

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

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
AUM Grazing Lease	16.00	AUM	\$20.25	\$324.00	\$32,400.00
Total Revenue				\$324.00	\$32,400.00
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
Machinery Labor					
Tractors/Self-Propelled	0.5	Hour	\$12.00	\$6.00	\$600.00
Diesel Fuel					
Tractors/Self-Propelled	2.51	Gallon	\$1.83	\$4.59	\$459.33
Gasoline					
Pickup/General Use Equipment	1	Acre	\$20.66	\$20.66	\$2,065.62
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$4.94	\$4.94	\$494.21
Irrigation Equipment	1	Acre	\$31.10	\$31.10	\$3,109.60
Tractors/Self-Propelled	1	Acre	\$3.37	\$3.37	\$336.83
Implements	1	Acre	\$1.60	\$1.60	\$159.51
Interest on Credit Line			6.50%	\$2.32	\$232.29
Total Variable Costs				\$972.59	\$97,259.39
Planned Returns Above Variable Costs:				(\$648.59)	(\$64,859.39)
Breakeven Price to Cover Variable Costs			\$60.79	AUM	
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	\$4.22	\$4.22	\$421.96
Implements	1	Acre	\$1.31	\$1.31	\$130.89
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	\$32.45	Dollars	6.50%	\$2.11	\$210.90
Implements	\$14.77	Dollars	6.50%	\$0.96	\$95.98
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00
Total Fixed Costs				\$163.50	\$16,350.15
Total Specified Costs				\$1,136.10	\$113,609.54
Returns Above Specified Costs				(\$812.10)	(\$81,209.54)
Breakeven Price to Cover Total Costs			\$71.01	AUM	

Example Breakeven Prices			
Example Yield Percent	Example Yield AUM	To Cover Variable Costs	To Cover Total Costs
75%	12.00	\$81.05	\$94.67
90%	14.40	\$67.54	\$78.90
100%	16.00	\$60.79	\$71.01
110%	17.60	\$55.26	\$64.55
125%	20.00	\$48.63	\$56.80

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.