

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Sorghum-Sudangrass for Hay, Dryland, 3 Ton Yield - 122 Acres
Far West Extension District - 6

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total		Total
Sorghum Hay	3.00	Ton	\$155.00	\$465.00		\$56,730.00
Total Revenue				\$465.00		\$56,730.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Production Costs						
Seed						
Haygrazer Seed	15	Pound	\$0.64	\$9.60		\$1,171.20
Fertilizer						
Urea, Solid (46% N)	0.89	CWT	\$25.75	\$22.92		\$2,795.94
Machinery Labor						
Tractors/Self-Propelled	0.76	Hour	\$12.00	\$9.12		\$1,112.64
Diesel Fuel						
Tractors/Self-Propelled	4.57	Gallon	\$2.15	\$9.83		\$1,198.71
Gasoline						
Pickup/General Use Equipment	1	Acre	\$3.52	\$3.52		\$429.68
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.80	\$0.80		\$98.10
Tractors/Self-Propelled	1	Acre	\$7.38	\$7.38		\$899.91
Implements	1	Acre	\$4.46	\$4.46		\$543.52
Interest on Credit Line			6.50%	\$1.38		\$168.19
Total Variable Costs				\$69.00		\$8,417.88
Planned Returns Above Variable Costs:				\$396.00		\$48,312.12
Breakeven Price to Cover Variable Costs			\$23.00	Ton		
FIXED COSTS	Quantity	Units	\$/Unit	Total		Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$3.02	\$3.02		\$367.88
Tractors/Self-Propelled	1	Acre	\$8.66	\$8.66		\$1,056.37
Implements	1	Acre	\$6.12	\$6.12		\$746.27
Equipment Investment						
Pickup/General Use Equipment	\$20.10	Dollars	6.50%	\$1.31		\$159.41
Tractors/Self-Propelled	\$95.32	Dollars	6.50%	\$6.20		\$755.88
Implements	\$52.39	Dollars	6.50%	\$3.41		\$415.48
West Texas Dryland	1	Acre	\$15.00	\$15.00		\$1,830.00
Total Fixed Costs				\$43.70		\$5,331.30
Total Specified Costs				\$112.70		\$13,749.18
Returns Above Specified Costs				\$352.30		\$42,980.82
Breakeven Price to Cover Total Costs			\$37.57	Ton		

Example Breakeven Prices						
Example Yield Percent	Example Yield Ton	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	2.25	\$30.67	\$30.67	\$50.09	\$50.09	\$0.00
90%	2.70	\$25.56	\$25.56	\$41.74	\$41.74	\$0.00
100%	3.00	\$23.00	\$23.00	\$37.57	\$37.57	\$0.00
110%	3.30	\$20.91	\$20.91	\$34.15	\$34.15	\$0.00
125%	3.75	\$18.40	\$18.40	\$30.05	\$30.05	\$0.00

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

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.