

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2019 Estimated Costs and Returns per Acre
Dryland Bermudagrass Establishment
West Central Extension District - 7

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Grazing	50.00	Pound	\$0.45	\$22.50	\$2,250.00	
Total Revenue				\$22.50	\$2,250.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs						
Custom						
Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$25.00	
Fertilizer						
Nitrogen N32-liq	40	Pounds	\$0.42	\$16.87	\$1,687.20	
Phos (11-52-0 DRY MAT)	75	Pounds	\$0.55	\$41.25	\$4,125.00	
Herbicide						
Herbicide-Banvell/24D	1	Pint	\$2.76	\$2.76	\$276.25	
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	\$2.60	\$9.88	\$988.00	
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	\$8.08	\$8.08	\$808.02	
Implements	1	Acre	\$6.75	\$6.75	\$675.42	
Interest on Credit Line			6.00%	\$6.36	\$635.89	
Total Variable Costs				\$253.30	\$25,329.67	
Planned Returns Above Variable Costs:						
Breakeven Price to Cover Variable Costs			\$5.07	Pound	(\$230.80) (\$23,079.67)	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$3.87	\$3.87	\$387.00	
Tractors/Self-Propelled	1	Acre	\$8.89	\$8.89	\$889.26	
Implements	1	Acre	\$9.40	\$9.40	\$939.82	
Equipment Investment						
Pickup/General Use Equipment	\$21.45	Dollars	6.00%	\$1.29	\$128.70	
Tractors/Self-Propelled	\$68.86	Dollars	6.00%	\$4.13	\$413.19	
Implements	\$42.08	Dollars	6.00%	\$2.53	\$252.51	
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$3,500.00	
Total Fixed Costs				\$65.10	\$6,510.47	
Total Specified Costs				\$318.40	\$31,840.14	
Returns Above Specified Costs					(\$295.90) (\$29,590.14)	
Breakeven Price to Cover Total Costs			\$6.37	Pound		

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	37.50	\$6.75	\$8.49
90%	45.00	\$5.63	\$7.08
100%	50.00	\$5.07	\$6.37
110%	55.00	\$4.61	\$5.79
125%	62.50	\$4.05	\$5.09

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.