

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Sorghum Hay (2 Cuttings) - 100 Acres
Coastal Bend Extension District - 11

Crop Acres		100				Enterprise
		Quantity	Units	\$/Unit	Total	Total
REVENUE						
Sorghum Hay		8.00	Roll	\$50.00	\$400.00	\$40,000.00
Total Revenue					\$400.00	\$40,000.00
VARIABLE COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
	Sorghum Hay Seed	45	Pound	\$0.75	\$33.75	\$3,375.00
Fertilizer						
	90-20-40	2	Acre	\$90.50	\$181.00	\$18,100.00
Custom						
	Custom Spread Truck	2	Acre	\$5.50	\$11.00	\$1,100.00
Miscellaneous						
	Hay Wrap	8	Bale	\$1.43	\$11.44	\$1,144.00
	Soil Test	1	Acre	\$0.20	\$0.20	\$20.00
Machinery Labor						
	Tractors/Self-Propelled	2.13	Hour	\$19.50	\$41.54	\$4,153.50
Diesel Fuel						
	Tractors/Self-Propelled	12.16	Gallon	\$3.30	\$40.13	\$4,012.80
Repairs & Maintenance						
	Tractors/Self-Propelled	1	Acre	\$12.34	\$12.34	\$1,233.54
	Implements	1	Acre	\$10.62	\$10.62	\$1,061.88
	Interest on Credit Line			5.00%	\$6.13	\$613.42
Total Variable Costs					\$348.14	\$34,814.14
Planned Returns Above Variable Costs:					\$51.86	\$5,185.86
Breakeven Price to Cover Variable Costs				\$43.52	Roll	
FIXED COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Tractors/Self-Propelled	1	Acre	\$11.64	\$11.64	\$1,164.14
	Implements	1	Acre	\$13.06	\$13.06	\$1,306.21
Equipment Investment						
	Tractors/Self-Propelled	\$131.44	Dollars	7.00%	\$9.20	\$920.05
	Implements	\$118.38	Dollars	7.00%	\$8.29	\$828.68
	Land - Hay Meadow	1	Acre	\$25.00	\$25.00	\$2,500.00
Total Fixed Costs					\$67.19	\$6,719.08
Total Specified Costs					\$415.33	\$41,533.22
Returns Above Specified Costs					(\$15.33)	(\$1,533.22)
Breakeven Price to Cover Total Costs				\$51.92	Roll	

Example Breakeven Prices						
Example Yield Percent	Example Yield Roll	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	6.00	\$58.02	\$58.02	\$69.22	\$69.22	\$0.00
90%	7.20	\$48.35	\$48.35	\$57.69	\$57.69	\$0.00
100%	8.00	\$43.52	\$43.52	\$51.92	\$51.92	\$0.00
110%	8.80	\$39.56	\$39.56	\$47.20	\$47.20	\$0.00
125%	10.00	\$34.81	\$34.81	\$41.53	\$41.53	\$0.00

Developed by Levi Russell, Assistant 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.