

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2017 Estimated Costs and Returns per Acre**  
**Coastal Bermudagrass Hay, Small Square Bales (60 lbs.) - 25 Acres**  
**East Texas Extension District - 5**

Crop Acres		25			
				Total	Enterprise Total
<b>REVENUE</b>					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Bermuda Hay, 60 lbs. Square Bales(in field)	100.00	Bale	\$5.00	\$500.00	\$12,500.00
<b>Total Revenue</b>				\$500.00	\$12,500.00
<b>VARIABLE COSTS</b>					
	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>					
Fertilizer					
Nitrogen	240	Pound	\$0.43	\$102.00	\$2,550.00
Phosphate	48	Pound	\$0.50	\$24.00	\$600.00
Potash	192	Pound	\$0.25	\$48.00	\$1,200.00
Lime	0.333333	Ton	\$60.00	\$20.00	\$500.00
Herbicide					
Glyphosphate	32	Ounce	\$0.11	\$3.50	\$87.50
Pasture Herbicide	4	Acre	\$8.00	\$32.00	\$800.00
Machinery Labor					
Tractors/Self-Propelled	2.01	Hour	\$15.00	\$30.15	\$753.75
Diesel Fuel					
Tractors/Self-Propelled	6.54	Gallon	\$2.00	\$13.08	\$327.00
Gasoline					
Pickup/General Use Equipment	1	Acre	\$9.50	\$9.50	\$237.50
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$6.12	\$6.12	\$153.00
Tractors/Self-Propelled	1	Acre	\$8.43	\$8.43	\$210.63
Implements	1	Acre	\$6.18	\$6.18	\$154.53
Interest on Credit Line			4.75%	\$4.30	\$107.57
<b>Total Variable Costs</b>				\$307.26	\$7,681.48
Planned Returns Above Variable Costs:				\$192.74	\$4,818.52
Breakeven Price to Cover Variable Costs			\$3.07	Bale	
<b>FIXED COSTS</b>					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$6.43	\$6.43	\$160.65
Tractors/Self-Propelled	1	Acre	\$6.96	\$6.96	\$174.12
Implements	1	Acre	\$7.32	\$7.32	\$182.98
Equipment Investment					
Pickup/General Use Equipment	\$44.37	Dollars	5.25%	\$2.33	\$58.24
Tractors/Self-Propelled	\$54.26	Dollars	5.25%	\$2.85	\$71.21
Implements	\$56.20	Dollars	5.25%	\$2.95	\$73.77
Bermuda Pasture Rent	1	Acre	\$20.00	\$20.00	\$500.00
<b>Total Fixed Costs</b>				\$48.84	\$1,220.96
<b>Total Specified Costs</b>				\$356.10	\$8,902.44
Returns Above Specified Costs				\$143.90	\$3,597.56
<b>Breakeven Price to Cover Total Costs</b>			\$3.56	Bale	

Example Breakeven Prices			
Example Yield Percent	Example Yield Bale	To Cover Variable Costs	To Cover Total Costs
75%	75.00	\$4.10	\$4.75
90%	90.00	\$3.41	\$3.96
100%	100.00	\$3.07	\$3.56
110%	110.00	\$2.79	\$3.24
125%	125.00	\$2.46	\$2.85

Developed by Gerald Cornforth, Extension Economist; Vanessa Olson, Extension Forage Specialist; and, Jason Banta, Extension Beef Cattle Specialist, Texas A&M AgriLife Extension Service. For more information, contact: Vanessa Olson or Jason Banta at 903-834-6191.

**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.**