

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Watermelon, Seedless, Plastic Mulch, Drip Irrigated, Well, Rio Grande Valley - 40 Acres**  
**South Extension District - 12**

Crop Acres		40				Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise	
Watermelon, seedless	450.00	CWT	\$18.00	\$8,100.00	\$324,000.00		
<b>Total Revenue</b>				<b>\$8,100.00</b>	<b>\$324,000.00</b>		
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
<b>Production Costs</b>							
<b>Herbicide</b>							
Trifluralin 4EC	2.75	Pint	\$3.47	\$9.54	\$381.70		
<b>Seed</b>							
Hybrid Watermelon Seed	0.25	Pound	\$400.00	\$100.00	\$4,000.00		
Watermelon Seedlings	2	Thousand	\$150.00	\$300.00	\$12,000.00		
<b>Fertilizer</b>							
Phosphorus (46% P2O5)	1.3	CWT	\$25.00	\$32.50	\$1,300.00		
UAN (32% N)	1	CWT	\$14.00	\$14.00	\$560.00		
<b>Custom</b>							
Bee Rental	1	Hive	\$85.00	\$85.00	\$3,400.00		
Harvest and Sell Watermelons	450	CWT	\$3.30	\$1,485.00	\$59,400.00		
<b>Miscellaneous</b>							
DripTape (2 seasons)	6550	Foot	\$0.01	\$52.40	\$2,096.00		
Plastic Mulch, 3x4K'	0.61	Roll	\$68.00	\$41.48	\$1,659.20		
Sulfuric Acid	26	Ounce	\$0.01	\$0.39	\$15.41		
<b>Insecticide</b>							
Asana XL	5.8	Ounce	\$0.59	\$3.42	\$136.88		
<b>Other Labor</b>							
Transplant Melons	8	Hour	\$12.00	\$96.00	\$3,840.00		
Pickup Plastic	8	Hour	\$12.00	\$96.00	\$3,840.00		
Unallocated Labor	0.8992	Hour	\$12.00	\$10.79	\$431.62		
<b>Fungicides</b>							
Bravo Ultrex	1	Pound	\$6.93	\$6.93	\$277.20		
Quadris	32	Ounce	\$3.11	\$99.52	\$3,980.80		
<b>Irrigation</b>							
Irrigation Labor	0.19	Hour	\$12.00	\$2.27	\$90.72		
<b>Machinery Labor</b>							
Tractors/Self-Propelled	1.81	Hour	\$12.00	\$21.72	\$868.80		
<b>Diesel Fuel</b>							
Pickup/General Use Equipment	1	Acre	\$246.96	\$246.96	\$9,878.40		
Tractors/Self-Propelled	9	Gallon	\$2.10	\$18.90	\$756.00		
<b>Repairs &amp; Maintenance</b>							
Pickup/General Use Equipment	1	Acre	\$4.73	\$4.73	\$189.00		
Tractors/Self-Propelled	1	Acre	\$16.79	\$16.79	\$671.48		
Implements	1	Acre	\$9.95	\$9.95	\$397.83		
Interest on Credit Line			5.00%	\$18.77	\$750.88		
<b>Total Variable Costs</b>				<b>\$2,773.05</b>	<b>\$110,921.91</b>		
<b>Planned Returns Above Variable Costs:</b>				<b>\$5,326.95</b>	<b>\$213,078.09</b>		
Breakeven Price to Cover Variable Costs			\$6.16	CWT			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise	
<b>Machinery Depreciation</b>							
Pickup/General Use Equipment	1	Acre	\$47.25	\$47.25	\$1,890.00		
Irrigation Equipment	1	Acre	\$9.17	\$9.17	\$366.67		
Tractors/Self-Propelled	1	Acre	\$17.35	\$17.35	\$693.86		
Implements	1	Acre	\$12.01	\$12.01	\$480.56		
<b>Equipment Investment</b>							
Pickup/General Use Equipment	\$433.13	Dollars	7.00%	\$30.32	\$1,212.75		
Irrigation Equipment	\$68.75	Dollars	7.00%	\$4.81	\$192.50		
Tractors/Self-Propelled	\$135.13	Dollars	7.00%	\$9.46	\$378.38		
Implements	\$57.35	Dollars	7.00%	\$4.01	\$160.58		
Cash Rent, Irrigated Vegetables	1	Acre	\$110.00	\$110.00	\$4,400.00		
<b>Total Fixed Costs</b>				<b>\$244.38</b>	<b>\$9,775.30</b>		
<b>Total Specified Costs</b>				<b>\$3,017.43</b>	<b>\$120,697.21</b>		
<b>Returns Above Specified Costs</b>				<b>\$5,082.57</b>	<b>\$203,302.79</b>		
<b>Breakeven Price to Cover Total Costs</b>			<b>\$6.71</b>	CWT			

Example Breakeven Prices			
Example Yield Percent	Example Yield CWT	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	337.50	\$8.22	\$8.94
90%	405.00	\$6.85	\$7.45
100%	450.00	\$6.16	\$6.71
110%	495.00	\$5.60	\$6.10
125%	562.50	\$4.93	\$5.36

Developed by Samuel Zapata, Assistant 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.**