

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2020 Estimated Costs and Returns per Acre
Dryland Bermudagrass Establishment
West Central Extension District - 7

Crop Acres		100				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise 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 Total
Production Costs						
Fertilizer						
	Phos (11-52-0 DRY MAT)	75	Pounds	\$0.39	\$29.21	\$2,920.65
	Nitrogen N32-liq	40	Pounds	\$0.41	\$16.56	\$1,656.40
Herbicide						
	Herbicide-Banvell/24D	1	Pint	\$2.65	\$2.65	\$265.00
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
Custom						
	Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$25.00
Machinery Labor						
	Tractors/Self-Propelled	0.51	Hour	\$15.00	\$7.65	\$765.00
	Other Labor	0.07	Hour	\$15.00	\$1.05	\$105.00
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	\$8.71	\$8.71	\$870.52
	Implements	1	Acre	\$6.62	\$6.62	\$661.96
Interest on Credit Line						
				6.00%	\$6.15	\$615.13
Total Variable Costs					\$242.86	\$24,285.56
Planned Returns Above Variable Costs:					(\$220.36)	(\$22,035.56)
Breakeven Price to Cover Variable Costs				\$4.86	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$3.87	\$3.87	\$387.00
	Tractors/Self-Propelled	1	Acre	\$9.63	\$9.63	\$963.22
	Implements	1	Acre	\$9.44	\$9.44	\$943.92
Equipment Investment						
	Pickup/General Use Equipment	\$21.45	Dollars	6.00%	\$1.29	\$128.70
	Tractors/Self-Propelled	\$74.57	Dollars	6.00%	\$4.47	\$447.44
	Implements	\$42.26	Dollars	6.00%	\$2.54	\$253.56
Rent-Dryland Crop						
		1	Acre	\$35.00	\$35.00	\$3,500.00
Total Fixed Costs					\$66.24	\$6,623.85
Total Specified Costs					\$309.09	\$30,909.41
Returns Above Specified Costs					(\$286.59)	(\$28,659.41)
Breakeven Price to Cover Total Costs				\$6.18	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	37.50	\$6.48	\$8.24
90%	45.00	\$5.40	\$6.87
100%	50.00	\$4.86	\$6.18
110%	55.00	\$4.42	\$5.62
125%	62.50	\$3.89	\$4.95

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.