## 2014 Estimated Costs and Returns per Acre
### Grain Sorghum, Dryland - 160 Acres
#### South Plains Extension District - 2

### REVENUE

<table>
<thead>
<tr>
<th>Crop Acres</th>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
<th>Enterprise Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain Sorghum</td>
<td>18.00</td>
<td>CWT</td>
<td>$7.50</td>
<td>$135.00</td>
<td>$21,600.00</td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
<td></td>
<td></td>
<td>$135.00</td>
<td>$21,600.00</td>
</tr>
</tbody>
</table>

### VARIABLE COSTS

<table>
<thead>
<tr>
<th>Production Costs</th>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
<th>Enterprise Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seed</td>
<td>2.25</td>
<td>Pound</td>
<td>$2.40</td>
<td>$5.40</td>
<td>$864.00</td>
</tr>
<tr>
<td>Fertilizer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fertilizer (N)</td>
<td>35</td>
<td>Pound</td>
<td>$0.55</td>
<td>$19.25</td>
<td>$3,080.00</td>
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<tr>
<td>Herbicide</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Herbicide and Apply Sorghum</td>
<td>1</td>
<td>Acre</td>
<td>$10.50</td>
<td>$10.50</td>
<td>$1,680.00</td>
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<tr>
<td>Insecticide</td>
<td></td>
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<td></td>
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<tr>
<td>Insecticide and Apply Sorghum Dryland</td>
<td>1</td>
<td>Application</td>
<td>$5.00</td>
<td>$5.00</td>
<td>$800.00</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crop Insurance Sorghum - Dryland</td>
<td>1</td>
<td>Acre</td>
<td>$10.00</td>
<td>$10.00</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>Custom</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fertilizer Application</td>
<td>1</td>
<td>Acre</td>
<td>$10.00</td>
<td>$10.00</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>Custom Harvest - Sorghum Dryland</td>
<td>1</td>
<td>Acre</td>
<td>$14.00</td>
<td>$14.00</td>
<td>$2,240.00</td>
</tr>
<tr>
<td>Custom Haul - Sorghum Dryland</td>
<td>18</td>
<td>CWT</td>
<td>$0.40</td>
<td>$7.20</td>
<td>$1,152.00</td>
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<tr>
<td>Machinery Labor</td>
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<tr>
<td>Tractors/Self-Propelled</td>
<td>1</td>
<td>Hour</td>
<td>$11.75</td>
<td>$11.75</td>
<td>$1,880.00</td>
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<tr>
<td>Diesel Fuel</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Tractors/Self-Propelled</td>
<td>2</td>
<td>Gallon</td>
<td>$3.20</td>
<td>$6.40</td>
<td>$1,024.00</td>
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<tr>
<td>Repairs &amp; Maintenance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pickup/General Use Equipment</td>
<td>1</td>
<td>Acre</td>
<td>$1.75</td>
<td>$1.75</td>
<td>$280.00</td>
</tr>
<tr>
<td>Tractors/Self-Propelled</td>
<td>1</td>
<td>Acre</td>
<td>$6.00</td>
<td>$6.00</td>
<td>$960.00</td>
</tr>
<tr>
<td>Implements</td>
<td>1</td>
<td>Acre</td>
<td>$3.00</td>
<td>$3.00</td>
<td>$480.00</td>
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<tr>
<td>Interest on Credit Line</td>
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<td></td>
<td>6.00%</td>
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<td>$2.31</td>
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<tr>
<td>Total Variable Costs</td>
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<td></td>
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<td>$112.56</td>
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<tr>
<td>Planned Returns Above Variable Costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$22.44</td>
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<tr>
<td>Breakeven Price to Cover Variable Costs</td>
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<td></td>
<td></td>
<td></td>
<td>$6.25</td>
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</tbody>
</table>

### FIXED COSTS

<table>
<thead>
<tr>
<th>Equipment Investment</th>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
<th>Enterprise Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pickup/General Use Equipment</td>
<td>$35.69</td>
<td>Dollars</td>
<td>7.00%</td>
<td>$2.50</td>
<td>$399.70</td>
</tr>
<tr>
<td>Tractors/Self-Propelled</td>
<td>$171.43</td>
<td>Dollars</td>
<td>7.00%</td>
<td>$12.00</td>
<td>$1,920.00</td>
</tr>
<tr>
<td>Implements</td>
<td>$142.86</td>
<td>Dollars</td>
<td>7.00%</td>
<td>$10.00</td>
<td>$1,600.00</td>
</tr>
<tr>
<td>Cash Rent - Sorghum</td>
<td>1</td>
<td>Acre</td>
<td>$30.00</td>
<td>$30.00</td>
<td>$4,800.00</td>
</tr>
<tr>
<td>Total Fixed Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$54.50</td>
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<tr>
<td>Total Specified Costs</td>
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<td></td>
<td></td>
<td></td>
<td>$167.06</td>
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<tr>
<td>Returns Above Specified Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>($32.06)</td>
</tr>
<tr>
<td>Breakeven Price to Cover Total Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$9.28</td>
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</tbody>
</table>

### Example Breakeven Prices

<table>
<thead>
<tr>
<th>Example Yield Percent</th>
<th>Example Yield CWT</th>
<th>Price Needed to Cover Example Variable Costs</th>
<th>Price Needed to Cover Example Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>13.50</td>
<td>$8.34 ($8.34)</td>
<td>$12.37 ($12.37)</td>
</tr>
<tr>
<td>90%</td>
<td>16.20</td>
<td>$6.95 ($6.95)</td>
<td>$10.31 ($10.31)</td>
</tr>
<tr>
<td>100%</td>
<td>18.00</td>
<td>$6.25 ($6.25)</td>
<td>$9.28 ($9.28)</td>
</tr>
<tr>
<td>110%</td>
<td>19.80</td>
<td>$5.68 ($5.68)</td>
<td>$8.44 ($8.44)</td>
</tr>
<tr>
<td>125%</td>
<td>22.50</td>
<td>$5.00 ($5.00)</td>
<td>$7.42 ($7.42)</td>
</tr>
</tbody>
</table>

Developed by Jackie Smith, 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.