

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Coastal Bermudagrass Hay, Small Square Bales (60 lbs.)
East Texas Extension District - 5

Crop Acres		25		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Bermuda Hay, 60 lbs. Square Bales(in field)	100.00	Bale	\$6.00	\$600.00	\$15,000.00
Total Revenue				\$600.00	\$15,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Fertilizer					
Nitrogen	240	Pound	\$0.43	\$102.00	\$2,550.00
Phosphate	48	Pound	\$0.50	\$24.00	\$600.00
Potash	192	Pound	\$0.25	\$48.00	\$1,200.00
Lime	0.333333	Ton	\$60.00	\$20.00	\$500.00
Herbicide					
Glyphosphate	32	Ounce	\$0.11	\$3.50	\$87.50
Pasture Herbicide	4	Acre	\$8.00	\$32.00	\$800.00
Machinery Labor					
Tractors/Self-Propelled	2.01	Hour	\$15.00	\$30.15	\$753.75
Diesel Fuel					
Tractors/Self-Propelled	6.54	Gallon	\$2.00	\$13.08	\$327.00
Gasoline					
Pickup/General Use Equipment	1	Acre	\$9.50	\$9.50	\$237.50
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$6.12	\$6.12	\$153.00
Tractors/Self-Propelled	1	Acre	\$8.50	\$8.50	\$212.50
Implements	1	Acre	\$5.39	\$5.39	\$134.71
Interest on Credit Line			4.75%	\$4.67	\$116.65
Total Variable Costs				\$306.90	\$7,672.61
Planned Returns Above Variable Costs:				\$293.10	\$7,327.39
Breakeven Price to Cover Variable Costs			\$3.07	Bale	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$6.43	\$6.43	\$160.65
Tractors/Self-Propelled	1	Acre	\$7.03	\$7.03	\$175.66
Implements	1	Acre	\$6.53	\$6.53	\$163.20
Equipment Investment					
Pickup/General Use Equipment	\$44.37	Dollars	5.25%	\$2.33	\$58.24
Tractors/Self-Propelled	\$54.74	Dollars	5.25%	\$2.87	\$71.85
Implements	\$51.39	Dollars	5.25%	\$2.70	\$67.44
Bermuda Pasture Rent	1	Acre	\$20.00	\$20.00	\$500.00
Total Fixed Costs				\$47.88	\$1,197.04
Total Specified Costs				\$354.79	\$8,869.65
Returns Above Specified Costs				\$245.21	\$6,130.35
Breakeven Price to Cover Total Costs			\$3.55	Bale	

Example Breakeven Prices			
Example Yield Percent	Example Yield Bale	To Cover Variable Costs	To Cover Total Costs
75%	75.00	\$4.09	\$4.73
90%	90.00	\$3.41	\$3.94
100%	100.00	\$3.07	\$3.55
110%	110.00	\$2.79	\$3.23
125%	125.00	\$2.46	\$2.84

Developed by Gerald Cornforth, Extension Economist; Vanessa Olson, Extension Forage Specialist; and, Jason Banta, Extension Beef Cattle Specialist, Texas A&M AgriLife Extension Service. For more information, contact: Vanessa Olson or Jason Banta at 903-834-6191.

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.