

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2020 Estimated Costs and Returns per Acre
Sorghum Hay (2 Cuttings)
Coastal Bend Extension District - 11

| Crop Acres | 100 | | | | | Enterprise |
|---|----------|---------|----------|-----------------|--------------------|------------|
| REVENUE | Quantity | Units | \$/Unit | Total | Total | |
| Sorghum Hay | 8.00 | Roll | \$65.00 | \$520.00 | \$52,000.00 | |
| Total Revenue | | | | \$520.00 | \$52,000.00 | |
| VARIABLE COSTS | Quantity | Units | \$/Unit | Total | Enterprise Total | |
| Production Costs | | | | | | |
| Seed | | | | | | |
| Sorghum Hay Seed | 15 | Pound | \$0.75 | \$11.25 | \$1,125.00 | |
| Fertilizer | | | | | | |
| 24-8-0 | 0.2705 | Ton | \$266.00 | \$71.95 | \$7,195.30 | |
| Custom | | | | | | |
| Custom Spread Truck | 2 | Acre | \$7.50 | \$15.00 | \$1,500.00 | |
| Miscellaneous | | | | | | |
| Hay Wrap | 8 | Bale | \$1.43 | \$11.44 | \$1,144.00 | |
| Soil Test | 1 | Acre | \$0.20 | \$0.20 | \$20.00 | |
| Machinery Labor | | | | | | |
| Tractors/Self-Propelled | 2.06 | Hour | \$19.50 | \$40.17 | \$4,017.00 | |
| Diesel Fuel | | | | | | |
| Tractors/Self-Propelled | 12.16 | Gallon | \$2.20 | \$26.75 | \$2,675.20 | |
| Repairs & Maintenance | | | | | | |
| Tractors/Self-Propelled | 1 | Acre | \$16.25 | \$16.25 | \$1,625.11 | |
| Implements | 1 | Acre | \$12.59 | \$12.59 | \$1,259.25 | |
| Interest on Credit Line | | | | 6.00% | \$4.87 | \$487.48 |
| Total Variable Costs | | | | \$210.48 | \$21,048.34 | |
| Planned Returns Above Variable Costs: | | | | \$309.52 | \$30,951.66 | |
| Breakeven Price to Cover Variable Costs | | | | \$26.31 | Roll | |
| FIXED COSTS | Quantity | Units | \$/Unit | Total | Enterprise Total | |
| Machinery Depreciation | | | | | | |
| Tractors/Self-Propelled | 1 | Acre | \$15.27 | \$15.27 | \$1,526.96 | |
| Implements | 1 | Acre | \$16.51 | \$16.51 | \$1,651.38 | |
| Equipment Investment | | | | | | |
| Tractors/Self-Propelled | \$118.95 | Dollars | 6.00% | \$7.14 | \$713.73 | |
| Implements | \$92.76 | Dollars | 6.00% | \$5.57 | \$556.58 | |
| Land - Hay Meadow | 1 | Acre | \$25.00 | \$25.00 | \$2,500.00 | |
| Total Fixed Costs | | | | \$69.49 | \$6,948.65 | |
| Total Specified Costs | | | | \$279.97 | \$27,996.98 | |
| Returns Above Specified Costs | | | | \$240.03 | \$24,003.02 | |
| Breakeven Price to Cover Total Costs | | | | \$35.00 | Roll | |

| Example Breakeven Prices | | | |
|--------------------------|--------------------|-------------------------|----------------------|
| Example Yield Percent | Example Yield Roll | To Cover Variable Costs | To Cover Total Costs |
| 75% | 6.00 | \$35.08 | \$46.66 |
| 90% | 7.20 | \$29.23 | \$38.88 |
| 100% | 8.00 | \$26.31 | \$35.00 |
| 110% | 8.80 | \$23.92 | \$31.81 |
| 125% | 10.00 | \$21.05 | \$28.00 |

Developed by Extension Economists, Texas A&M AgriLife Extension Service, budgets@tamu.edu.

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.