

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Non-Irrigated Sorghum Haygrazer, 3 ton yield - 50 Acres
West Central Extension District - 7

Crop Acres		50				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Hay, 1200# BRB		3.00	Ton	\$112.00	\$336.00	\$16,800.00
Total Revenue					\$336.00	\$16,800.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
	Forage Sorghum	15	Pound	\$1.00	\$15.00	\$750.00
Fertilizer						
	Nitrogen Dry	40	Pounds	\$0.55	\$22.17	\$1,108.60
Custom						
	Swath, Rake and Bale	5	Bale	\$25.20	\$126.00	\$6,300.00
	Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$12.50
Insecticide						
	Transform	1	Ounce	\$7.33	\$7.33	\$366.25
Herbicide						
	Husky	12	Ounce	\$0.83	\$10.01	\$500.40
Machinery Labor						
	Tractors/Self-Propelled	1.25	Hour	\$12.00	\$15.00	\$750.00
Diesel Fuel						
	Tractors/Self-Propelled	8.38	Gallon	\$2.75	\$23.05	\$1,152.25
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$4.66	\$4.66	\$233.10
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$2.19	\$2.19	\$109.50
	Tractors/Self-Propelled	1	Acre	\$17.54	\$17.54	\$876.86
	Implements	1	Acre	\$8.97	\$8.97	\$448.36
	Interest on Credit Line			3.75%	\$1.55	\$77.39
Total Variable Costs					\$253.70	\$12,685.21
Planned Returns Above Variable Costs:					\$82.30	\$4,114.79
Breakeven Price to Cover Variable Costs				\$84.57	Ton	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$4.64	\$4.64	\$232.20
	Tractors/Self-Propelled	1	Acre	\$18.84	\$18.84	\$941.91
	Implements	1	Acre	\$11.47	\$11.47	\$573.58
Equipment Investment						
	Pickup/General Use Equipment	\$46.80	Dollars	3.75%	\$1.76	\$87.75
	Tractors/Self-Propelled	\$212.83	Dollars	3.75%	\$7.98	\$399.05
	Implements	\$119.18	Dollars	3.75%	\$4.47	\$223.47
	Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$1,750.00
Total Fixed Costs					\$84.16	\$4,207.96
Total Specified Costs					\$337.86	\$16,893.16
Returns Above Specified Costs					(\$1.86)	(\$93.16)
Breakeven Price to Cover Total Costs				\$112.62	Ton	

Example Breakeven Prices						
Example Yield Percent	Example Yield Ton	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	2.25	\$112.76	\$112.76	\$150.16	\$150.16	\$0.00
90%	2.70	\$93.96	\$93.96	\$125.13	\$125.13	\$0.00
100%	3.00	\$84.57	\$84.57	\$112.62	\$112.62	\$0.00
110%	3.30	\$76.88	\$76.88	\$102.38	\$102.38	\$0.00
125%	3.75	\$67.65	\$67.65	\$90.10	\$90.10	\$0.00

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

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.