

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2015 Estimated Costs and Returns per Acre**  
**Sorghum for Hay - 100 Acres**  
**North Texas Extension District - 4**

| Crop Acres                                     |  | 100      |         |         |           |                  |
|--|--|----------|---------|---------|-----------|------------------|
| <b>REVENUE</b>                                 |  | Quantity | Units   | \$/Unit | Total     | Enterprise Total |
| Sorghum Hay                                    |  | 5.00     | Roll    | \$75.00 | \$375.00  | \$37,500.00      |
| <b>Total Revenue</b>                           |  |          |         |         | \$375.00  | \$37,500.00      |
| <b>VARIABLE COSTS</b>                          |  | Quantity | Units   | \$/Unit | Total     | Enterprise Total |
| <b>Production Costs</b>                        |  |          |         |         |           |                  |
| Custom   |  |          |         |         |           |                  |
| Custom Bale                                    |  | 5        | Roll    | \$28.00 | \$140.00  | \$14,000.00      |
| Custom Haul                                    |  | 5        | Roll    | \$3.30  | \$16.50   | \$1,650.00       |
| Fertilizer                                     |  |          |         |         |           |                  |
| 18-46-0  |  | 100      | Pounds  | \$0.36  | \$36.00   | \$3,600.00       |
| 82-0-0   |  | 100      | Pounds  | \$0.44  | \$44.00   | \$4,400.00       |
| Seed   |  |          |         |         |           |                  |
| Forage Sorghum Seed                            |  | 50       | Pounds  | \$0.75  | \$37.50   | \$3,750.00       |
| Machinery Labor                                |  |          |         |         |           |                  |
| Tractors/Self-Propelled                        |  | 0.86     | Hour    | \$10.00 | \$8.60    | \$860.00         |
| Diesel Fuel                                    |  |          |         |         |           |                  |
| Tractors/Self-Propelled                        |  | 4.51     | Gallon  | \$3.50  | \$15.79   | \$1,578.50       |
| Repairs & Maintenance                          |  |          |         |         |           |                  |
| Tractors/Self-Propelled                        |  | 1        | Acre    | \$6.02  | \$6.02    | \$602.29         |
| Implements                                     |  | 1        | Acre    | \$16.35 | \$16.35   | \$1,634.70       |
| Interest on Credit Line                        |  |          |         | 4.75%   | \$4.54    | \$454.24         |
| <b>Total Variable Costs</b>                    |  |          |         |         | \$325.30  | \$32,529.74      |
| <b>Planned Returns Above Variable Costs:</b>   |  |          |         |         | \$49.70   | \$4,970.26       |
| <b>Breakeven Price to Cover Variable Costs</b> |  |          |         | \$65.06 | Roll      |                  |
| <b>FIXED COSTS</b>                             |  | Quantity | Units   | \$/Unit | Total     | Enterprise Total |
| Machinery Depreciation                         |  |          |         |         |           |                  |
| Tractors/Self-Propelled                        |  | 1        | Acre    | \$5.82  | \$5.82    | \$582.43         |
| Implements                                     |  | 1        | Acre    | \$18.92 | \$18.92   | \$1,891.87       |
| Equipment Investment                           |  |          |         |         |           |                  |
| Tractors/Self-Propelled                        |  | \$65.76  | Dollars | 6.00%   | \$3.95    | \$394.55         |
| Implements                                     |  | \$149.40 | Dollars | 6.00%   | \$8.96    | \$896.39         |
| Rent-Dryland Crop                              |  | 1        | Acre    | \$25.00 | \$25.00   | \$2,500.00       |
| <b>Total Fixed Costs</b>                       |  |          |         |         | \$62.65   | \$6,265.23       |
| <b>Total Specified Costs</b>                   |  |          |         |         | \$387.95  | \$38,794.97      |
| <b>Returns Above Specified Costs</b>           |  |          |         |         | (\$12.95) | (\$1,294.97)     |
| <b>Breakeven Price to Cover Total Costs</b>    |  |          |         | \$77.59 | 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%                      | 3.75               | \$86.75                                      | \$86.75     | \$103.45                                  | \$103.45    | \$0.00   |
| 90%                      | 4.50               | \$72.29                                      | \$72.29     | \$86.21                                   | \$86.21     | \$0.00   |
| 100%                     | 5.00               | \$65.06                                      | \$65.06     | \$77.59                                   | \$77.59     | \$0.00   |
| 110%                     | 5.50               | \$59.14                                      | \$59.14     | \$70.54                                   | \$70.54     | \$0.00   |
| 125%                     | 6.25               | \$52.05                                      | \$52.05     | \$62.07                                   | \$62.07     | \$0.00   |

Developed by Blake Bennet, 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.**