

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Sorghum Sudangrass, Dryland, Grazing - 160 Acres
Panhandle Extension District - 1

Crop Acres		160				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Grazing - Sorghum	336.00	Pound	\$0.60	\$201.60	\$32,256.00	
Total Revenue				\$201.60	\$32,256.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs						
Seed						
Seed - Sorghum Sudangrass	15	Pound	\$0.92	\$13.75	\$2,200.08	
Fertilizer						
Fertilizer (N) - ANH3	50	Pound	\$0.38	\$19.00	\$3,040.00	
Herbicide						
Herbicide and Apply Sorghum Sud:	1	Acre	\$7.80	\$7.80	\$1,247.73	
Miscellaneous						
Crop Insurance Sorghum Sudan D:	1	Acre	\$19.78	\$19.78	\$3,164.16	
Custom						
Fertilizer Application - ANH3	1	Acre	\$11.75	\$11.75	\$1,880.00	
Machinery Labor						
Tractors/Self-Propelled	0.95	Hour	\$11.75	\$11.16	\$1,786.00	
Diesel Fuel						
Tractors/Self-Propelled	1.95	Gallon	\$3.28	\$6.40	\$1,023.36	
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	\$7.18	\$7.18	\$1,148.10	
Implements	1	Acre	\$10.22	\$10.22	\$1,635.10	
Interest on Credit Line			4.75%	\$2.15	\$344.67	
Total Variable Costs				\$118.27	\$18,923.24	
Planned Returns Above Variable Costs:				\$83.33	\$13,332.76	
Breakeven Price to Cover Variable Costs			\$0.35	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$2.61	\$2.61	\$417.69	
Tractors/Self-Propelled	1	Acre	\$6.95	\$6.95	\$1,112.41	
Implements	1	Acre	\$12.51	\$12.51	\$2,002.35	
Equipment Investment						
Pickup/General Use Equipment	\$31.08	Dollars	5.25%	\$1.63	\$261.06	
Tractors/Self-Propelled	\$78.50	Dollars	5.25%	\$4.12	\$659.37	
Implements	\$97.34	Dollars	5.25%	\$5.11	\$817.63	
Cash Rent - Sorghum	1	Acre	\$30.00	\$30.00	\$4,800.00	
Total Fixed Costs				\$62.94	\$10,070.51	
Total Specified Costs				\$181.21	\$28,993.75	
Returns Above Specified Costs				\$20.39	\$3,262.25	
Breakeven Price to Cover Total Costs			\$0.54	Pound		

Example Breakeven Prices						
Example Yield Percent	Example Yield Pound	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	Share/Tenant	Own/Rent	Share/Tenant	Landlord
75%	252.00	\$0.47	\$0.47	\$0.72	\$0.72	\$0.00
90%	302.40	\$0.39	\$0.39	\$0.60	\$0.60	\$0.00
100%	336.00	\$0.35	\$0.35	\$0.54	\$0.54	\$0.00
110%	369.60	\$0.32	\$0.32	\$0.49	\$0.49	\$0.00
125%	420.00	\$0.28	\$0.28	\$0.43	\$0.43	\$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.