

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Irrigated Peanuts - 122 Acres
South Plains Extension District - 2

Crop Acres		122				
		Quantity	Units	\$/Unit	Total	Enterprise Total
REVENUE						
Peanuts - Runner		2.25	Ton	\$430.00	\$967.50	\$118,035.00
Total Revenue					\$967.50	\$118,035.00
VARIABLE COSTS						
Production Costs						
Custom						
Dig and Shake		1	Acre	\$25.00	\$25.00	\$3,050.00
Harvest and Haul - Peanuts		2.25	Ton	\$60.00	\$135.00	\$16,470.00
Drying - Peanuts		2.25	Ton	\$30.00	\$67.50	\$8,235.00
Fertilizer Application - Liquid High		1	Acre	\$4.75	\$4.75	\$579.50
Scouting - Peanuts		1	Acre	\$10.00	\$10.00	\$1,220.00
Fertilizer						
Fertilizer (P) - Liquid		50	Pound	\$0.74	\$36.75	\$4,483.50
Fertilizer (N) - Liquid		80	Pound	\$0.58	\$46.24	\$5,641.28
Herbicide						
Herbicide - Peanut		1	Acre	\$15.00	\$15.00	\$1,830.00
Insecticide						
Insecticide and Apply Peanut		1	Application	\$12.00	\$12.00	\$1,464.00
Miscellaneous						
Crop Insurance Peanuts - Irrigated		1	Acre	\$30.00	\$30.00	\$3,660.00
Seed						
Seed - Peanut		100	Pound	\$0.76	\$76.00	\$9,272.00
Innoculant Peanut		1	Acre	\$6.00	\$6.00	\$732.00
Fungicides						
Fungicide and Apply Peanut		1	Application	\$35.00	\$35.00	\$4,270.00
Other Labor						
Hoeing		1	Acre	\$15.00	\$15.00	\$1,830.00
Irrigation						
Energy Cost		24.00	AcreInch	\$9.00	\$216.00	\$26,352.00
Irrigation Labor		1.20	Hour	\$12.00	\$14.40	\$1,756.80
Machinery Labor						
Tractors/Self-Propelled		3	Hour	\$12.00	\$36.00	\$4,392.00
Diesel Fuel						
Tractors/Self-Propelled		7.6	Gallon	\$3.00	\$22.80	\$2,781.60
Gasoline						
Pickup/General Use Equipment		1	Acre	\$4.50	\$4.50	\$548.44
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.50	\$0.50	\$61.00
Irrigation Equipment		1	Acre	\$42.00	\$42.00	\$5,124.00
Tractors/Self-Propelled		1	Acre	\$6.00	\$6.00	\$732.00
Implements		1	Acre	\$3.00	\$3.00	\$366.00
Interest on Credit Line				6.00%	\$16.99	\$2,073.17
Total Variable Costs					\$876.43	\$106,924.28
Planned Returns Above Variable Costs:					\$91.07	\$11,110.72
Breakeven Price to Cover Variable Costs					\$389.52	Ton
FIXED COSTS						
Equipment Fixed Costs						
Pickup/General Use Equipment		1	Acre	\$1.25	\$1.25	\$152.50
Irrigation Equipment		1	Acre	\$55.00	\$55.00	\$6,710.00
Tractors/Self-Propelled		1	Acre	\$12.00	\$12.00	\$1,464.00
Implements		1	Acre	\$10.00	\$10.00	\$1,220.00
Management Fee, Owner/Operator Labor		1	Acre	\$30.00	\$30.00	\$3,660.00
Cash Rent - Peanuts		1	Acre	\$130.00	\$130.00	\$15,860.00
Whole Farm Insurance		1	Acre	\$2.00	\$2.00	\$244.00
Total Fixed Costs					\$240.25	\$29,310.50
Total Specified Costs					\$1,116.68	\$136,234.78
Returns Above Specified Costs					(\$149.18)	(\$18,199.78)
Breakeven Price to Cover Total Costs					\$496.30	Ton

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	1.69	\$519.37	\$661.74
90%	2.03	\$432.80	\$551.45
100%	2.25	\$389.52	\$496.30
110%	2.48	\$354.11	\$451.18
125%	2.81	\$311.62	\$397.04

Developed by Jackie Smith, 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.