

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2019 Estimated Costs and Returns per Acre
Dryland Bermudagrass Hay
West Central Extension District - 7

Crop Acres		100				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Hay, 1200# BRB		3.33	Ton	\$135.00	\$449.55	\$44,955.00
Total Revenue					\$449.55	\$44,955.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Fertilizer						
	Nitrogen Dry-Urea	51	Pounds	\$0.48	\$24.66	\$2,466.36
	Potassium	27	Pounds	\$0.33	\$8.78	\$877.50
	Nitrogen N32-liq	64	Pounds	\$0.42	\$27.00	\$2,699.52
	Phos (11-52-0 DRY MAT)	12	Pounds	\$0.55	\$6.60	\$660.00
Custom						
	Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$25.00
	Swath, Rake and Bale	3.3	Bale	\$27.57	\$90.98	\$9,098.10
Miscellaneous						
	Rainfall Insurance	1	Acre	\$23.26	\$23.26	\$2,326.00
Herbicide						
	2-4D Amine 4	4	Pint	\$1.44	\$5.75	\$575.00
Insecticide						
	Dimilin 2L	1.5	Ounce	\$2.03	\$3.04	\$304.34
Machinery Labor						
	Tractors/Self-Propelled	0.15	Hour	\$12.00	\$1.80	\$180.00
Diesel Fuel						
	Tractors/Self-Propelled	0.91	Gallon	\$2.60	\$2.37	\$236.60
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$2.40	\$2.40	\$240.00
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$0.75	\$0.75	\$75.25
	Tractors/Self-Propelled	1	Acre	\$1.09	\$1.09	\$109.18
	Implements	1	Acre	\$0.39	\$0.39	\$39.30
	Interest on Credit Line			6.00%	\$3.25	\$325.36
Total Variable Costs					\$202.38	\$20,237.51
Planned Returns Above Variable Costs:					\$247.17	\$24,717.49
Breakeven Price to Cover Variable Costs				\$60.77	Ton	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$1.58	\$1.58	\$157.50
	Tractors/Self-Propelled	1	Acre	\$3.71	\$3.71	\$371.20
	Implements	1	Acre	\$0.30	\$0.30	\$30.23
Equipment Investment						
	Pickup/General Use Equipment	\$9.63	Dollars	6.00%	\$0.58	\$57.75
	Tractors/Self-Propelled	\$27.68	Dollars	6.00%	\$1.66	\$166.10
	Implements	\$3.17	Dollars	6.00%	\$0.19	\$19.05
Allocated Establishment Cost						
	Rent-Dryland Crop	1	Acre	\$67.82	\$67.82	\$6,781.60
Total Fixed Costs					\$110.83	\$11,083.43
Total Specified Costs					\$313.21	\$31,320.94
Returns Above Specified Costs					\$136.34	\$13,634.06
Breakeven Price to Cover Total Costs				\$94.06	Ton	

Example Breakeven Prices

Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.50	\$81.03	\$125.41
90%	3.00	\$67.53	\$104.51
100%	3.33	\$60.77	\$94.06
110%	3.66	\$55.25	\$85.51
125%	4.16	\$48.62	\$75.25

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service, 325-653-4576.

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.