

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Grain Sorghum Silage, Pivot Irrigated - 122 Acres
South Plains Extension District - 2

Crop Acres		122		Enterprise		
REVENUE		Quantity	Units	\$/Unit	Total	Total
Sorghum Silage		24.00	Ton	\$50.00	\$1,200.00	\$146,400.00
Total Revenue					\$1,200.00	\$146,400.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
	Seed - Sorghum	7	Pound	\$2.40	\$16.80	\$2,049.60
Fertilizer						
	Fertilizer (P)	80	Pound	\$0.60	\$48.00	\$5,856.00
	Fertilizer (N)	225	Pound	\$0.55	\$123.75	\$15,097.50
Herbicide						
	Herbicide and Apply Sorghum	1	Acre	\$10.50	\$10.50	\$1,281.00
Insecticide						
	Insecticide and Apply Sorghum	0.33	Application	\$10.00	\$3.30	\$402.60
Miscellaneous						
	Crop Insurance Sorghum Silage	1	Acre	\$18.00	\$18.00	\$2,196.00
Custom						
	Fertilizer Application	1	Acre	\$10.00	\$10.00	\$1,220.00
	Harvest and Haul - Sorghum Silage	24	Ton	\$7.00	\$168.00	\$20,496.00
Irrigation						
	Energy or Water Cost	15.00	AcreInch	\$9.00	\$135.00	\$16,470.00
	Irrigation Labor	1.00	Hour	\$11.75	\$11.75	\$1,433.50
Machinery Labor						
	Tractors/Self-Propelled	1	Hour	\$11.75	\$11.75	\$1,433.50
Diesel Fuel						
	Tractors/Self-Propelled	2.75	Gallon	\$3.20	\$8.80	\$1,073.60
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$1.75	\$1.75	\$213.50
	Irrigation Equipment	1	Acre	\$30.00	\$30.00	\$3,660.00
	Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$732.00
	Implements	1	Acre	\$3.00	\$3.00	\$366.00
	Interest on Credit Line			6.00%	\$6.81	\$831.23
Total Variable Costs					\$613.21	\$74,812.03
Planned Returns Above Variable Costs:					\$586.79	\$71,587.97
Breakeven Price to Cover Variable Costs				\$25.55	Ton	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Investment						
	Pickup/General Use Equipment	\$35.78	Dollars	7.00%	\$2.50	\$305.55
	Irrigation Equipment	\$714.29	Dollars	7.00%	\$50.00	\$6,100.00
	Tractors/Self-Propelled	\$171.43	Dollars	7.00%	\$12.00	\$1,464.00
	Implements	\$142.86	Dollars	7.00%	\$10.00	\$1,220.00
	Cash Rent - Sorghum Silage	1	Acre	\$130.00	\$130.00	\$15,860.00
Total Fixed Costs					\$204.50	\$24,949.55
Total Specified Costs					\$817.72	\$99,761.58
Returns Above Specified Costs					\$382.28	\$46,638.42
Breakeven Price to Cover Total Costs				\$34.07	Ton	

Example Breakeven Prices						
Example Yield Percent	Example Yield Ton	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	18.00	\$34.07	\$34.07	\$45.43	\$45.43	\$0.00
90%	21.60	\$28.39	\$28.39	\$37.86	\$37.86	\$0.00
100%	24.00	\$25.55	\$25.55	\$34.07	\$34.07	\$0.00
110%	26.40	\$23.23	\$23.23	\$30.97	\$30.97	\$0.00
125%	30.00	\$20.44	\$20.44	\$27.26	\$27.26	\$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.