

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Dryland Bermudagrass Establishment - 100 Acres**  
**West Central Extension District - 7**

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Grazing	50.00	Pound	\$0.50	\$25.00	\$2,500.00
<b>Total Revenue</b>				<b>\$25.00</b>	<b>\$2,500.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>					
Custom					
Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$25.00
Fertilizer					
11-37-0	200	Pounds	\$0.24	\$48.00	\$4,800.00
Nitrogen N32-liq	125	Pounds	\$0.50	\$62.50	\$6,250.00
Herbicide					
Herbicide-Banvell/24D	1	Pint	\$3.69	\$3.69	\$368.75
Miscellaneous					
Rainfall Insurance	1	Acre	\$23.26	\$23.26	\$2,326.00
Seed					
Sprigs and Sprigging	1	Acre	\$125.00	\$125.00	\$12,500.00
Machinery Labor					
Tractors/Self-Propelled	0.65	Hour	\$12.00	\$7.80	\$780.00
Diesel Fuel					
Tractors/Self-Propelled	3.8	Gallon	\$1.50	\$5.70	\$570.00
Gasoline					
Pickup/General Use Equipment	1	Acre	\$3.62	\$3.62	\$362.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$1.83	\$1.83	\$182.50
Tractors/Self-Propelled	1	Acre	\$7.31	\$7.31	\$731.29
Implements	1	Acre	\$6.58	\$6.58	\$657.96
Interest on Credit Line			6.50%	\$7.25	\$725.38
<b>Total Variable Costs</b>				<b>\$302.79</b>	<b>\$30,278.87</b>
Planned Returns Above Variable Costs:				<b>(\$277.79)</b>	<b>(\$27,778.87)</b>
Breakeven Price to Cover Variable Costs			\$6.06	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Machinery Depreciation</b>					
Pickup/General Use Equipment	1	Acre	\$3.87	\$3.87	\$387.00
Tractors/Self-Propelled	1	Acre	\$8.03	\$8.03	\$803.33
Implements	1	Acre	\$9.18	\$9.18	\$917.56
<b>Equipment Investment</b>					
Pickup/General Use Equipment	\$21.45	Dollars	6.50%	\$1.39	\$139.43
Tractors/Self-Propelled	\$62.22	Dollars	6.50%	\$4.04	\$404.42
Implements	\$41.54	Dollars	6.50%	\$2.70	\$270.04
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$3,500.00
<b>Total Fixed Costs</b>				<b>\$64.22</b>	<b>\$6,421.78</b>
<b>Total Specified Costs</b>				<b>\$367.01</b>	<b>\$36,700.65</b>
Returns Above Specified Costs				<b>(\$342.01)</b>	<b>(\$34,200.65)</b>
<b>Breakeven Price to Cover Total Costs</b>			<b>\$7.34</b>	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%	0.00	\$8.07	\$9.79
90%	0.00	\$6.73	\$8.16
100%	0.00	\$6.06	\$7.34
110%	0.00	\$5.51	\$6.67
125%	0.00	\$4.84	\$5.87

Developed by Bill Thompson, Associate 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.**