

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Non-Irrigated Sorghum Haygrazer, 3 ton yield - 50 Acres**  
**West Central Extension District - 7**

Crop Acres		50		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Hay, 1200# BRB	3.00	Ton	\$105.00	\$315.00	\$15,750.00
<b>Total Revenue</b>				<b>\$315.00</b>	<b>\$15,750.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>					
Custom					
Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$12.50
Swath, Rake and Bale	5	Bale	\$25.20	\$126.00	\$6,300.00
Fertilizer					
Nitrogen Dry-Urea	40	Pounds	\$0.42	\$16.96	\$847.83
Herbicide					
Husky	12	Ounce	\$0.84	\$10.13	\$506.25
Insecticide					
Transform	1	Ounce	\$7.78	\$7.78	\$389.06
Seed					
Forage Sorghum	15	Pound	\$0.53	\$7.95	\$397.50
Machinery Labor					
Tractors/Self-Propelled	1.25	Hour	\$12.00	\$15.00	\$750.00
Diesel Fuel					
Tractors/Self-Propelled	8.38	Gallon	\$1.50	\$12.57	\$628.50
Gasoline					
Pickup/General Use Equipment	1	Acre	\$4.34	\$4.34	\$217.20
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$2.19	\$2.19	\$109.50
Tractors/Self-Propelled	1	Acre	\$17.54	\$17.54	\$876.86
Implements	1	Acre	\$11.46	\$11.46	\$572.84
Interest on Credit Line			6.50%	\$2.30	\$114.78
<b>Total Variable Costs</b>				<b>\$234.46</b>	<b>\$11,722.83</b>
Planned Returns Above Variable Costs:				\$80.54	\$4,027.17
Breakeven Price to Cover Variable Costs			\$78.15	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Machinery Depreciation</b>					
Pickup/General Use Equipment	1	Acre	\$4.64	\$4.64	\$232.20
Tractors/Self-Propelled	1	Acre	\$18.84	\$18.84	\$941.91
Implements	1	Acre	\$15.29	\$15.29	\$764.46
<b>Equipment Investment</b>					
Pickup/General Use Equipment	\$25.74	Dollars	6.50%	\$1.67	\$83.66
Tractors/Self-Propelled	\$146.39	Dollars	6.50%	\$9.52	\$475.77
Implements	\$67.97	Dollars	6.50%	\$4.42	\$220.89
<b>Total Fixed Costs</b>				<b>\$54.38</b>	<b>\$2,718.88</b>
<b>Total Specified Costs</b>				<b>\$288.83</b>	<b>\$14,441.71</b>
Returns Above Specified Costs				\$26.17	\$1,308.29
<b>Breakeven Price to Cover Total Costs</b>			<b>\$96.28</b>	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%	0.00	\$104.20	\$128.37
90%	0.00	\$86.84	\$106.98
100%	0.00	\$78.15	\$96.28
110%	0.00	\$71.05	\$87.53
125%	0.00	\$62.52	\$77.02

Developed by Bill Thompson, 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.**