

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Coastal Bermudagrass Hay - 100 Acres
Central Texas Extension District - 8

Crop Acres	100					Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Bermuda Hay	6.00	Roll	\$55.00	\$330.00	\$33,000.00	
Total Revenue				\$330.00	\$33,000.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs					Total	
Custom						
Land Renovation	1	Acre	\$5.00	\$5.00	\$500.00	
Custom Spray	3	Acre	\$5.00	\$15.00	\$1,500.00	
Cut and Bale	3	Acre	\$40.00	\$120.00	\$12,000.00	
Fertilizer						
34-0-0	300	Pound	\$0.18	\$54.00	\$5,400.00	
24-6-12	300	Pound	\$0.18	\$54.00	\$5,400.00	
Insecticide						
Hay Pre and Post Herbicide	1	Acre	\$6.75	\$6.75	\$675.00	
Machinery Labor						
Tractors/Self-Propelled	1.43	Hour	\$10.00	\$14.30	\$1,430.00	
Diesel Fuel						
Tractors/Self-Propelled	4.64	Gallon	\$2.65	\$12.30	\$1,229.60	
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$5.97	\$5.97	\$597.33	
Implements	1	Acre	\$0.58	\$0.58	\$58.24	
Interest on Credit Line			4.75%	\$2.93	\$292.75	
Total Variable Costs				\$290.83	\$29,082.93	
Planned Returns Above Variable Costs:				\$39.17	\$3,917.07	
Breakeven Price to Cover Variable Costs			\$48.47	Roll		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$4.94	\$4.94	\$493.80	
Implements	1	Acre	\$0.73	\$0.73	\$72.84	
Equipment Investment						
Tractors/Self-Propelled	\$38.47	Dollars	6.00%	\$2.31	\$230.81	
Implements	\$5.78	Dollars	6.00%	\$0.35	\$34.67	
Total Fixed Costs				\$8.32	\$832.12	
Total Specified Costs				\$299.15	\$29,915.05	
Returns Above Specified Costs				\$30.85	\$3,084.95	
Breakeven Price to Cover Total Costs			\$49.86	Roll		

Example Breakeven Prices			
Example Yield Percent	Example Yield Roll	To Cover Variable Costs	To Cover Total Costs
75%	4.50	\$64.63	\$66.48
90%	5.40	\$53.86	\$55.40
100%	6.00	\$48.47	\$49.86
110%	6.60	\$44.07	\$45.33
125%	7.50	\$38.78	\$39.89

Developed by Jason Johnson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension, 254-968-4144.

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.