

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Grain Sorghum - 500 Acres
Central Texas Extension District - 8

Crop Acres		500				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Grain Sorghum		45.00	CWT	\$7.80	\$351.00	\$175,500.00
Total Revenue					\$351.00	\$175,500.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
	Treated Sorghum Seed	20	Pound	\$1.90	\$38.00	\$19,000.00
Fertilizer						
	18-46-0	100	Pound	\$0.65	\$65.00	\$32,500.00
	82-0-0	100	Pound	\$0.48	\$48.00	\$24,000.00
Herbicide						
	Pre-emerge sorghum	1.5	Quart	\$6.50	\$9.75	\$4,875.00
Insecticide						
	Soil Insecticide	2.5	Acre	\$8.00	\$20.00	\$10,000.00
	Insecticide - Midge	1	Acre	\$3.00	\$3.00	\$1,500.00
Miscellaneous						
	Insurance - Sorghum	1	Acre	\$11.00	\$11.00	\$5,500.00
Custom						
	Dry Fertilizer Rig	1	Acre	\$3.00	\$3.00	\$1,500.00
	Custom Combine	1	Acre	\$19.00	\$19.00	\$9,500.00
	Custom Hauling Sorghum	45	CWT	\$0.25	\$11.25	\$5,625.00
Machinery Labor						
	Tractors/Self-Propelled	0.49	Hour	\$10.00	\$4.90	\$2,450.00
Diesel Fuel						
	Tractors/Self-Propelled	4.3	Gallon	\$2.65	\$11.40	\$5,697.50
Repairs & Maintenance						
	Tractors/Self-Propelled	1	Acre	\$3.58	\$3.58	\$1,788.21
	Implements	1	Acre	\$4.48	\$4.48	\$2,238.58
	Interest on Credit Line			4.75%	\$5.36	\$2,679.69
Total Variable Costs					\$257.71	\$128,853.98
Planned Returns Above Variable Costs:					\$93.29	\$46,646.02
Breakeven Price to Cover Variable Costs				\$5.73 CWT		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Tractors/Self-Propelled	1	Acre	\$4.63	\$4.63	\$2,317.25
	Implements	1	Acre	\$6.88	\$6.88	\$3,440.06
Equipment Investment						
	Tractors/Self-Propelled	\$74.87	Dollars	6.00%	\$4.49	\$2,246.10
	Implements	\$65.25	Dollars	6.00%	\$3.91	\$1,957.45
	Dryland Crop Rent	1	Acre	\$30.00	\$30.00	\$15,000.00
Total Fixed Costs					\$49.92	\$24,960.86
Total Specified Costs					\$307.63	\$153,814.84
Returns Above Specified Costs					\$43.37	\$21,685.16
Breakeven Price to Cover Total Costs				\$6.84 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%	33.75	\$7.64	\$7.64	\$9.11	\$9.11	\$0.00
90%	40.50	\$6.36	\$6.36	\$7.60	\$7.60	\$0.00
100%	45.00	\$5.73	\$5.73	\$6.84	\$6.84	\$0.00
110%	49.50	\$5.21	\$5.21	\$6.21	\$6.21	\$0.00
125%	56.25	\$4.58	\$4.58	\$5.47	\$5.47	\$0.00

Developed by Jason Johnson, 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.