

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2018 Estimated Costs and Returns per Acre**  
**Dryland Bermudagrass Establishment**  
**West Central Extension District - 7**

Crop Acres		100				
		Quantity	Units	\$/Unit	Total	Enterprise Total
<b>REVENUE</b>						
Grazing		50.00	Pound	\$0.40	\$20.00	\$2,000.00
Total Revenue					\$20.00	\$2,000.00
<b>VARIABLE COSTS</b>						
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	\$0.35	\$43.75	\$4,375.00
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		0.51	Hour	\$12.00	\$6.12	\$612.00
Other Labor		0.07	Hour	\$12.00	\$0.84	\$84.00
Diesel Fuel						
Tractors/Self-Propelled		3.8	Gallon	\$2.15	\$8.17	\$817.00
Gasoline						
Pickup/General Use Equipment		1	Acre	\$4.04	\$4.04	\$404.40
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$1.83	\$1.83	\$182.50
Tractors/Self-Propelled		1	Acre	\$8.09	\$8.09	\$808.66
Implements		1	Acre	\$6.60	\$6.60	\$660.20
Interest on Credit Line				6.00%	\$6.77	\$677.49
Total Variable Costs					\$285.97	\$28,597.26
Planned Returns Above Variable Costs:					(\$265.97)	(\$26,597.26)
Breakeven Price to Cover Variable Costs				\$5.72	Pound	
<b>FIXED COSTS</b>						
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$3.87	\$3.87	\$387.00
Tractors/Self-Propelled		1	Acre	\$8.83	\$8.83	\$883.49
Implements		1	Acre	\$9.29	\$9.29	\$928.93
Equipment Investment						
Pickup/General Use Equipment		\$21.45	Dollars	6.00%	\$1.29	\$128.70
Tractors/Self-Propelled		\$68.44	Dollars	6.00%	\$4.11	\$410.62
Implements		\$41.62	Dollars	6.00%	\$2.50	\$249.71
Rent-Dryland Crop		1	Acre	\$35.00	\$35.00	\$3,500.00
Total Fixed Costs					\$64.88	\$6,488.46
Total Specified Costs					\$350.86	\$35,085.71
Returns Above Specified Costs					(\$330.86)	(\$33,085.71)
Breakeven Price to Cover Total Costs				\$7.02	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	37.50	\$7.63	\$9.36
90%	45.00	\$6.35	\$7.80
100%	50.00	\$5.72	\$7.02
110%	55.00	\$5.20	\$6.38
125%	62.50	\$4.58	\$5.61

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.**