

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Dryland Bermudagrass Hay - 100 Acres
West Central Extension District - 7

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Hay, 1200# BRB	3.33	Bale	\$100.80	\$335.66	\$33,566.40	\$33,566.40
Total Revenue				\$335.66	\$33,566.40	\$33,566.40
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Fertilizer						
Nitrogen Dry	51	Pounds	\$0.53	\$27.16	\$2,716.26	\$2,716.26
Phosphate	12	Pounds	\$0.55	\$6.63	\$663.48	\$663.48
Potassium	27	Pounds	\$0.48	\$13.05	\$1,305.18	\$1,305.18
Nitrogen N32	32	Pounds	\$0.58	\$18.50	\$1,850.24	\$1,850.24
Nitrogen N32	32	Pounds	\$0.58	\$18.50	\$1,850.24	\$1,850.24
Herbicide						
2-4D Amine 4	4	Pint	\$2.09	\$8.35	\$835.00	\$835.00
Insecticide						
Dimilin 2L	1.5	Ounce	\$2.39	\$3.59	\$358.50	\$358.50
Miscellaneous						
Rainfall Insurance	1	Acre	\$23.26	\$23.26	\$2,326.00	\$2,326.00
Custom						
Swath, Rake and Bale	1	Bale	\$25.20	\$25.20	\$2,520.00	\$2,520.00
Swath, Rake and Bale	1.3	Bale	\$25.20	\$32.76	\$3,276.00	\$3,276.00
Swath, Rake and Bale	1	Bale	\$25.20	\$25.20	\$2,520.00	\$2,520.00
Machinery Labor						
Tractors/Self-Propelled	0.37	Hour	\$12.00	\$4.44	\$444.00	\$444.00
Diesel Fuel						
Tractors/Self-Propelled	0.7	Gallon	\$3.20	\$2.24	\$224.00	\$224.00
Gasoline						
Pickup/General Use Equipment	1	Acre	\$3.40	\$3.40	\$340.00	\$340.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.75	\$0.75	\$75.25	\$75.25
Tractors/Self-Propelled	1	Acre	\$1.33	\$1.33	\$132.55	\$132.55
Interest on Credit Line			3.75%	\$2.22	\$222.09	\$222.09
Total Variable Costs				\$216.59	\$21,658.79	\$21,658.79
Planned Returns Above Variable Costs:				\$119.08	\$11,907.61	\$11,907.61
Breakeven Price to Cover Variable Costs			\$65.04	Bale		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$1.58	\$1.58	\$157.50	\$157.50
Tractors/Self-Propelled	1	Acre	\$5.58	\$5.58	\$557.76	\$557.76
Equipment Investment						
Pickup/General Use Equipment	\$17.50	Dollars	3.75%	\$0.66	\$65.63	\$65.63
Tractors/Self-Propelled	\$70.12	Dollars	3.75%	\$2.63	\$262.96	\$262.96
Allocated Establishment Cost	1	Acre	\$72.20	\$72.20	\$7,219.60	\$7,219.60
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$3,500.00	\$3,500.00
Total Fixed Costs				\$117.63	\$11,763.45	\$11,763.45
Total Specified Costs				\$334.22	\$33,422.24	\$33,422.24
Returns Above Specified Costs				\$1.44	\$144.16	\$144.16
Breakeven Price to Cover Total Costs			\$100.37	Bale		

Example Breakeven Prices						
Example Yield Percent	Example Yield Bale	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	2.50	\$86.72	\$86.72	\$133.82	\$133.82	\$0.00
90%	3.00	\$72.27	\$72.27	\$111.52	\$111.52	\$0.00
100%	3.33	\$65.04	\$65.04	\$100.37	\$100.37	\$0.00
110%	3.66	\$59.13	\$59.13	\$91.24	\$91.24	\$0.00
125%	4.16	\$52.03	\$52.03	\$80.29	\$80.29	\$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.