

**2023 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)	\$92.62	\$3,334.32	\$333,432.00	
Total Revenue				\$3,334.32	\$333,432.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs						
Fertilizer						
Ammonium Sulfate (21% N)	21.43	CWT	\$26.46	\$567.09	\$56,709.14	
Custom						
Hay Harvest	36	Bale	\$25.00	\$900.00	\$90,000.00	
Herbicide						
Pendimethalin	3	Pint	\$7.00	\$20.99	\$2,099.25	
Other Labor						
Unallocated Labor	1	Hour	\$15.00	\$15.00	\$1,500.00	
Irrigation						
Water Cost	3.00	Acre/Foot	\$22.67	\$68.00	\$6,800.00	
Irrigation Labor	2.10	Hour	\$17.50	\$36.75	\$3,675.00	
Machinery Labor						
Tractors/Self-Propelled	1.32	Hour	\$17.21	\$22.72	\$2,271.72	
Other Labor	0.43	Hour	\$17.21	\$7.40	\$740.03	
Diesel Fuel						
Tractors/Self-Propelled	7.62	Gallon	\$2.24	\$17.07	\$1,706.88	
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$16.55	\$16.55	\$1,655.37	
Implements	1	Acre	\$9.96	\$9.96	\$996.25	
Interest on Credit Line			8.00%	\$51.75	\$5,175.47	
Total Variable Costs				\$1,733.29	\$173,329.11	
Planned Returns Above Variable Costs:				\$1,601.03	\$160,102.89	
Breakeven Price to Cover Variable Costs			\$48.15	Bale (950 lb)		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$18.15	\$18.15	\$1,814.72	
Implements	1	Acre	\$15.39	\$15.39	\$1,538.83	
Equipment Investment						
Tractors/Self-Propelled	\$140.89	Dollars	8.00%	\$11.27	\$1,127.11	
Implements	\$64.91	Dollars	8.00%	\$5.19	\$519.25	
Cash Rent, Irrigated	1	Acre	\$85.00	\$85.00	\$8,500.00	
Total Fixed Costs				\$135.00	\$13,499.91	
Total Specified Costs				\$1,868.29	\$186,829.02	
Returns Above Specified Costs				\$1,466.03	\$146,602.98	
Breakeven Price to Cover Total Costs			\$51.90	Bale (950 lb)		

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.