

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Irrigated Bermudagrass Hay - 100 Acres
Southwest Extension District - 10

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Bermuda Hay	12.00	Ton	\$250.00	\$3,000.00	\$300,000.00
Total Revenue				\$3,000.00	\$300,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Fertilizer					
Fertilizer 22-6-17	1816	Pound	\$0.20	\$363.20	\$36,320.00
Herbicide					
Prowl H2O	4	Pint	\$5.06	\$20.24	\$2,024.00
Miscellaneous					
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00
Irrigation					
Energy Cost	2990.00	kWh	\$0.17	\$508.30	\$50,830.00
Irrigation Labor	0.18	Hour	\$11.00	\$2.02	\$202.40
Machinery Labor					
Tractors/Self-Propelled	4.03	Hour	\$12.00	\$48.36	\$4,836.00
Diesel Fuel					
Tractors/Self-Propelled	17.65	Gallon	\$2.10	\$37.07	\$3,706.50
Gasoline					
Pickup/General Use Equipment	1	Acre	\$58.86	\$58.86	\$5,886.00
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$13.44	\$13.44	\$1,344.00
Irrigation Equipment	1	Acre	\$31.10	\$31.10	\$3,109.60
Tractors/Self-Propelled	1	Acre	\$4.80	\$4.80	\$479.66
Implements	1	Acre	\$8.09	\$8.09	\$808.94
Interest on Credit Line			6.50%	\$9.78	\$977.67
Total Variable Costs				\$1,109.25	\$110,924.76
Planned Returns Above Variable Costs:				\$1,890.75	\$189,075.24
Breakeven Price to Cover Variable Costs			\$92.44	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$25.74	\$25.74	\$2,574.00
Irrigation Equipment	1	Acre	\$48.53	\$48.53	\$4,853.31
Tractors/Self-Propelled	1	Acre	\$19.35	\$19.35	\$1,934.59
Implements	1	Acre	\$9.62	\$9.62	\$961.86
Equipment Investment					
Pickup/General Use Equipment	\$107.25	Dollars	6.50%	\$6.97	\$697.13
Irrigation Equipment	\$364.00	Dollars	6.50%	\$23.66	\$2,365.99
Tractors/Self-Propelled	\$178.43	Dollars	6.50%	\$11.60	\$1,159.82
Implements	\$82.98	Dollars	6.50%	\$5.39	\$539.39
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00
Total Fixed Costs				\$200.86	\$20,086.09
Total Specified Costs				\$1,310.11	\$131,010.85
Returns Above Specified Costs				\$1,689.89	\$168,989.15
Breakeven Price to Cover Total Costs			\$109.18	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	9.00	\$123.25	\$145.57
90%	10.80	\$102.71	\$121.31
100%	12.00	\$92.44	\$109.18
110%	13.20	\$84.03	\$99.25
125%	15.00	\$73.95	\$87.34

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.