

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Hay Production, Furrow Irrigated, Rio Grande Valley
South Extension District - 12

Crop Acres	100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total
Bermuda Hay	36.00	Bale (950 lb)	\$55.00	\$1,980.00	\$198,000.00
Total Revenue				\$1,980.00	\$198,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Hay Harvest	36	Bale	\$22.50	\$810.00	\$81,000.00
Fertilizer					
Ammonium Sulfate (21% N)	21.43	CWT	\$18.25	\$391.10	\$39,109.75
Herbicide					
Pendimethalin	3	Pint	\$6.11	\$18.34	\$1,833.64
Other Labor					
Unallocated Labor	1	Hour	\$12.00	\$12.00	\$1,200.00
Irrigation					
Water Cost	3.00	Acre/Foot	\$20.00	\$60.00	\$6,000.00
Irrigation Labor	2.10	Hour	\$12.00	\$25.20	\$2,520.00
Machinery Labor					
Tractors/Self-Propelled	1.3	Hour	\$12.00	\$15.60	\$1,560.00
Other Labor	0.43	Hour	\$12.00	\$5.16	\$516.00
Diesel Fuel					
Tractors/Self-Propelled	7.46	Gallon	\$2.10	\$15.67	\$1,566.60
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$15.03	\$15.03	\$1,503.13
Implements	1	Acre	\$9.65	\$9.65	\$965.26
Interest on Credit Line			5.00%	\$23.15	\$2,315.44
Total Variable Costs				\$1,400.90	\$140,089.82
Planned Returns Above Variable Costs:				\$579.10	\$57,910.18
Breakeven Price to Cover Variable Costs			\$38.91	Bale (950 lb)	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$16.49	\$16.49	\$1,648.51
Implements	1	Acre	\$15.05	\$15.05	\$1,504.54
Equipment Investment					
Tractors/Self-Propelled	\$127.98	Dollars	7.00%	\$8.96	\$895.87
Implements	\$63.43	Dollars	7.00%	\$4.44	\$444.03
Cash Rent, Irrigated	1	Acre	\$85.00	\$85.00	\$8,500.00
Total Fixed Costs				\$129.93	\$12,992.95
Total Specified Costs				\$1,530.83	\$153,082.77
Returns Above Specified Costs				\$449.17	\$44,917.23
Breakeven Price to Cover Total Costs			\$42.52	Bale (950 lb)	

Example Breakeven Prices			
Example Yield Percent	Example Yield Bale (950 lb)	To Cover Variable Costs	To Cover Total Costs
75%	27.00	\$51.89	\$56.70
90%	32.40	\$43.24	\$47.25
100%	36.00	\$38.91	\$42.52
110%	39.60	\$35.38	\$38.66
125%	45.00	\$31.13	\$34.02

Developed by Samuel Zapata, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension, 956-968-5581.

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.