

**Projections for Planning Purposes Only -- Not to be Used without Updating**

**2014 Estimated Costs and Returns per Acre  
Dryland Bermudagrass Establishment - 100 Acres  
West Central Extension District - 7**

Crop Acres		100				Enterprise
		Quantity	Units	\$/Unit	Total	Total
<b>REVENUE</b>						
Grazing		50.00	Pound	\$0.65	\$32.50	\$3,250.00
Total Revenue					\$32.50	\$3,250.00
<b>VARIABLE COSTS</b>						
		Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>						
Seed						
	Sprigs and Sprigging	1	Acre	\$110.00	\$110.00	\$11,000.00
Fertilizer						
	11-37-0	200	Pounds	\$0.24	\$48.00	\$4,800.00
	32-0-0	125	Pounds	\$0.54	\$67.75	\$6,775.00
Herbicide						
	Herbicide-Banvell/24D	1	Pint	\$2.85	\$2.85	\$285.00
Miscellaneous						
	Rainfall Insurance	1	Acre	\$23.26	\$23.26	\$2,326.00
Machinery Labor						
	Tractors/Self-Propelled	0.89	Hour	\$12.00	\$10.68	\$1,068.00
Diesel Fuel						
	Tractors/Self-Propelled	4.53	Gallon	\$3.20	\$14.50	\$1,449.60
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$5.10	\$5.10	\$510.40
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$1.83	\$1.83	\$182.50
	Tractors/Self-Propelled	1	Acre	\$5.51	\$5.51	\$550.57
	Implements	1	Acre	\$15.07	\$15.07	\$1,506.56
	Interest on Credit Line			3.75%	\$4.29	\$429.02
Total Variable Costs					\$308.83	\$30,882.66
Planned Returns Above Variable Costs:					(\$276.33)	(\$27,632.66)
Breakeven Price to Cover Variable Costs					\$6.18	Pound
<b>FIXED COSTS</b>						
		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	\$22.69	\$22.69	\$2,269.15
	Implements	1	Acre	\$14.28	\$14.28	\$1,427.97
Equipment Investment						
	Pickup/General Use Equipment	\$39.00	Dollars	3.75%	\$1.46	\$146.25
	Tractors/Self-Propelled	\$271.22	Dollars	3.75%	\$10.17	\$1,017.09
	Implements	\$209.02	Dollars	3.75%	\$7.84	\$783.84
	Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$3,500.00
Total Fixed Costs					\$95.31	\$9,531.30
Total Specified Costs					\$404.14	\$40,413.95
Returns Above Specified Costs					(\$371.64)	(\$37,163.95)
Breakeven Price to Cover Total Costs					\$8.08	Pound

Example Breakeven Prices						
Example Yield Percent	Example Yield Pound	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	Share Tenant	Own/Rent	Share Tenant	Landlord
75%	37.50	\$8.24	\$8.24	\$10.78	\$10.78	\$0.00
90%	45.00	\$6.86	\$6.86	\$8.98	\$8.98	\$0.00
100%	50.00	\$6.18	\$6.18	\$8.08	\$8.08	\$0.00
110%	55.00	\$5.62	\$5.62	\$7.35	\$7.35	\$0.00
125%	62.50	\$4.94	\$4.94	\$6.47	\$6.47	\$0.00

Developed by Bill Thompson, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension Service.

**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.**