

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

Crop Acres		100				Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise	
AUM Grazing Lease	5.00	AUM	\$20.25	\$101.25	\$101,250.00	\$10,125.00	
Total Revenue				\$101.25	\$101,250.00	\$10,125.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Production Costs							
Fertilizer							
Fertilizer 22-6-17	772	Pound	\$0.20	\$154.40	\$154,400.00	\$15,440.00	
Herbicide							
Prowl H2O	4	Pint	\$5.63	\$22.52	\$22,520.00	\$2,252.00	
Miscellaneous							
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00	\$400.00	
Machinery Labor							
Tractors/Self-Propelled	0.27	Hour	\$12.00	\$3.24	\$324.00	\$324.00	
Diesel Fuel							
Tractors/Self-Propelled	1.42	Gallon	\$1.83	\$2.60	\$259.86	\$259.86	
Gasoline							
Pickup/General Use Equipment	1	Acre	\$20.66	\$20.66	\$2,065.62	\$2,065.62	
Repairs & Maintenance							
Pickup/General Use Equipment	1	Acre	\$4.20	\$4.20	\$420.00	\$420.00	
Tractors/Self-Propelled	1	Acre	\$1.81	\$1.81	\$181.01	\$181.01	
Implements	1	Acre	\$0.80	\$0.80	\$79.76	\$79.76	
Interest on Credit Line			6.50%	\$3.46	\$346.08	\$346.08	
Total Variable Costs				\$217.68	\$21,768.32	\$2,176.83	
Planned Returns Above Variable Costs:				(\$116.43)	(\$11,643.32)		
Breakeven Price to Cover Variable Costs			\$43.54	AUM			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Machinery Depreciation							
Pickup/General Use Equipment	1	Acre	\$25.74	\$25.74	\$2,574.00	\$2,574.00	
Tractors/Self-Propelled	1	Acre	\$2.70	\$2.70	\$269.74	\$269.74	
Implements	1	Acre	\$0.65	\$0.65	\$65.44	\$65.44	
Equipment Investment							
Pickup/General Use Equipment	\$107.25	Dollars	6.50%	\$6.97	\$697.13	\$697.13	
Tractors/Self-Propelled	\$20.59	Dollars	6.50%	\$1.34	\$133.82	\$133.82	
Implements	\$7.38	Dollars	6.50%	\$0.48	\$47.99	\$47.99	
Dryland Winter Garden Rent	1	Acre	\$20.00	\$20.00	\$2,000.00	\$2,000.00	
Total Fixed Costs				\$57.88	\$5,788.12	\$5,788.12	
Total Specified Costs				\$275.56	\$27,556.44	\$2,755.64	
Returns Above Specified Costs				(\$174.31)	(\$17,431.44)		
Breakeven Price to Cover Total Costs			\$55.11	AUM			

Example Breakeven Prices			
Example Yield Percent	Example Yield AUM	To Cover Variable Costs	To Cover Total Costs
75%	3.75	\$58.05	\$73.48
90%	4.50	\$48.37	\$61.24
100%	5.00	\$43.54	\$55.11
110%	5.50	\$39.58	\$50.10
125%	6.25	\$34.83	\$44.09

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.