

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Alamo Switchgrass, Full Season, Pivot Irrigated, Grazed - 122 Acres
Far West Extension District - 6

Crop Acres		122			
				Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
AUM Grazing Lease	6.30	AUM	\$18.75	\$118.13	\$14,411.25
Total Revenue				\$118.13	\$14,411.25
				Enterprise	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Fertilizer					
N-32 in Water	20	Pound	\$0.17	\$3.40	\$414.80
Urea, Solid (46% N)	0.45	CWT	\$19.75	\$8.89	\$1,084.28
Herbicide					
2,4-D Amine 4	40	Ounce	\$0.12	\$4.80	\$585.60
Other Labor					
Hand Labor	0.14	Hour	\$8.50	\$1.19	\$145.18
Irrigation					
Energy Cost	4.56	Mcf	\$4.00	\$18.24	\$2,225.28
Irrigation Labor	0.03	Hour	\$11.00	\$0.29	\$35.43
Machinery Labor					
Tractors/Self-Propelled	0.31	Hour	\$12.00	\$3.72	\$453.84
Diesel Fuel					
Tractors/Self-Propelled	1.17	Gallon	\$2.10	\$2.46	\$299.75
Repairs & Maintenance					
Irrigation Equipment	1	Acre	\$12.02	\$12.02	\$1,466.07
Tractors/Self-Propelled	1	Acre	\$1.55	\$1.55	\$189.33
Implements	1	Acre	\$0.49	\$0.49	\$59.83
Interest on Credit Line			6.50%	\$1.43	\$174.54
Total Variable Costs				\$58.47	\$7,133.93
Planned Returns Above Variable Costs:				\$59.65	\$7,277.32
Breakeven Price to Cover Variable Costs			\$9.28	AUM	
				Enterprise	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total
Machinery Depreciation					
Irrigation Equipment	1	Acre	\$48.64	\$48.64	\$5,933.75
Tractors/Self-Propelled	1	Acre	\$1.50	\$1.50	\$183.40
Implements	1	Acre	\$0.47	\$0.47	\$57.09
Equipment Investment					
Irrigation Equipment	\$364.78	Dollars	6.50%	\$23.71	\$2,892.70
Tractors/Self-Propelled	\$11.71	Dollars	6.50%	\$0.76	\$92.87
Implements	\$3.89	Dollars	6.50%	\$0.25	\$30.85
Allocated Establishment Cost					
Trans Pecos Irrigated Land	1	Acre	\$41.84	\$41.84	\$5,104.48
Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs				\$157.17	\$19,175.14
Total Specified Costs				\$215.65	\$26,309.07
Returns Above Specified Costs				(\$97.52)	(\$11,897.82)
Breakeven Price to Cover Total Costs			\$34.23	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%	4.73	\$12.38	\$45.64
90%	5.67	\$10.31	\$38.03
100%	6.30	\$9.28	\$34.23
110%	6.93	\$8.44	\$31.12
125%	7.88	\$7.43	\$27.38

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.