

Projections for Planning Purposes Only -- Not to be Used without Updating

2014 Estimated Costs and Returns per Acre

Grain Sorghum, Dryland - 160 Acres

South Plains Extension District - 2

Crop Acres		160				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Grain Sorghum		18.00	CWT	\$7.50	\$135.00	\$21,600.00
Total Revenue					\$135.00	\$21,600.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Seed - Sorghum		2.25	Pound	\$2.40	\$5.40	\$864.00
Fertilizer						
Fertilizer (N)		35	Pound	\$0.55	\$19.25	\$3,080.00
Herbicide						
Herbicide and Apply Sorghum		1	Acre	\$10.50	\$10.50	\$1,680.00
Insecticide						
Insecticide and Apply Sorghum Dryland		1	Application	\$5.00	\$5.00	\$800.00
Miscellaneous						
Crop Insurance Sorghum - Dryland		1	Acre	\$10.00	\$10.00	\$1,600.00
Custom						
Fertilizer Application		1	Acre	\$10.00	\$10.00	\$1,600.00
Custom Harvest - Sorghum Dryland		1	Acre	\$14.00	\$14.00	\$2,240.00
Custom Haul - Sorghum Dryland		18	CWT	\$0.40	\$7.20	\$1,152.00
Machinery Labor						
Tractors/Self-Propelled		1	Hour	\$11.75	\$11.75	\$1,880.00
Diesel Fuel						
Tractors/Self-Propelled		2	Gallon	\$3.20	\$6.40	\$1,024.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$1.75	\$1.75	\$280.00
Tractors/Self-Propelled		1	Acre	\$6.00	\$6.00	\$960.00
Implements		1	Acre	\$3.00	\$3.00	\$480.00
Interest on Credit Line				6.00%	\$2.31	\$369.81
Total Variable Costs					\$112.56	\$18,009.81
Planned Returns Above Variable Costs:					\$22.44	\$3,590.19
Breakeven Price to Cover Variable Costs				\$6.25	CWT	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Investment						
Pickup/General Use Equipment		\$35.69	Dollars	7.00%	\$2.50	\$399.70
Tractors/Self-Propelled		\$171.43	Dollars	7.00%	\$12.00	\$1,920.00
Implements		\$142.86	Dollars	7.00%	\$10.00	\$1,600.00
Cash Rent - Sorghum		1	Acre	\$30.00	\$30.00	\$4,800.00
Total Fixed Costs					\$54.50	\$8,719.70
Total Specified Costs					\$167.06	\$26,729.51
Returns Above Specified Costs					(\$32.06)	(\$5,129.51)
Breakeven Price to Cover Total Costs				\$9.28	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%	13.50	\$8.34	\$8.34	\$12.37	\$12.37	\$0.00
90%	16.20	\$6.95	\$6.95	\$10.31	\$10.31	\$0.00
100%	18.00	\$6.25	\$6.25	\$9.28	\$9.28	\$0.00
110%	19.80	\$5.68	\$5.68	\$8.44	\$8.44	\$0.00
125%	22.50	\$5.00	\$5.00	\$7.42	\$7.42	\$0.00

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.