

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

Crop Acres		100						
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total
Hay, 1200# BRB		3.33	Ton	\$100.00			\$333.00	\$33,300.00
Total Revenue							\$333.00	\$33,300.00
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	\$27.57			\$90.98	\$9,098.10
Fertilizer								
Nitrogen Dry-Urea		51	Pounds	\$0.39			\$19.96	\$1,995.65
Phosphate		12	Pounds	\$0.27			\$3.25	\$325.00
Potassium		27	Pounds	\$0.44			\$11.94	\$1,194.23
Nitrogen N32		64	Pounds	\$0.39			\$25.04	\$2,504.35
Herbicide								
2-4D Amine 4		4	Pint	\$1.63			\$6.50	\$650.00
Insecticide								
Dimilin 2L		1.5	Ounce	\$2.02			\$3.04	\$303.52
Miscellaneous								
Rainfall Insurance		1	Acre	\$23.26			\$23.26	\$2,326.00
Machinery Labor								
Tractors/Self-Propelled		0.15	Hour	\$12.00			\$1.80	\$180.00
Diesel Fuel								
Tractors/Self-Propelled		0.82	Gallon	\$1.75			\$1.44	\$143.50
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	\$1.19			\$1.19	\$119.27
Implements		1	Acre	\$0.39			\$0.39	\$39.30
Interest on Credit Line				5.25%			\$2.66	\$266.40
Total Variable Costs							\$194.46	\$19,445.58
Planned Returns Above Variable Costs:							\$138.54	\$13,854.42
Breakeven Price to Cover Variable Costs						\$58.40	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	\$3.96			\$3.96	\$395.54
Implements		1	Acre	\$0.30			\$0.30	\$30.23
Equipment Investment								
Pickup/General Use Equipment		\$9.63	Dollars	5.25%			\$0.51	\$50.53
Tractors/Self-Propelled		\$29.51	Dollars	5.25%			\$1.55	\$154.92
Implements		\$3.17	Dollars	5.25%			\$0.17	\$16.67
Allocated Establishment Cost		1	Acre	\$64.99			\$64.99	\$6,499.40
Rent-Dryland Crop		1	Acre	\$35.00			\$35.00	\$3,500.00
Total Fixed Costs							\$108.05	\$10,804.78
Total Specified Costs							\$302.50	\$30,250.36
Returns Above Specified Costs							\$30.50	\$3,049.64
Breakeven Price to Cover Total Costs						\$90.84	Ton	

Example Breakeven Prices

Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.50	\$77.86	\$121.12
90%	3.00	\$64.88	\$100.94
100%	3.33	\$58.40	\$90.84
110%	3.66	\$53.09	\$82.58
125%	4.16	\$46.72	\$72.67

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.