

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Non-Irrigated Sorghum Haygrazer, 3 ton yield - 50 Acres
West Central Extension District - 7

Crop Acres		50			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Hay, 1200# BRB	3.00	Ton	\$100.00	\$300.00	\$15,000.00
Total Revenue				\$300.00	\$15,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Soil Test-Dryland	1	Each	\$0.25	\$0.25	\$12.50
Swath, Rake and Bale	5	Bale	\$27.57	\$137.85	\$6,892.50
Fertilizer					
Nitrogen Dry-Urea	40	Pounds	\$0.39	\$15.65	\$782.61
Herbicide					
Husky	12	Ounce	\$0.88	\$10.59	\$529.69
Insecticide					
Transform	1	Ounce	\$7.78	\$7.78	\$389.06
Seed					
Forage Sorghum	15	Pound	\$1.60	\$24.00	\$1,200.00
Machinery Labor					
Tractors/Self-Propelled	0.93	Hour	\$12.00	\$11.16	\$558.00
Diesel Fuel					
Tractors/Self-Propelled	7.51	Gallon	\$1.75	\$13.14	\$657.13
Gasoline					
Pickup/General Use Equipment	1	Acre	\$4.34	\$4.34	\$217.20
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$2.19	\$2.19	\$109.50
Tractors/Self-Propelled	1	Acre	\$17.06	\$17.06	\$853.08
Implements	1	Acre	\$11.26	\$11.26	\$562.76
Interest on Credit Line			5.25%	\$2.08	\$103.94
Total Variable Costs				\$257.36	\$12,867.96
Planned Returns Above Variable Costs:				\$42.64	\$2,132.04
Breakeven Price to Cover Variable Costs			\$85.79	Ton	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$4.64	\$4.64	\$232.20
Tractors/Self-Propelled	1	Acre	\$18.48	\$18.48	\$924.01
Implements	1	Acre	\$14.47	\$14.47	\$723.52
Equipment Investment					
Pickup/General Use Equipment	\$25.74	Dollars	5.25%	\$1.35	\$67.57
Tractors/Self-Propelled	\$143.53	Dollars	5.25%	\$7.54	\$376.77
Implements	\$64.04	Dollars	5.25%	\$3.36	\$168.11
Rent-Dryland Crop	1	Acre	\$35.00	\$35.00	\$1,750.00
Total Fixed Costs				\$84.84	\$4,242.18
Total Specified Costs				\$342.20	\$17,110.14
Returns Above Specified Costs				(\$42.20)	(\$2,110.14)
Breakeven Price to Cover Total Costs			\$114.07	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	To Cover Variable Costs	To Cover Total Costs
75%	2.25	\$114.38	\$152.09
90%	2.70	\$95.32	\$126.74
100%	3.00	\$85.79	\$114.07
110%	3.30	\$77.99	\$103.70
125%	3.75	\$68.63	\$91.25

Developed by Bill Thompson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension Service, 325-653-4576.

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.