

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Watermelon, Open Pollinated Varieties, Dryland, Rio Grande Valley - 40 Acres
South Extension District - 12

Crop Acres		40				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Watermelon, Allsweet	250.00	CWT	\$18.00	\$4,500.00	\$180,000.00	
Total Revenue				\$4,500.00	\$180,000.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs						
Herbicide						
Trifluralin 4EC	2	Pint	\$3.47	\$6.94	\$277.60	
Seed						
Watermelon Seed, OP	3	Pound	\$42.75	\$128.25	\$5,130.00	
Fertilizer						
Fertilizer 10-34-0	1.5	CWT	\$32.50	\$48.75	\$1,950.00	
Custom						
Bee Rental	1	Hive	\$85.00	\$85.00	\$3,400.00	
Harvest and Sell Watermelons	250	CWT	\$3.30	\$825.00	\$33,000.00	
Insecticide						
Asana XL	11.6	Ounce	\$0.59	\$6.84	\$273.76	
Fungicides						
Bravo Ultrex	1	Pound	\$6.93	\$6.93	\$277.20	
Quadris	32	Ounce	\$3.11	\$99.52	\$3,980.80	
Other Labor						
Unallocated Labor	0.9336	Hour	\$12.00	\$11.20	\$448.13	
Machinery Labor						
Tractors/Self-Propelled	1.43	Hour	\$12.00	\$17.16	\$686.40	
Diesel Fuel						
Tractors/Self-Propelled	9.23	Gallon	\$2.10	\$19.38	\$775.32	
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$17.30	\$17.30	\$692.19	
Implements	1	Acre	\$12.96	\$12.96	\$518.44	
Interest on Credit Line			5.00%	\$5.22	\$208.91	
Total Variable Costs				\$1,290.47	\$51,618.74	
Planned Returns Above Variable Costs:				\$3,209.53	\$128,381.26	
Breakeven Price to Cover Variable Costs			\$5.16 CWT			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$17.80	\$17.80	\$711.80	
Implements	1	Acre	\$16.04	\$16.04	\$641.74	
Equipment Investment						
Tractors/Self-Propelled	\$138.63	Dollars	7.00%	\$9.70	\$388.16	
Implements	\$82.32	Dollars	7.00%	\$5.76	\$230.50	
Cash Rent, South Texas	1	Acre	\$65.00	\$65.00	\$2,600.00	
Total Fixed Costs				\$114.31	\$4,572.20	
Total Specified Costs				\$1,404.77	\$56,190.94	
Returns Above Specified Costs				\$3,095.23	\$123,809.06	
Breakeven Price to Cover Total Costs			\$5.62 CWT			

Example Breakeven Prices			
Example Yield Percent	Example Yield CWT	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	187.50	\$6.88	\$7.49
90%	225.00	\$5.74	\$6.24
100%	250.00	\$5.16	\$5.62
110%	275.00	\$4.69	\$5.11
125%	312.50	\$4.13	\$4.50

Developed by Samuel Zapata, Assistant 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.