

Projections for Planning Purposes Only -- Not to be Used without Updating
2019 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	\$20.90	\$447.89	\$44,788.70
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	\$2.30	\$17.16	\$1,715.80
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$15.02	\$15.02	\$1,501.75
Implements	1	Acre	\$9.48	\$9.48	\$948.33
Interest on Credit Line			5.00%	\$25.81	\$2,580.63
Total Variable Costs				\$1,461.65	\$146,164.85
Planned Returns Above Variable Costs:				\$518.35	\$51,835.15
Breakeven Price to Cover Variable Costs			\$40.60	Bale (950 lb)	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$16.49	\$16.49	\$1,648.86
Implements	1	Acre	\$14.86	\$14.86	\$1,486.46
Equipment Investment					
Tractors/Self-Propelled	\$128.00	Dollars	7.00%	\$8.96	\$896.01
Implements	\$62.65	Dollars	7.00%	\$4.39	\$438.57
Cash Rent, Irrigated	1	Acre	\$85.00	\$85.00	\$8,500.00
Total Fixed Costs				\$129.70	\$12,969.90
Total Specified Costs				\$1,591.35	\$159,134.75
Returns Above Specified Costs				\$388.65	\$38,865.25
Breakeven Price to Cover Total Costs			\$44.20	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	\$54.14	\$58.94
90%	32.40	\$45.11	\$49.12
100%	36.00	\$40.60	\$44.20
110%	39.60	\$36.91	\$40.19
125%	45.00	\$32.48	\$35.36

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.