

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

Crop Acres		100				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Hay, 1200# BRB		3.33	Ton	\$136.00	\$452.88	\$45,288.00
Total Revenue					\$452.88	\$45,288.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Herbicide						
2-4D Amine 4		4	Pint	\$1.60	\$6.40	\$640.00
Fertilizer						
Nitrogen Dry-Urea		51	Pounds	\$0.38	\$19.40	\$1,940.04
Phos (11-52-0 DRY MAT)		12	Pounds	\$0.39	\$4.67	\$467.30
Potassium		27	Pounds	\$0.33	\$8.78	\$877.50
Nitrogen N32-liq		64	Pounds	\$0.41	\$26.50	\$2,650.24
Custom						
Soil Test-Dryland		1	Each	\$0.25	\$0.25	\$25.00
Swath, Rake and Bale		3.3	Bale	\$27.57	\$90.98	\$9,098.10
Miscellaneous						
Rainfall Insurance		1	Acre	\$23.26	\$23.26	\$2,326.00
Insecticide						
Dimilin 2L		1.5	Ounce	\$2.08	\$3.12	\$311.72
Machinery Labor						
Tractors/Self-Propelled		0.15	Hour	\$15.00	\$2.25	\$225.00
Diesel Fuel						
Tractors/Self-Propelled		0.91	Gallon	\$2.60	\$2.37	\$236.60
Gasoline						
Pickup/General Use Equipment		1	Acre	\$2.40	\$2.40	\$240.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.75	\$0.75	\$75.25
Tractors/Self-Propelled		1	Acre	\$1.21	\$1.21	\$120.65
Implements		1	Acre	\$0.39	\$0.39	\$39.30
Interest on Credit Line				6.00%	\$3.06	\$306.25
Total Variable Costs					\$195.79	\$19,578.97
Planned Returns Above Variable Costs:					\$257.09	\$25,709.03
Breakeven Price to Cover Variable Costs				\$58.80	Ton	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$1.58	\$1.58	\$157.50
Tractors/Self-Propelled		1	Acre	\$4.17	\$4.17	\$416.72
Implements		1	Acre	\$0.30	\$0.30	\$30.23
Equipment Investment						
Pickup/General Use Equipment		\$9.63	Dollars	6.00%	\$0.58	\$57.75
Tractors/Self-Propelled		\$31.07	Dollars	6.00%	\$1.86	\$186.42
Implements		\$3.17	Dollars	6.00%	\$0.19	\$19.05
Allocated Establishment Cost		1	Acre	\$67.82	\$67.82	\$6,781.60
Rent-Dryland Crop		1	Acre	\$35.00	\$35.00	\$3,500.00
Total Fixed Costs					\$111.49	\$11,149.27
Total Specified Costs					\$307.28	\$30,728.24
Returns Above Specified Costs					\$145.60	\$14,559.76
Breakeven Price to Cover Total Costs				\$92.28	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.50	\$78.39	\$123.04
90%	3.00	\$65.33	\$102.53
100%	3.33	\$58.80	\$92.28
110%	3.66	\$53.45	\$83.89
125%	4.16	\$47.04	\$73.82

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.**