

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2017 Estimated Costs and Returns per Acre
Dryland Bermudagrass Establishment - 100 Acres
West Central Extension District - 7

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total		Total
Grazing	50.00	Pound	\$0.40	\$20.00		\$2,000.00
Total Revenue				\$20.00		\$2,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Production Costs						
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	\$0.39	\$48.83		\$4,882.81
Herbicide						
Herbicide-Banvell/24D	1	Pint	\$3.25	\$3.25		\$325.00
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	0.58	Hour	\$12.00	\$6.96		\$696.00
Diesel Fuel						
Tractors/Self-Propelled	3.77	Gallon	\$1.75	\$6.60		\$659.75
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	\$8.17	\$8.17		\$816.84
Implements	1	Acre	\$6.47	\$6.47		\$647.47
Interest on Credit Line			5.25%	\$5.76		\$575.64
Total Variable Costs				\$287.99		\$28,799.00
Planned Returns Above Variable Costs:						(\$26,799.00)
Breakeven Price to Cover Variable Costs			\$5.76	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$3.87	\$3.87		\$387.00
Tractors/Self-Propelled	1	Acre	\$8.98	\$8.98		\$897.77
Implements	1	Acre	\$9.14	\$9.14		\$913.51
Equipment Investment						
Pickup/General Use Equipment	\$21.45	Dollars	5.25%	\$1.13		\$112.61
Tractors/Self-Propelled	\$69.50	Dollars	5.25%	\$3.65		\$364.90
Implements	\$40.96	Dollars	5.25%	\$2.15		\$215.03
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00		\$3,500.00
Total Fixed Costs				\$63.91		\$6,390.82
Total Specified Costs				\$351.90		\$35,189.82
Returns Above Specified Costs						(\$331.90)
Breakeven Price to Cover Total Costs			\$7.04	Pound		

Example Breakeven Prices			
Example	Example	To Cover	To Cover
Yield	Yield	Variable	Total
Percent	Pound	Costs	Costs
75%	37.50	\$7.68	\$9.38
90%	45.00	\$6.40	\$7.82
100%	50.00	\$5.76	\$7.04
110%	55.00	\$5.24	\$6.40
125%	62.50	\$4.61	\$5.63

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service, 325-653-4576.

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.