

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Rotation, Sorghum-Fallow-Wheat, Minimum Till, Sorghum - 160 Acres
Panhandle Extension District - 1

Crop Acres		160			
				Total	Enterprise Total
REVENUE					
Grain Sorghum	Quantity	Units	\$/Unit	\$195.00	\$31,200.00
	25.00	CWT	\$7.80		
Total Revenue				\$195.00	\$31,200.00
VARIABLE COSTS					
				Total	Enterprise Total
Production Costs					
Seed					
Seed - Sorghum	2.25	Pound	\$1.88	\$4.24	\$678.56
Fertilizer					
Fertilizer (N) - ANH3	40	Pound	\$0.38	\$15.20	\$2,432.00
Herbicide					
Herbicide and Apply Sorghum	1	Acre	\$19.23	\$19.23	\$3,076.52
Insecticide					
Insecticide and Apply Sorghum	0.33	Application	\$10.09	\$3.33	\$532.95
Miscellaneous					
Crop Insurance Sorghum - Dryland	1	Acre	\$26.40	\$26.40	\$4,224.00
Custom					
Fertilizer Application - ANH3	1	Acre	\$11.75	\$11.75	\$1,880.00
Custom Harvest - Sorghum Dryland	1	Acre	\$21.25	\$21.25	\$3,400.00
Custom Haul - Sorghum Dryland	25	CWT	\$0.23	\$5.75	\$920.00
Machinery Labor					
Tractors/Self-Propelled	0.9	Hour	\$11.75	\$10.58	\$1,692.00
Diesel Fuel					
Tractors/Self-Propelled	2.43	Gallon	\$3.28	\$7.97	\$1,275.26
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.60	\$6.60	\$1,056.25
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$2.49	\$2.49	\$397.80
Tractors/Self-Propelled	1	Acre	\$7.36	\$7.36	\$1,177.01
Implements	1	Acre	\$17.20	\$17.20	\$2,752.11
Interest on Credit Line			4.75%	\$2.78	\$444.26
Total Variable Costs				\$162.12	\$25,938.73
Planned Returns Above Variable Costs:				\$32.88	\$5,261.27
Breakeven Price to Cover Variable Costs				\$6.48	CWT
FIXED COSTS					
				Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$2.61	\$2.61	\$417.69
Tractors/Self-Propelled	1	Acre	\$7.13	\$7.13	\$1,140.95
Implements	1	Acre	\$20.90	\$20.90	\$3,344.54
Equipment Investment					
Pickup/General Use Equipment	\$31.08	Dollars	5.25%	\$1.63	\$261.06
Tractors/Self-Propelled	\$80.51	Dollars	5.25%	\$4.23	\$676.29
Implements	\$162.58	Dollars	5.25%	\$8.54	\$1,365.69
Cash Rent - Sorghum	1	Acre	\$30.00	\$30.00	\$4,800.00
Total Fixed Costs				\$75.04	\$12,006.22
Total Specified Costs				\$237.16	\$37,944.95
Returns Above Specified Costs				(\$42.16)	(\$6,744.95)
Breakeven Price to Cover Total Costs				\$9.49	CWT

Example Breakeven Prices						
Example Yield Percent	Example Yield CWT	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	18.75	\$8.65	\$8.65	\$12.65	\$12.65	\$0.00
90%	22.50	\$7.21	\$7.21	\$10.54	\$10.54	\$0.00
100%	25.00	\$6.48	\$6.48	\$9.49	\$9.49	\$0.00
110%	27.50	\$5.90	\$5.90	\$8.62	\$8.62	\$0.00
125%	31.25	\$5.19	\$5.19	\$7.59	\$7.59	\$0.00

Developed by Steve Amosson, Regents Fellow, 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.