

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2018 Estimated Costs and Returns per Acre
Non-Irrigated Sorghum Haygrazer, 3 ton yield
West Central Extension District - 7

Crop Acres		50				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Hay, 1200# BRB	3.00	Ton	\$115.00	\$345.00	\$17,250.00	\$17,250.00
Total Revenue				\$345.00	\$17,250.00	\$17,250.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Fertilizer						
Nitrogen Dry-Urea	40	Pounds	\$0.37	\$14.80		\$740.00
Custom						
Soil Test-Dryland	1	Each	\$0.25	\$0.25		\$12.50
Swath, Rake and Bale	5	Bale	\$27.57	\$137.85		\$6,892.50
Seed						
Forage Sorghum	15	Pound	\$1.60	\$24.00		\$1,200.00
Herbicide						
Husky	12	Ounce	\$0.88	\$10.59		\$529.69
Insecticide						
Transform	1	Ounce	\$7.78	\$7.78		\$389.06
Machinery Labor						
Tractors/Self-Propelled	0.93	Hour	\$12.00	\$11.16		\$558.00
Diesel Fuel						
Tractors/Self-Propelled	7.54	Gallon	\$2.15	\$16.21		\$810.55
Gasoline						
Pickup/General Use Equipment	1	Acre	\$4.85	\$4.85		\$242.64
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$2.19	\$2.19		\$109.50
Tractors/Self-Propelled	1	Acre	\$17.25	\$17.25		\$862.43
Implements	1	Acre	\$11.26	\$11.26		\$562.99
Interest on Credit Line			6.00%	\$2.55		\$127.38
Total Variable Costs				\$260.74	\$13,037.24	\$13,037.24
Planned Returns Above Variable Costs:				\$84.26		\$4,212.76
Breakeven Price to Cover Variable Costs			\$86.91	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$4.64	\$4.64		\$232.20
Tractors/Self-Propelled	1	Acre	\$18.59	\$18.59		\$929.25
Implements	1	Acre	\$14.50	\$14.50		\$725.17
Equipment Investment						
Pickup/General Use Equipment	\$25.74	Dollars	6.00%	\$1.54		\$77.22
Tractors/Self-Propelled	\$144.39	Dollars	6.00%	\$8.66		\$433.18
Implements	\$64.23	Dollars	6.00%	\$3.85		\$192.69
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00		\$1,750.00
Total Fixed Costs				\$86.79	\$4,339.71	\$4,339.71
Total Specified Costs				\$347.54	\$17,376.95	\$17,376.95
Returns Above Specified Costs					(\$2.54)	(\$126.95)
Breakeven Price to Cover Total Costs			\$115.85	Ton		

Example Breakeven Prices

Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.25	\$115.89	\$154.46
90%	2.70	\$96.57	\$128.72
100%	3.00	\$86.91	\$115.85
110%	3.30	\$79.01	\$105.31
125%	3.75	\$69.53	\$92.68

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service, 325-653-4576.

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.