

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2017 Estimated Costs and Returns per Acre
Irrigated Bermudagrass Hay - 100 Acres
Southwest Extension District - 10

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Bermuda Hay	12.00	Ton	\$250.00	\$3,000.00	\$300,000.00
Total Revenue				\$3,000.00	\$300,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Fertilizer					
Fertilizer 22-6-17	1816	Pound	\$0.20	\$363.20	\$36,320.00
Herbicide					
Prowl H2O	4	Pint	\$5.63	\$22.52	\$2,252.00
Miscellaneous					
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00
Irrigation					
Energy Cost	2990.00	kWh	\$0.17	\$508.30	\$50,830.00
Irrigation Labor	0.18	Hour	\$11.00	\$2.02	\$202.40
Machinery Labor					
Tractors/Self-Propelled	4.09	Hour	\$12.00	\$49.08	\$4,908.00
Diesel Fuel					
Tractors/Self-Propelled	17.92	Gallon	\$1.83	\$32.79	\$3,279.36
Gasoline					
Pickup/General Use Equipment	1	Acre	\$20.66	\$20.66	\$2,065.62
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$13.44	\$13.44	\$1,344.00
Irrigation Equipment	1	Acre	\$31.10	\$31.10	\$3,109.60
Tractors/Self-Propelled	1	Acre	\$25.26	\$25.26	\$2,526.19
Implements	1	Acre	\$16.39	\$16.39	\$1,639.23
Interest on Credit Line			6.50%	\$10.78	\$1,078.27
Total Variable Costs				\$1,099.55	\$109,954.67
Planned Returns Above Variable Costs:				\$1,900.45	\$190,045.33
Breakeven Price to Cover Variable Costs			\$91.63	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$25.74	\$25.74	\$2,574.00
Irrigation Equipment	1	Acre	\$48.53	\$48.53	\$4,853.31
Tractors/Self-Propelled	1	Acre	\$25.26	\$25.26	\$2,525.57
Implements	1	Acre	\$22.88	\$22.88	\$2,287.98
Equipment Investment					
Pickup/General Use Equipment	\$107.25	Dollars	6.50%	\$6.97	\$697.13
Irrigation Equipment	\$364.00	Dollars	6.50%	\$23.66	\$2,365.99
Tractors/Self-Propelled	\$196.32	Dollars	6.50%	\$12.76	\$1,276.11
Implements	\$165.29	Dollars	6.50%	\$10.74	\$1,074.41
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00
Total Fixed Costs				\$226.54	\$22,654.50
Total Specified Costs				\$1,326.09	\$132,609.16
Returns Above Specified Costs				\$1,673.91	\$167,390.84
Breakeven Price to Cover Total Costs			\$110.51	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	9.00	\$122.17	\$147.34
90%	10.80	\$101.81	\$122.79
100%	12.00	\$91.63	\$110.51
110%	13.20	\$83.30	\$100.46
125%	15.00	\$73.30	\$88.41

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension, 830-278-9151.

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.