

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

Crop Acres	100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total
Hay, 1200# BRB	3.33	Ton	\$115.00	\$382.95	\$38,295.00
Total Revenue				\$382.95	\$38,295.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Fertilizer					
Nitrogen Dry-Urea	51	Pounds	\$0.37	\$18.87	\$1,887.00
Potassium	27	Pounds	\$0.44	\$11.94	\$1,194.23
Nitrogen N32-liq	64	Pounds	\$0.35	\$22.40	\$2,240.00
Phos (11-52-0 DRY MAT)	12	Pounds	\$0.44	\$5.30	\$530.40
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
Miscellaneous					
Rainfall Insurance	1	Acre	\$23.26	\$23.26	\$2,326.00
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
Machinery Labor					
Tractors/Self-Propelled	0.15	Hour	\$12.00	\$1.80	\$180.00
Diesel Fuel					
Tractors/Self-Propelled	0.91	Gallon	\$2.15	\$1.96	\$195.65
Gasoline					
Pickup/General Use Equipment	1	Acre	\$2.40	\$2.40	\$240.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.75	\$0.75	\$75.25
Tractors/Self-Propelled	1	Acre	\$1.07	\$1.07	\$107.24
Implements	1	Acre	\$0.39	\$0.39	\$39.30
Interest on Credit Line			6.00%	\$3.11	\$310.92
Total Variable Costs				\$194.03	\$19,402.61
Planned Returns Above Variable Costs:				\$188.92	\$18,892.39
Breakeven Price to Cover Variable Costs			\$58.27	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	\$3.55	\$3.55	\$354.90
Implements	1	Acre	\$0.30	\$0.30	\$30.23
Equipment Investment					
Pickup/General Use Equipment	\$9.63	Dollars	6.00%	\$0.58	\$57.75
Tractors/Self-Propelled	\$26.48	Dollars	6.00%	\$1.59	\$158.86
Implements	\$3.17	Dollars	6.00%	\$0.19	\$19.05
Allocated Establishment Cost					
Rent-Dryland Crop	1	Acre	\$66.17	\$66.17	\$6,617.20
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$3,500.00
Total Fixed Costs				\$108.95	\$10,895.49
Total Specified Costs				\$302.98	\$30,298.11
Returns Above Specified Costs				\$79.97	\$7,996.89
Breakeven Price to Cover Total Costs			\$90.99	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.50	\$77.69	\$121.31
90%	3.00	\$64.74	\$101.09
100%	3.33	\$58.27	\$90.99
110%	3.66	\$52.97	\$82.71
125%	4.16	\$46.61	\$72.79

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.