

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 Estimated Costs and Returns per Acre
Irrigated Guar
South Plains Extension District - 2

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Guar	1,200.00	Pound	\$0.16	\$192.00	\$23,424.00
Total Revenue				\$192.00	\$23,424.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application - Dry	1	Acre	\$4.00	\$4.00	\$488.00
Harvest and Haul - Guar Acre	1	Acre	\$30.00	\$30.00	\$3,660.00
Harvest and Haul - Guar CWT	12	CWT	\$0.20	\$2.40	\$292.80
Fertilizer					
Fertilizer (P) - Dry	40	Pound	\$0.39	\$15.60	\$1,903.20
Herbicide					
Herbicide and Apply Guar	1	Acre	\$4.00	\$4.00	\$488.00
Miscellaneous					
Crop Insurance Guar	1	Acre	\$2.50	\$2.50	\$305.00
Seed					
Seed - Guar	10	Pound	\$1.50	\$15.00	\$1,830.00
Innoculant Guar	2	Pound	\$3.00	\$6.00	\$732.00
Irrigation					
Energy Cost	4.00	AcreInch	\$10.00	\$40.00	\$4,880.00
Irrigation Labor	0.75	Hour	\$12.00	\$9.00	\$1,098.00
Machinery Labor					
Tractors/Self-Propelled	1	Hour	\$12.00	\$12.00	\$1,464.00
Diesel Fuel					
Tractors/Self-Propelled	2.4	Gallon	\$1.90	\$4.56	\$556.32
Gasoline					
Pickup/General Use Equipment	1	Acre	\$4.40	\$4.40	\$536.80
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$61.00
Irrigation Equipment	1	Acre	\$22.00	\$22.00	\$2,684.00
Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$732.00
Implements	1	Acre	\$3.00	\$3.00	\$366.00
Interest on Credit Line			6.00%	\$4.08	\$497.58
Total Variable Costs				\$185.04	\$22,574.70
Planned Returns Above Variable Costs:				\$6.96	\$849.30
Breakeven Price to Cover Variable Costs			\$0.15	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs					
Pickup/General Use Equipment	1	Acre	\$1.25	\$1.25	\$152.50
Irrigation Equipment	1	Acre	\$55.00	\$55.00	\$6,710.00
Tractors/Self-Propelled	1	Acre	\$12.00	\$12.00	\$1,464.00
Implements	1	Acre	\$10.00	\$10.00	\$1,220.00
Management Fee, Owner/Operator Labor	1	Acre	\$25.00	\$25.00	\$3,050.00
Cash Rent - Irrigated	1	Acre	\$100.00	\$100.00	\$12,200.00
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$244.00
Total Fixed Costs				\$205.25	\$25,040.50
Total Specified Costs				\$390.29	\$47,615.20
Returns Above Specified Costs				(\$198.29)	(\$24,191.20)
Breakeven Price to Cover Total Costs			\$0.33	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	900.00	\$0.21	\$0.43
90%	1080.00	\$0.17	\$0.36
100%	1200.00	\$0.15	\$0.33
110%	1320.00	\$0.14	\$0.30
125%	1500.00	\$0.12	\$0.26

Developed by Agricultural Economists, Texas A&M AgrLife Extension.

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.