

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Sorghum-Sudangrass for Hay, Dryland, 3 Ton Yield - 122 Acres
Far West Extension District - 6

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Sorghum Hay	3.00	Ton	\$160.00	\$480.00	\$58,560.00	
Total Revenue				\$480.00	\$58,560.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total	
Production Costs						
Seed						
Haygrazer Seed	15	Pound	\$0.52	\$7.80	\$951.60	
Fertilizer						
Urea, Solid (46% N)	0.89	CWT	\$19.75	\$17.58	\$2,144.46	
Machinery Labor						
Tractors/Self-Propelled	0.76	Hour	\$12.00	\$9.12	\$1,112.64	
Diesel Fuel						
Tractors/Self-Propelled	4.57	Gallon	\$2.10	\$9.60	\$1,170.83	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$3.22	\$3.22	\$392.40	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.80	\$0.80	\$98.10	
Tractors/Self-Propelled	1	Acre	\$7.38	\$7.38	\$899.91	
Implements	1	Acre	\$4.46	\$4.46	\$543.52	
Interest on Credit Line			6.50%	\$1.20	\$146.65	
Total Variable Costs				\$61.15	\$7,460.10	
Planned Returns Above Variable Costs:				\$418.85	\$51,099.90	
Breakeven Price to Cover Variable Costs			\$20.38	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total	
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$3.02	\$3.02	\$367.88	
Tractors/Self-Propelled	1	Acre	\$8.66	\$8.66	\$1,056.37	
Implements	1	Acre	\$6.12	\$6.12	\$746.27	
Equipment Investment						
Pickup/General Use Equipment	\$12.56	Dollars	6.50%	\$0.82	\$99.63	
Tractors/Self-Propelled	\$65.01	Dollars	6.50%	\$4.23	\$515.56	
Implements	\$30.86	Dollars	6.50%	\$2.01	\$244.71	
West Texas Dryland	1	Acre	\$15.00	\$15.00	\$1,830.00	
Total Fixed Costs				\$39.84	\$4,860.43	
Total Specified Costs				\$100.99	\$12,320.53	
Returns Above Specified Costs				\$379.01	\$46,239.47	
Breakeven Price to Cover Total Costs			\$33.66	Ton		

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	2.25	\$27.18	\$44.88
90%	2.70	\$22.65	\$37.40
100%	3.00	\$20.38	\$33.66
110%	3.30	\$18.53	\$30.60
125%	3.75	\$16.31	\$26.93

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension.

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.