

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Dryland Guar - Herbicide Tolerant
South Plains Extension District - 2

Crop Acres		160			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Guar	600.00	Pound	\$0.16	\$96.00	\$15,360.00
Total Revenue				\$96.00	\$15,360.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application - Dry	1	Acre	\$3.50	\$3.50	\$560.00
Harvest and Haul - Guar CWT	6	CWT	\$0.20	\$1.20	\$192.00
Harvest and Haul - Guar Dryland	1	Acre	\$25.00	\$25.00	\$4,000.00
Fertilizer					
Fertilizer (P) - Dry	20	Pound	\$0.51	\$10.19	\$1,630.77
Herbicide					
Herbicide - Guar Dryland	1	Acre	\$2.34	\$2.34	\$374.40
Miscellaneous					
Crop Insurance Guar	1	Acre	\$2.50	\$2.50	\$400.00
Seed					
Seed - Guar	8	Pound	\$1.50	\$12.00	\$1,920.00
Innoculant Guar	1	Pound	\$3.00	\$3.00	\$480.00
Machinery Labor					
Tractors/Self-Propelled	0.64	Hour	\$12.00	\$7.68	\$1,228.80
Other Labor	0.11	Hour	\$12.00	\$1.32	\$211.20
Diesel Fuel					
Tractors/Self-Propelled	2.4	Gallon	\$2.30	\$5.52	\$883.20
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.00	\$6.00	\$960.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$80.00
Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$960.00
Implements	1	Acre	\$3.00	\$3.00	\$480.00
Interest on Credit Line			6.00%	\$2.66	\$426.00
Total Variable Costs				\$92.41	\$14,786.37
Planned Returns Above Variable Costs:				\$3.59	\$573.63
Breakeven Price to Cover Variable Costs			\$0.15	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs					
Pickup/General Use Equipment	1	Acre	\$1.25	\$1.25	\$200.00
Tractors/Self-Propelled	1	Acre	\$12.00	\$12.00	\$1,920.00
Implements	1	Acre	\$10.00	\$10.00	\$1,600.00
Management Fee, Owner/Operator Labor	1	Acre	\$25.00	\$25.00	\$4,000.00
Cash Rent - Dryland	1	Acre	\$50.00	\$50.00	\$8,000.00
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$320.00
Total Fixed Costs				\$100.25	\$16,040.00
Total Specified Costs				\$192.66	\$30,826.37
Returns Above Specified Costs				(\$96.66)	(\$15,466.37)
Breakeven Price to Cover Total Costs			\$0.32	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	450.00	\$0.21	\$0.43
90%	540.00	\$0.17	\$0.36
100%	600.00	\$0.15	\$0.32
110%	660.00	\$0.14	\$0.29
125%	750.00	\$0.12	\$0.26

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-746-6101.

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.