

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Sorghum Hay (2 Cuttings) - 100 Acres
Coastal Bend Extension District - 11

Crop Acres		100				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Sorghum Hay		8.00	Roll	\$40.00	\$320.00	\$32,000.00
Total Revenue					\$320.00	\$32,000.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
	Sorghum Hay Seed	45	Pound	\$0.75	\$33.75	\$3,375.00
Fertilizer						
	30-20-40	2	Acre	\$43.60	\$87.20	\$8,720.00
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	\$2.10	\$25.54	\$2,553.60
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			4.25%	\$3.41	\$340.82
Total Variable Costs					\$237.02	\$23,702.35
Planned Returns Above Variable Costs:					\$82.98	\$8,297.65
Breakeven Price to Cover Variable Costs				\$29.63	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	\$90.69	Dollars	7.00%	\$6.35	\$634.83
	Implements	\$68.91	Dollars	7.00%	\$4.82	\$482.34
	Land - Hay Meadow	1	Acre	\$25.00	\$25.00	\$2,500.00
Total Fixed Costs					\$60.88	\$6,087.52
Total Specified Costs					\$297.90	\$29,789.87
Returns Above Specified Costs					\$22.10	\$2,210.13
Breakeven Price to Cover Total Costs				\$37.24	Roll	

Example Breakeven Prices			
Example Yield Percent	Example Yield Roll	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	6.00	\$39.50	\$49.65
90%	7.20	\$32.92	\$41.37
100%	8.00	\$29.63	\$37.24
110%	8.80	\$26.93	\$33.85
125%	10.00	\$23.70	\$29.79

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.