

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

Crop Acres		100				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Hay, 1200# BRB		3.33	Ton	\$105.00	\$349.65	\$34,965.00
Total Revenue					\$349.65	\$34,965.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Soil Test-Dryland		1	Each	\$0.25	\$0.25	\$25.00
Swath, Rake and Bale		3.3	Bale	\$25.20	\$83.16	\$8,316.00
Fertilizer						
Phosphate		12	Pounds	\$0.37	\$4.40	\$440.00
Potassium		27	Pounds	\$0.56	\$15.06	\$1,505.77
Nitrogen N32		64	Pounds	\$0.42	\$27.13	\$2,713.04
Nitrogen Dry-Urea		51	Pounds	\$0.42	\$21.62	\$2,161.96
Herbicide						
2-4D Amine 4		4	Pint	\$1.81	\$7.25	\$725.00
Insecticide						
Dimilin 2L		1.5	Ounce	\$2.02	\$3.04	\$303.51
Miscellaneous						
Rainfall Insurance		1	Acre	\$23.26	\$23.26	\$2,326.00
Machinery Labor						
Tractors/Self-Propelled		0.29	Hour	\$12.00	\$3.48	\$348.00
Diesel Fuel						
Tractors/Self-Propelled		0.82	Gallon	\$1.50	\$1.23	\$123.00
Gasoline						
Pickup/General Use Equipment		1	Acre	\$2.00	\$2.00	\$200.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.75	\$0.75	\$75.25
Tractors/Self-Propelled		1	Acre	\$0.97	\$0.97	\$96.75
Implements		1	Acre	\$0.48	\$0.48	\$47.90
Interest on Credit Line				6.50%	\$3.48	\$348.03
Total Variable Costs					\$197.55	\$19,755.21
Planned Returns Above Variable Costs:					\$152.10	\$15,209.79
Breakeven Price to Cover Variable Costs				\$59.32	Ton	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$1.58	\$1.58	\$157.50
Tractors/Self-Propelled		1	Acre	\$3.28	\$3.28	\$328.14
Implements		1	Acre	\$0.37	\$0.37	\$36.85
Equipment Investment						
Pickup/General Use Equipment		\$9.63	Dollars	6.50%	\$0.63	\$62.56
Tractors/Self-Propelled		\$24.47	Dollars	6.50%	\$1.59	\$159.07
Implements		\$3.87	Dollars	6.50%	\$0.25	\$25.15
Allocated Establishment Cost		1	Acre	\$69.00	\$69.00	\$6,900.00
Rent-Dryland Crop		1	Acre	\$35.00	\$35.00	\$3,500.00
Total Fixed Costs					\$111.69	\$11,169.27
Total Specified Costs					\$309.24	\$30,924.48
Returns Above Specified Costs					\$40.41	\$4,040.52
Breakeven Price to Cover Total Costs				\$92.87	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%	0.00	\$79.10	\$123.82
90%	0.00	\$65.92	\$103.18
100%	0.00	\$59.32	\$92.87
110%	0.00	\$53.93	\$84.42
125%	0.00	\$47.46	\$74.29

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.**