

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 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
Hay, 1200# BRB	3.33	Ton	\$112.00	\$372.96		\$37,296.00
Total Revenue				\$372.96		\$37,296.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Production Costs						
Custom						
Swath, Rake and Bale	3.3	Bale	\$25.20	\$83.16		\$8,316.00
Soil Test-Dryland	1	Each	\$0.25	\$0.25		\$25.00
Fertilizer						
Nitrogen Dry	51	Pounds	\$0.55	\$28.27		\$2,826.93
Phosphate	12	Pounds	\$0.42	\$5.00		\$500.04
Potassium	27	Pounds	\$0.61	\$16.36		\$1,635.66
Nitrogen N32	64	Pounds	\$0.55	\$35.00		\$3,500.16
Herbicide						
2-4D Amine 4	4	Pint	\$1.94	\$7.75		\$775.00
Insecticide						
Dimilin 2L	1.5	Ounce	\$2.02	\$3.04		\$303.51
Miscellaneous						
Rainfall Insurance	1	Acre	\$23.26	\$23.26		\$2,326.00
Gasoline						
Pickup/General Use Equipment	1	Acre	\$2.25	\$2.25		\$225.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.75	\$0.75		\$75.25
Interest on Credit Line			3.75%	\$2.18		\$218.06
Total Variable Costs				\$207.27		\$20,726.61
Planned Returns Above Variable Costs:				\$165.69		\$16,569.39
Breakeven Price to Cover Variable Costs			\$62.24	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$1.58	\$1.58		\$157.50
Equipment Investment						
Pickup/General Use Equipment	\$17.50	Dollars	3.75%	\$0.66		\$65.63
Allocated Establishment Cost	1	Acre	\$69.00	\$69.00		\$6,900.00
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00		\$3,500.00
Total Fixed Costs				\$106.23		\$10,623.13
Total Specified Costs				\$313.50		\$31,349.73
Returns Above Specified Costs				\$59.46		\$5,946.27
Breakeven Price to Cover Total Costs			\$94.14	Ton		

Example Breakeven Prices						
Example Yield Percent	Example Yield Ton	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	Share/Tenant	Own/Rent	Share/Tenant	Landlord
75%	2.50	\$82.99	\$82.99	\$125.52	\$125.52	\$0.00
90%	3.00	\$69.16	\$69.16	\$104.60	\$104.60	\$0.00
100%	3.33	\$62.24	\$62.24	\$94.14	\$94.14	\$0.00
110%	3.66	\$56.58	\$56.58	\$85.58	\$85.58	\$0.00
125%	4.16	\$49.79	\$49.79	\$75.31	\$75.31	\$0.00

Developed by Bill Thompson, Associate 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.