

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.