

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2017 Estimated Costs and Returns per Acre
Sorghum Hay (2 Cuttings) - 100 Acres
Coastal Bend Extension District - 11

Crop Acres	100					Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Sorghum Hay	8.00	Roll	\$40.00	\$320.00	\$32,000.00	\$32,000.00
Total Revenue				\$320.00	\$32,000.00	\$32,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Seed						
Sorghum Hay Seed	45	Pound	\$0.75	\$33.75	\$3,375.00	\$3,375.00
Fertilizer						
30-20-40	2	Acre	\$34.50	\$69.00	\$6,900.00	\$6,900.00
Custom						
Custom Spread Truck	2	Acre	\$5.50	\$11.00	\$1,100.00	\$1,100.00
Miscellaneous						
Hay Wrap	8	Bale	\$1.43	\$11.44	\$1,144.00	\$1,144.00
Soil Test	1	Acre	\$0.20	\$0.20	\$20.00	\$20.00
Machinery Labor						
Tractors/Self-Propelled	2.13	Hour	\$19.50	\$41.54	\$4,153.50	\$4,153.50
Diesel Fuel						
Tractors/Self-Propelled	12.16	Gallon	\$2.10	\$25.54	\$2,553.60	\$2,553.60
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$12.34	\$12.34	\$1,233.54	\$1,233.54
Implements	1	Acre	\$12.95	\$12.95	\$1,295.32	\$1,295.32
Interest on Credit Line			4.25%	\$3.15	\$315.16	\$315.16
Total Variable Costs				\$220.90	\$22,090.13	\$22,090.13
Planned Returns Above Variable Costs:				\$99.10	\$9,909.87	\$9,909.87
Breakeven Price to Cover Variable Costs			\$27.61	Roll		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$11.64	\$11.64	\$1,164.14	\$1,164.14
Implements	1	Acre	\$17.03	\$17.03	\$1,702.58	\$1,702.58
Equipment Investment						
Tractors/Self-Propelled	\$90.69	Dollars	7.00%	\$6.35	\$634.83	\$634.83
Implements	\$97.89	Dollars	7.00%	\$6.85	\$685.20	\$685.20
Land - Hay Meadow	1	Acre	\$25.00	\$25.00	\$2,500.00	\$2,500.00
Total Fixed Costs				\$66.87	\$6,686.76	\$6,686.76
Total Specified Costs				\$287.77	\$28,776.89	\$28,776.89
Returns Above Specified Costs				\$32.23	\$3,223.11	\$3,223.11
Breakeven Price to Cover Total Costs			\$35.97	Roll		

Example Breakeven Prices			
Example Yield Percent	Example Yield Roll	To Cover Variable Costs	To Cover Total Costs
75%	6.00	\$36.82	\$47.96
90%	7.20	\$30.68	\$39.97
100%	8.00	\$27.61	\$35.97
110%	8.80	\$25.10	\$32.70
125%	10.00	\$22.09	\$28.78

Developed by Extension Economists, 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.