

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Sorghum-Sudangrass for Hay, Center Pivot Irrigated, 5 Ton Yield - 122 Acres**  
**Far West Extension District - 6**

Crop Acres		122			
				Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Sorghum Hay	5.00	Ton	\$160.00	\$800.00	\$97,600.00
<b>Total Revenue</b>				<b>\$800.00</b>	<b>\$97,600.00</b>
				Enterprise	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
<b>Production Costs</b>					
Seed					
Haygrazer Seed	15	Pound	\$0.52	\$7.80	\$951.60
Fertilizer					
Urea, Solid (46% N)	0.89	CWT	\$19.75	\$17.58	\$2,144.46
Irrigation					
Energy Cost	3.42	Mcf	\$4.00	\$13.68	\$1,668.96
Irrigation Labor	0.02	Hour	\$11.00	\$0.22	\$26.57
Machinery Labor					
Tractors/Self-Propelled	1.14	Hour	\$12.00	\$13.68	\$1,668.96
Diesel Fuel					
Tractors/Self-Propelled	6.53	Gallon	\$2.10	\$13.71	\$1,672.99
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.43	\$6.43	\$784.80
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$1.61	\$1.61	\$196.20
Irrigation Equipment	1	Acre	\$9.05	\$9.05	\$1,104.14
Tractors/Self-Propelled	1	Acre	\$9.31	\$9.31	\$1,135.78
Implements	1	Acre	\$6.76	\$6.76	\$824.41
Interest on Credit Line			6.50%	\$1.99	\$243.31
<b>Total Variable Costs</b>				<b>\$101.82</b>	<b>\$12,422.17</b>
Planned Returns Above Variable Costs:				\$698.18	\$85,177.83
Breakeven Price to Cover Variable Costs			\$20.36	Ton	
				Enterprise	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$6.03	\$6.03	\$735.75
Irrigation Equipment	1	Acre	\$24.32	\$24.32	\$2,966.87
Tractors/Self-Propelled	1	Acre	\$11.71	\$11.71	\$1,428.69
Implements	1	Acre	\$9.20	\$9.20	\$1,122.73
Equipment Investment					
Pickup/General Use Equipment	\$25.13	Dollars	6.50%	\$1.63	\$199.27
Irrigation Equipment	\$182.39	Dollars	6.50%	\$11.86	\$1,446.35
Tractors/Self-Propelled	\$86.35	Dollars	6.50%	\$5.61	\$684.73
Implements	\$47.72	Dollars	6.50%	\$3.10	\$378.45
Trans Pecos Irrigated Land	1	Acre	\$40.00	\$40.00	\$4,880.00
<b>Total Fixed Costs</b>				<b>\$113.47</b>	<b>\$13,842.84</b>
<b>Total Specified Costs</b>				<b>\$215.29</b>	<b>\$26,265.00</b>
Returns Above Specified Costs				\$584.71	\$71,335.00
Breakeven Price to Cover Total Costs			\$43.06	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	3.75	\$27.15	\$57.41
90%	4.50	\$22.63	\$47.84
100%	5.00	\$20.36	\$43.06
110%	5.50	\$18.51	\$39.14
125%	6.25	\$16.29	\$34.45

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.**