

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2020 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	\$8.50	\$850.00	\$21,250.00
Total Revenue				\$850.00	\$21,250.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Fertilizer					
Nitrogen	240	Pound	\$0.55	\$132.00	\$3,300.00
Phosphate	48	Pound	\$0.50	\$24.00	\$600.00
Potash	192	Pound	\$0.30	\$57.60	\$1,440.00
Lime	0.333333	Ton	\$65.00	\$21.67	\$541.67
Herbicide					
Glyphosate	32	Ounce	\$0.11	\$3.50	\$87.50
Pasture Herbicide	4	Acre	\$10.00	\$40.00	\$1,000.00
Machinery Labor					
Tractors/Self-Propelled	2.01	Hour	\$15.00	\$30.15	\$753.75
Diesel Fuel					
Tractors/Self-Propelled	6.54	Gallon	\$2.40	\$15.70	\$392.40
Gasoline					
Pickup/General Use Equipment	1	Acre	\$11.25	\$11.25	\$281.25
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$6.12	\$6.12	\$153.00
Tractors/Self-Propelled	1	Acre	\$8.16	\$8.16	\$204.04
Implements	1	Acre	\$4.68	\$4.68	\$116.89
Interest on Credit Line			4.75%	\$5.51	\$137.79
Total Variable Costs				\$360.33	\$9,008.28
Planned Returns Above Variable Costs:				\$489.67	\$12,241.72
Breakeven Price to Cover Variable Costs			\$3.60	Bale	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$6.43	\$6.43	\$160.65
Tractors/Self-Propelled	1	Acre	\$6.75	\$6.75	\$168.68
Implements	1	Acre	\$5.70	\$5.70	\$142.51
Equipment Investment					
Pickup/General Use Equipment	\$44.37	Dollars	5.25%	\$2.33	\$58.24
Tractors/Self-Propelled	\$52.56	Dollars	5.25%	\$2.76	\$68.99
Implements	\$45.20	Dollars	5.25%	\$2.37	\$59.32
Bermuda Pasture Rent	1	Acre	\$20.00	\$20.00	\$500.00
Total Fixed Costs				\$46.34	\$1,158.38
Total Specified Costs				\$406.67	\$10,166.66
Returns Above Specified Costs				\$443.33	\$11,083.34
Breakeven Price to Cover Total Costs			\$4.07	Bale	

Example Breakeven Prices			
Example Yield Percent	Example Yield Bale	To Cover Variable Costs	To Cover Total Costs
75%	75.00	\$4.80	\$5.42
90%	90.00	\$4.00	\$4.52
100%	100.00	\$3.60	\$4.07
110%	110.00	\$3.28	\$3.70
125%	125.00	\$2.88	\$3.25

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.