

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2018 Estimated Costs and Returns per Acre
Sorghum-Sudangrass for Hay, Dryland, 3 Ton Yield
Far West Extension District - 6

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise 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					
Fertilizer					
Urea, Solid (46% N)	0.89	CWT	\$19.75	\$17.58	\$2,144.46
Seed					
Haygrazer Seed	15	Pound	\$0.52	\$7.80	\$951.60
Machinery Labor					
Tractors/Self-Propelled	1.9	Hour	\$12.00	\$22.80	\$2,781.60
Diesel Fuel					
Tractors/Self-Propelled	8.53	Gallon	\$2.14	\$18.25	\$2,227.01
Gasoline					
Pickup/General Use Equipment	1	Acre	\$3.84	\$3.84	\$468.92
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.80	\$0.80	\$98.10
Tractors/Self-Propelled	1	Acre	\$14.67	\$14.67	\$1,789.96
Implements	1	Acre	\$11.39	\$11.39	\$1,389.03
Interest on Credit Line			6.50%	\$1.89	\$230.53
Total Variable Costs				\$99.03	\$12,081.20
Planned Returns Above Variable Costs:				\$380.97	\$46,478.80
Breakeven Price to Cover Variable Costs			\$33.01	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	\$16.54	\$16.54	\$2,017.75
Implements	1	Acre	\$14.76	\$14.76	\$1,800.61
Equipment Investment					
Pickup/General Use Equipment	\$12.56	Dollars	6.50%	\$0.82	\$99.63
Tractors/Self-Propelled	\$125.62	Dollars	6.50%	\$8.17	\$996.20
Implements	\$66.77	Dollars	6.50%	\$4.34	\$529.46
West Texas Dryland	1	Acre	\$15.00	\$15.00	\$1,830.00
Total Fixed Costs				\$62.64	\$7,641.52
Total Specified Costs				\$161.66	\$19,722.72
Returns Above Specified Costs				\$318.34	\$38,837.28
Breakeven Price to Cover Total Costs			\$53.89	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.25	\$44.01	\$71.85
90%	2.70	\$36.68	\$59.87
100%	3.00	\$33.01	\$53.89
110%	3.30	\$30.01	\$48.99
125%	3.75	\$26.41	\$43.11

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension, 830-278-9151.

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.