

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2014 Estimated Costs and Returns per Acre
Dryland Coastal Bermudagrass Pasture - 100 Acres
Southwest Extension District - 10

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
AUM Grazing Lease	5.00	AUM	\$15.75	\$78.75	\$7,875.00
Total Revenue				\$78.75	\$7,875.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Fertilizer					
Fertilizer 22-6-17	500	Pound	\$0.22	\$107.61	\$10,760.62
Fertilizer 22-6-17	272	Pound	\$0.22	\$58.54	\$5,853.78
Herbicide					
Prowl H2O	4	Pint	\$4.63	\$18.52	\$1,852.00
Miscellaneous					
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00
Machinery Labor					
Tractors/Self-Propelled	0.22	Hour	\$12.00	\$2.64	\$264.00
Diesel Fuel					
Tractors/Self-Propelled	1.19	Gallon	\$2.85	\$3.39	\$339.15
Gasoline					
Pickup/General Use Equipment	1	Acre	\$20.58	\$20.58	\$2,058.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$4.20	\$4.20	\$420.00
Tractors/Self-Propelled	1	Acre	\$0.30	\$0.30	\$30.24
Implements	1	Acre	\$0.15	\$0.15	\$14.60
Interest on Credit Line			6.50%	\$8.60	\$859.96
Total Variable Costs				\$228.52	\$22,852.34
Planned Returns Above Variable Costs:				(\$149.77)	(\$14,977.34)
Breakeven Price to Cover Variable Costs			\$45.70	AUM	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$25.74	\$25.74	\$2,574.00
Tractors/Self-Propelled	1	Acre	\$1.26	\$1.26	\$125.66
Implements	1	Acre	\$0.50	\$0.50	\$49.75
Equipment Investment					
Pickup/General Use Equipment	\$171.60	Dollars	6.50%	\$11.15	\$1,115.40
Tractors/Self-Propelled	\$16.13	Dollars	6.50%	\$1.05	\$104.82
Implements	\$14.81	Dollars	6.50%	\$0.96	\$96.29
Dryland Winter Garden Rent	1	Acre	\$20.00	\$20.00	\$2,000.00
Total Fixed Costs				\$60.66	\$6,065.91
Total Specified Costs				\$289.18	\$28,918.26
Returns Above Specified Costs				(\$210.43)	(\$21,043.26)
Breakeven Price to Cover Total Costs			\$57.84	AUM	

Example Breakeven Prices						
Example Yield Percent	Example Yield AUM	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	Share Tenant	Own/Rent	Share Tenant	Landlord
75%	3.75	\$60.94	\$60.94	\$77.12	\$77.12	\$0.00
90%	4.50	\$50.78	\$50.78	\$64.26	\$64.26	\$0.00
100%	5.00	\$45.70	\$45.70	\$57.84	\$57.84	\$0.00
110%	5.50	\$41.55	\$41.55	\$52.58	\$52.58	\$0.00
125%	6.25	\$36.56	\$36.56	\$46.27	\$46.27	\$0.00

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife 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.