

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Sprinkler Irrigated Peanuts - 120 Acres**  
**Rolling Plains Extension District - 3**

| Crop Acres                                  |          | 120      |                 |                 |                    |
|---|----------|----------|-----------------|-----------------|--------------------|
| REVENUE                                     | Quantity | Units    | \$/Unit         | Total           | Enterprise Total   |
| Runner Peanuts                              | 2.00     | Ton      | \$400.00        | \$800.00        | \$96,000.00        |
| <b>Total Revenue</b>                        |          |          |                 | <b>\$800.00</b> | <b>\$96,000.00</b> |
| VARIABLE COSTS                              | Quantity | Units    | \$/Unit         | Total           | Enterprise Total   |
| <b>Production Costs</b>                     |          |          |                 |                 |                    |
| Custom                                      |          |          |                 |                 |                    |
| Fungicide Application                       | 2        | Acre     | \$5.50          | \$11.00         | \$1,320.00         |
| Drying - Peanut                             | 2        | Ton      | \$20.00         | \$40.00         | \$4,800.00         |
| Fertilizer                                  |          |          |                 |                 |                    |
| Fertilizer (N)                              | 40       | Pound    | \$0.45          | \$18.00         | \$2,160.00         |
| Fertilizer (P)                              | 40       | Pound    | \$0.40          | \$16.00         | \$1,920.00         |
| Herbicide                                   |          |          |                 |                 |                    |
| Prowl                                       | 1.5      | Pint     | \$4.38          | \$6.57          | \$788.40           |
| Valor SX                                    | 2        | Ounce    | \$3.82          | \$7.64          | \$916.80           |
| Cobra                                       | 12.5     | Ounce    | \$1.17          | \$14.63         | \$1,755.00         |
| Seed  |          |          |                 |                 |                    |
| Peanut Seed                                 | 90       | Pound    | \$0.85          | \$76.50         | \$9,180.00         |
| Fungicides                                  |          |          |                 |                 |                    |
| Follicular Fungicide-Abound                 | 24.5     | Ounce    | \$1.21          | \$29.65         | \$3,557.40         |
| Fungicide - Bravo                           | 1.5      | Pint     | \$3.57          | \$5.36          | \$642.60           |
| Irrigation                                  |          |          |                 |                 |                    |
| Energy Cost                                 | 18.95    | AcreInch | \$1.20          | \$22.74         | \$2,728.88         |
| Irrigation Labor                            | 1.21     | Hour     | \$10.00         | \$12.08         | \$1,449.60         |
| Machinery Labor                             |          |          |                 |                 |                    |
| Tractors/Self-Propelled                     | 4.31     | Hour     | \$10.00         | \$43.10         | \$5,172.00         |
| Diesel Fuel                                 |          |          |                 |                 |                    |
| Tractors/Self-Propelled                     | 13.37    | Gallon   | \$1.65          | \$22.06         | \$2,647.26         |
| Gasoline                                    |          |          |                 |                 |                    |
| Pickup/General Use Equipment                | 1        | Acre     | \$6.38          | \$6.38          | \$765.00           |
| Repairs & Maintenance                       |          |          |                 |                 |                    |
| Pickup/General Use Equipment                | 1        | Acre     | \$1.71          | \$1.71          | \$205.28           |
| Irrigation Equipment                        | 1        | Acre     | \$16.67         | \$16.67         | \$2,000.44         |
| Tractors/Self-Propelled                     | 1        | Acre     | \$20.88         | \$20.88         | \$2,505.49         |
| Implements                                  | 1        | Acre     | \$21.44         | \$21.44         | \$2,572.86         |
| Interest on Credit Line                     |          |          | 5.75%           | \$8.89          | \$1,067.11         |
| <b>Total Variable Costs</b>                 |          |          |                 | <b>\$401.28</b> | <b>\$48,154.11</b> |
| Planned Returns Above Variable Costs:       |          |          |                 | \$398.72        | \$47,845.89        |
| Breakeven Price to Cover Variable Costs     |          |          | \$200.64        | Ton             |                    |
| FIXED COSTS                                 | Quantity | Units    | \$/Unit         | Total           | Enterprise Total   |
| Machinery Depreciation                      |          |          |                 |                 |                    |
| Pickup/General Use Equipment                | 1        | Acre     | \$2.37          | \$2.37          | \$284.99           |
| Irrigation Equipment                        | 1        | Acre     | \$10.00         | \$10.00         | \$1,200.00         |
| Tractors/Self-Propelled                     | 1        | Acre     | \$21.58         | \$21.58         | \$2,589.00         |
| Implements                                  | 1        | Acre     | \$27.92         | \$27.92         | \$3,349.85         |
| Equipment Investment                        |          |          |                 |                 |                    |
| Pickup/General Use Equipment                | \$16.64  | Dollars  | 5.50%           | \$0.91          | \$109.80           |
| Irrigation Equipment                        | \$291.67 | Dollars  | 5.50%           | \$16.04         | \$1,925.00         |
| Tractors/Self-Propelled                     | \$168.08 | Dollars  | 5.50%           | \$9.24          | \$1,109.30         |
| Implements                                  | \$359.87 | Dollars  | 5.50%           | \$19.79         | \$2,375.12         |
| Cash Rent - Peanuts                         | 1        | Acre     | \$75.00         | \$75.00         | \$9,000.00         |
| <b>Total Fixed Costs</b>                    |          |          |                 | <b>\$182.86</b> | <b>\$21,943.06</b> |
| <b>Total Specified Costs</b>                |          |          |                 | <b>\$584.14</b> | <b>\$70,097.17</b> |
| Returns Above Specified Costs               |          |          |                 | \$215.86        | \$25,902.83        |
| <b>Breakeven Price to Cover Total Costs</b> |          |          | <b>\$292.07</b> | <b>Ton</b>      |                    |

| Example Breakeven Prices |                   |   |  |
|--------------------------|-------------------|---|--|
| Example Yield Percent    | Example Yield Ton | Price Needed to Cover Your Variable Costs | Price Needed to Cover Your Total Costs |
| 75%                      | 1.50              | \$267.52                                  | \$389.43                               |
| 90%                      | 1.80              | \$222.94                                  | \$324.52                               |
| 100%                     | 2.00              | \$200.64                                  | \$292.07                               |
| 110%                     | 2.20              | \$182.40                                  | \$265.52                               |
| 125%                     | 2.50              | \$160.51                                  | \$233.66                               |

Developed by Stan Bevers, 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.**