

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2019 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	\$5.75	\$23.00	\$2,300.00
Miscellaneous					
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00
Irrigation					
Energy Cost	3036.00	kWh	\$0.17	\$516.12	\$51,612.00
Irrigation Labor	0.37	Hour	\$11.00	\$4.05	\$404.80
Machinery Labor					
Tractors/Self-Propelled	4.09	Hour	\$12.00	\$49.08	\$4,908.00
Diesel Fuel					
Tractors/Self-Propelled	17.89	Gallon	\$2.99	\$53.49	\$5,349.11
Gasoline					
Pickup/General Use Equipment	1	Acre	\$28.56	\$28.56	\$2,856.28
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$13.44	\$13.44	\$1,344.00
Irrigation Equipment	1	Acre	\$28.62	\$28.62	\$2,861.73
Tractors/Self-Propelled	1	Acre	\$22.44	\$22.44	\$2,243.66
Implements	1	Acre	\$17.24	\$17.24	\$1,723.63
Interest on Credit Line			6.50%	\$10.58	\$1,058.00
Total Variable Costs				\$1,133.81	\$113,381.21
Planned Returns Above Variable Costs:				\$1,866.19	\$186,618.79
Breakeven Price to Cover Variable Costs			\$94.48	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	\$98.31	\$98.31	\$9,831.25
Tractors/Self-Propelled	1	Acre	\$22.49	\$22.49	\$2,249.16
Implements	1	Acre	\$23.81	\$23.81	\$2,381.27
Equipment Investment					
Pickup/General Use Equipment	\$107.25	Dollars	6.50%	\$6.97	\$697.13
Irrigation Equipment	\$788.13	Dollars	6.50%	\$51.23	\$5,122.81
Tractors/Self-Propelled	\$174.77	Dollars	6.50%	\$11.36	\$1,135.98
Implements	\$172.30	Dollars	6.50%	\$11.20	\$1,119.95
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00
Total Fixed Costs				\$301.12	\$30,111.55
Total Specified Costs				\$1,434.93	\$143,492.76
Returns Above Specified Costs				\$1,565.07	\$156,507.24
Breakeven Price to Cover Total Costs			\$119.58	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	9.00	\$125.98	\$159.44
90%	10.80	\$104.98	\$132.86
100%	12.00	\$94.48	\$119.58
110%	13.20	\$85.89	\$108.71
125%	15.00	\$75.59	\$95.66

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.