

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2020 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)	\$60.00	\$2,160.00	\$216,000.00
<b>Total Revenue</b>				<b>\$2,160.00</b>	<b>\$216,000.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>					
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	\$15.87	\$15.87	\$1,586.67
Implements	1	Acre	\$9.61	\$9.61	\$961.23
Interest on Credit Line			5.00%	\$25.83	\$2,583.07
<b>Total Variable Costs</b>				<b>\$1,462.65</b>	<b>\$146,265.11</b>
Planned Returns Above Variable Costs:				\$697.35	\$69,734.89
Breakeven Price to Cover Variable Costs			\$40.63	Bale (950 lb)	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$17.50	\$17.50	\$1,749.69
Implements	1	Acre	\$15.05	\$15.05	\$1,504.73
Equipment Investment					
Tractors/Self-Propelled	\$135.79	Dollars	7.00%	\$9.51	\$950.56
Implements	\$63.47	Dollars	7.00%	\$4.44	\$444.29
Cash Rent, Irrigated	1	Acre	\$85.00	\$85.00	\$8,500.00
<b>Total Fixed Costs</b>				<b>\$131.49</b>	<b>\$13,149.27</b>
<b>Total Specified Costs</b>				<b>\$1,594.14</b>	<b>\$159,414.38</b>
Returns Above Specified Costs				\$565.86	\$56,585.62
<b>Breakeven Price to Cover Total Costs</b>			<b>\$44.28</b>	<b>Bale (950 lb)</b>	

Example Breakeven Prices			
Example Yield Percent	Example Yield Bale (950 lb)	To Cover Variable Costs	To Cover Total Costs
75%	27.00	\$54.17	\$59.04
90%	32.40	\$45.14	\$49.20
100%	36.00	\$40.63	\$44.28
110%	39.60	\$36.94	\$40.26
125%	45.00	\$32.50	\$35.43

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.**