

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Sorghum for Hay - 100 Acres
North Texas Extension District - 4

Crop Acres	100					Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Sorghum Hay	5.00	Roll	\$75.00	\$375.00		\$37,500.00
Total Revenue				\$375.00		\$37,500.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
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
Total Variable Costs				\$325.30		\$32,529.74
Planned Returns Above Variable Costs:				\$49.70		\$4,970.26
Breakeven Price to Cover Variable Costs			\$65.06	Roll		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
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	\$45.37	Dollars	6.00%	\$2.72		\$272.24
Implements	\$83.18	Dollars	6.00%	\$4.99		\$499.09
Rent-Dryland Crop	1	Acre	\$25.00	\$25.00		\$2,500.00
Total Fixed Costs				\$57.46		\$5,745.63
Total Specified Costs				\$382.75		\$38,275.37
Returns Above Specified Costs						(\$775.37)
Breakeven Price to Cover Total Costs			\$76.55	Roll		

Example Breakeven Prices			
Example	Example	Price Needed to Cover	Price Needed to Cover
Yield	Yield	Your Variable Costs	Your Total Costs
Percent	Roll		
75%	3.75	\$86.75	\$102.07
90%	4.50	\$72.29	\$85.06
100%	5.00	\$65.06	\$76.55
110%	5.50	\$59.14	\$69.59
125%	6.25	\$52.05	\$61.24

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.