

Projections for Planning Purposes Only -- Not to be Used without Updating
2022 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	\$0.50	\$25.00	\$2,500.00
Total Revenue					\$25.00	\$2,500.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Herbicide						
	Herbicide-Banvell/24D	1	Pint	\$2.49	\$2.49	\$248.75
Seed						
	Sprigs and Sprigging	1	Acre	\$125.00	\$125.00	\$12,500.00
Fertilizer						
	Phos (11-52-0 DRY MAT)	75	Pounds	\$0.66	\$49.50	\$4,950.00
	Nitrogen N32-liq	40	Pounds	\$0.69	\$27.60	\$2,760.00
Custom						
	Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$25.00
Miscellaneous						
	Rainfall Insurance	1	Acre	\$23.26	\$23.26	\$2,326.00
Machinery Labor						
	Tractors/Self-Propelled	0.47	Hour	\$16.12	\$7.58	\$757.64
	Other Labor	0.12	Hour	\$16.12	\$1.93	\$193.44
Diesel Fuel						
	Tractors/Self-Propelled	3.1	Gallon	\$2.67	\$8.28	\$827.70
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$4.15	\$4.15	\$415.00
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$1.83	\$1.83	\$182.50
	Tractors/Self-Propelled	1	Acre	\$7.55	\$7.55	\$754.94
	Implements	1	Acre	\$5.34	\$5.34	\$533.76
	Interest on Credit Line			6.30%	\$6.96	\$695.76
Total Variable Costs					\$271.70	\$27,170.49
Planned Returns Above Variable Costs:					(\$246.70)	(\$24,670.49)
Breakeven Price to Cover Variable Costs				\$5.43	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	\$7.72	\$7.72	\$772.16
	Implements	1	Acre	\$8.20	\$8.20	\$819.96
Equipment Investment						
	Pickup/General Use Equipment	\$21.45	Dollars	6.30%	\$1.35	\$135.14
	Tractors/Self-Propelled	\$59.94	Dollars	6.30%	\$3.78	\$377.62
	Implements	\$35.26	Dollars	6.30%	\$2.22	\$222.14
	Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$3,500.00
Total Fixed Costs					\$62.14	\$6,214.02
Total Specified Costs					\$333.85	\$33,384.51
Returns Above Specified Costs					(\$308.85)	(\$30,884.51)
Breakeven Price to Cover Total Costs				\$6.68	Pound	

Example Breakeven Prices			
Exampk Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	37.50	\$7.25	\$8.90
90%	45.00	\$6.04	\$7.42
100%	50.00	\$5.43	\$6.68
110%	55.00	\$4.94	\$6.07
125%	62.50	\$4.35	\$5.34

Developed by Bill Thompson, Assistant 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.