

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Sorghum for Hay - 100 Acres
North Texas Extension District - 4

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Sorghum Hay	5.00	Roll	\$75.00	\$375.00	\$375.00	\$37,500.00
Total Revenue				\$375.00	\$375.00	\$37,500.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Seed						
Forage Sorghum Seed	50	Pounds	\$0.75	\$37.50	\$37.50	\$3,750.00
Fertilizer						
18-46-0	100	Pounds	\$0.36	\$36.00	\$36.00	\$3,600.00
82-0-0	100	Pounds	\$0.44	\$44.00	\$44.00	\$4,400.00
Custom						
Custom Bale	3	Roll	\$28.00	\$84.00	\$84.00	\$8,400.00
Custom Haul	3	Roll	\$3.30	\$9.90	\$9.90	\$990.00
Custom Bale	2	Roll	\$28.00	\$56.00	\$56.00	\$5,600.00
Custom Haul	2	Roll	\$3.30	\$6.60	\$6.60	\$660.00
Machinery Labor						
Tractors/Self-Propelled	0.94	Hour	\$10.00	\$9.40	\$9.40	\$940.00
Diesel Fuel						
Tractors/Self-Propelled	3.2	Gallon	\$3.50	\$11.20	\$11.20	\$1,120.00
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$9.88	\$9.88	\$9.88	\$987.50
Implements	1	Acre	\$15.02	\$15.02	\$15.02	\$1,501.74
Interest on Credit Line			4.75%	\$4.46	\$4.46	\$446.49
Total Variable Costs				\$323.96	\$323.96	\$32,395.72
Planned Returns Above Variable Costs:				\$51.04	\$51.04	\$5,104.28
Breakeven Price to Cover Variable Costs			\$64.79	Roll		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$9.00	\$9.00	\$9.00	\$900.34
Implements	1	Acre	\$16.76	\$16.76	\$16.76	\$1,675.74
Equipment Investment						
Tractors/Self-Propelled	\$105.39	Dollars	6.00%	\$6.32	\$6.32	\$632.35
Implements	\$133.63	Dollars	6.00%	\$8.02	\$8.02	\$801.79
Rent-Dryland Crop	1	Acre	\$25.00	\$25.00	\$25.00	\$2,500.00
Total Fixed Costs				\$65.10	\$65.10	\$6,510.22
Total Specified Costs				\$389.06	\$389.06	\$38,905.94
Returns Above Specified Costs						(\$14.06) (\$1,405.94)
Breakeven Price to Cover Total Costs			\$77.81	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%	3.75	\$86.39	\$86.39	\$103.75	\$103.75	\$0.00
90%	4.50	\$71.99	\$71.99	\$86.46	\$86.46	\$0.00
100%	5.00	\$64.79	\$64.79	\$77.81	\$77.81	\$0.00
110%	5.50	\$58.90	\$58.90	\$70.74	\$70.74	\$0.00
125%	6.25	\$51.83	\$51.83	\$62.25	\$62.25	\$0.00

Developed by Blake Bennet, Associate 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.