

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Sorghum Hay (2 Cuttings) - 100 Acres
Coastal Bend Extension District - 11

| Crop Acres | | 100 | | | | |
|---|-------------------------|----------|---------|---------|----------|------------------|
| REVENUE | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Sorghum Hay | | 8.00 | Roll | \$50.00 | \$400.00 | \$40,000.00 |
| Total Revenue | | | | | \$400.00 | \$40,000.00 |
| VARIABLE COSTS | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Production Costs | | | | | | |
| Seed | | | | | | |
| | Sorghum Hay Seed | 45 | Pound | \$1.00 | \$45.00 | \$4,500.00 |
| Fertilizer | | | | | | |
| | 90-20-40 | 1 | Acre | \$65.88 | \$65.88 | \$6,588.00 |
| | 90-20-40 | 1 | Acre | \$65.88 | \$65.88 | \$6,588.00 |
| Miscellaneous | | | | | | |
| | Hay Wrap | 4 | Bale | \$1.43 | \$5.72 | \$572.00 |
| | Hay Wrap | 4 | Bale | \$1.43 | \$5.72 | \$572.00 |
| | Soil Test | 1 | Acre | \$0.20 | \$0.20 | \$20.00 |
| Custom | | | | | | |
| | Custom Spread Truck | 1 | Acre | \$5.50 | \$5.50 | \$550.00 |
| | Custom Spread Truck | 1 | Acre | \$5.50 | \$5.50 | \$550.00 |
| Machinery Labor | | | | | | |
| | Tractors/Self-Propelled | 1.91 | Hour | \$13.75 | \$26.26 | \$2,626.25 |
| Diesel Fuel | | | | | | |
| | Tractors/Self-Propelled | 8.66 | Gallon | \$3.30 | \$28.58 | \$2,857.80 |
| Repairs & Maintenance | | | | | | |
| | Tractors/Self-Propelled | 1 | Acre | \$6.25 | \$6.25 | \$625.26 |
| | Implements | 1 | Acre | \$20.98 | \$20.98 | \$2,097.90 |
| | Interest on Credit Line | | | 5.00% | \$5.27 | \$526.78 |
| Total Variable Costs | | | | | \$286.74 | \$28,673.98 |
| Planned Returns Above Variable Costs: | | | | | \$113.26 | \$11,326.02 |
| Breakeven Price to Cover Variable Costs | | | | \$35.84 | Roll | |
| FIXED COSTS | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Machinery Depreciation | | | | | | |
| | Tractors/Self-Propelled | 1 | Acre | \$8.34 | \$8.34 | \$833.68 |
| | Implements | 1 | Acre | \$20.57 | \$20.57 | \$2,057.42 |
| Equipment Investment | | | | | | |
| | Tractors/Self-Propelled | \$145.89 | Dollars | 7.00% | \$10.21 | \$1,021.26 |
| | Implements | \$188.99 | Dollars | 7.00% | \$13.23 | \$1,322.95 |
| | Land - Hay Meadow | 1 | Acre | \$20.00 | \$20.00 | \$2,000.00 |
| Total Fixed Costs | | | | | \$72.35 | \$7,235.31 |
| Total Specified Costs | | | | | \$359.09 | \$35,909.29 |
| Returns Above Specified Costs | | | | | \$40.91 | \$4,090.71 |
| Breakeven Price to Cover Total Costs | | | | \$44.89 | Roll | |

| Example Breakeven Prices | | | | | | |
|--------------------------|--------------------|--|-------------|---|-------------|----------|
| Example Yield Percent | Example Yield Roll | Price Needed to Cover Example Variable Costs | | Price Needed to Cover Example Total Costs | | |
| | | Own/Rent | ShareTenant | Own/Rent | ShareTenant | Landlord |
| 75% | 6.00 | \$47.79 | \$47.79 | \$59.85 | \$59.85 | \$0.00 |
| 90% | 7.20 | \$39.82 | \$39.82 | \$49.87 | \$49.87 | \$0.00 |
| 100% | 8.00 | \$35.84 | \$35.84 | \$44.89 | \$44.89 | \$0.00 |
| 110% | 8.80 | \$32.58 | \$32.58 | \$40.81 | \$40.81 | \$0.00 |
| 125% | 10.00 | \$28.67 | \$28.67 | \$35.91 | \$35.91 | \$0.00 |

Developed by Levi Russell, Assistant 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.