

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2018 Estimated Costs and Returns per Acre
Irrigated Bermudagrass Hay
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	17.89	Gallon	\$2.14	\$38.28	\$3,828.46
Gasoline					
Pickup/General Use Equipment	1	Acre	\$23.62	\$23.62	\$2,362.12
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	\$25.01	\$25.01	\$2,500.98
Implements	1	Acre	\$14.90	\$14.90	\$1,489.58
Interest on Credit Line			6.50%	\$10.78	\$1,078.42
Total Variable Costs				\$1,106.26	\$110,625.55
Planned Returns Above Variable Costs:				\$1,893.74	\$189,374.45
Breakeven Price to Cover Variable Costs			\$92.19	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	\$25.02	\$25.02	\$2,501.73
Implements	1	Acre	\$20.48	\$20.48	\$2,047.78
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	\$194.45	Dollars	6.50%	\$12.64	\$1,263.93
Implements	\$149.84	Dollars	6.50%	\$9.74	\$973.96
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00
Total Fixed Costs				\$222.78	\$22,277.83
Total Specified Costs				\$1,329.03	\$132,903.38
Returns Above Specified Costs				\$1,670.97	\$167,096.62
Breakeven Price to Cover Total Costs			\$110.75	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	9.00	\$122.92	\$147.67
90%	10.80	\$102.43	\$123.06
100%	12.00	\$92.19	\$110.75
110%	13.20	\$83.81	\$100.68
125%	15.00	\$73.75	\$88.60

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.