

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Red Chile Peppers, Dell City, Center Pivot Irrigated - 122 Acres
Far West Extension District - 6

Crop Acres		122		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Red Chiles	4,000.00	Pound	\$0.98	\$3,920.00	\$478,240.00
Total Revenue				\$3,920.00	\$478,240.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Fertilizer					
Urea, Solid (46% N)	1.97	CWT	\$19.75	\$38.91	\$4,746.72
Fertilizer 18-46-0	228	Pound	\$0.27	\$61.56	\$7,510.32
Fertilizer 0-0-22 Kmag	567	Pound	\$0.22	\$124.74	\$15,218.28
Herbicide					
Trifluralin	3	Pint	\$3.13	\$9.38	\$1,143.75
Seed					
Red Chile Seed Treated	10	Pound	\$30.00	\$300.00	\$36,600.00
Fungicides					
Quadris	15	Ounce	\$2.46	\$36.90	\$4,501.80
Other Chemicals					
Ethephon 6	16	Ounce	\$0.16	\$2.50	\$305.00
Sodium Chlorate 5L	1	Gallon	\$6.00	\$6.00	\$732.00
Irrigation					
Energy Cost	4.68	Mcf	\$4.00	\$18.72	\$2,283.84
Irrigation Labor	0.02	Hour	\$11.00	\$0.19	\$23.22
Machinery Labor					
Tractors/Self-Propelled	4.62	Hour	\$12.00	\$55.44	\$6,763.68
Diesel Fuel					
Tractors/Self-Propelled	16.81	Gallon	\$2.10	\$35.30	\$4,306.72
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.43	\$6.43	\$784.80
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$1.61	\$1.61	\$196.20
Irrigation Equipment	1	Acre	\$7.97	\$7.97	\$972.40
Tractors/Self-Propelled	1	Acre	\$43.87	\$43.87	\$5,351.65
Implements	1	Acre	\$15.75	\$15.75	\$1,921.26
Interest on Credit Line			6.50%	\$25.79	\$3,146.98
Total Variable Costs				\$791.05	\$96,508.62
Planned Returns Above Variable Costs:				\$3,128.95	\$381,731.38
Breakeven Price to Cover Variable Costs			\$0.20	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03	\$735.75
Irrigation Equipment	1	Acre	\$45.37	\$45.37	\$5,535.60
Tractors/Self-Propelled	1	Acre	\$69.05	\$69.05	\$8,424.50
Implements	1	Acre	\$21.65	\$21.65	\$2,641.22
Equipment Investment					
Pickup/General Use Equipment	\$25.13	Dollars	6.50%	\$1.63	\$199.27
Irrigation Equipment	\$340.30	Dollars	6.50%	\$22.12	\$2,698.61
Tractors/Self-Propelled	\$649.69	Dollars	6.50%	\$42.23	\$5,152.06
Implements	\$100.54	Dollars	6.50%	\$6.54	\$797.29
Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00	\$4,880.00
Total Fixed Costs				\$254.63	\$31,064.28
Total Specified Costs				\$1,045.68	\$127,572.90
Returns Above Specified Costs				\$2,874.32	\$350,667.10
Breakeven Price to Cover Total Costs			\$0.26	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	3000.00	\$0.26	\$0.35
90%	3600.00	\$0.22	\$0.29
100%	4000.00	\$0.20	\$0.26
110%	4400.00	\$0.18	\$0.24
125%	5000.00	\$0.16	\$0.21

Developed by Bill Thompson, Assistant 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.