Virginia Cooperative Extension
Virginia Tech • Virginia State University

**Graduate Extension Scholars Program**
Understanding and Developing an Agribusiness Handout 4.1 **Publication ALCE-176-I**

# Break-Even Sales Price

The break-even sales price is the minimum price at which a firm can sell its product or service without incurring a loss on its investment. This price should be calculated over different volumes of production as well as different cost amounts. The break-even sales price formula is below.

**Total fixed cost:** Add up all of your agribusiness's fixed costs.

$$\text{Break-even sale price} = \frac{\text{(Total fixed cost)}}{\text{(Volume of production)}} + \text{Variable cost per unit}$$

**Variable cost per unit**: Your agribusiness's total variable cost to produce a unit of production.

**Volume of production:** The total amount of a good/service that your agribusiness is producing.

The break-even sales price can be used before production even begins in order to assess the viability and profitability of your agribusiness.

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Produced by Virginia Cooperative Extension, Virginia Tech, 2018



VT/1018/ALCE-176P