

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Sorghum, Dryland, Continuous, Minimum Tillage - 160 Acres
Panhandle Extension District - 1

Crop Acres		160			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Grain Sorghum	25.00	CWT	\$7.00	\$175.00	\$28,000.00
Total Revenue				\$175.00	\$28,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Seed					
Seed - Sorghum	2.25	Pound	\$1.90	\$4.28	\$684.00
Fertilizer					
Fertilizer (N) - ANH3	30	Pound	\$0.40	\$12.00	\$1,920.00
Custom					
Fertilizer Application - ANH3	1	Acre	\$11.75	\$11.75	\$1,880.00
Custom Harvest - Sorghum Dryland	1	Acre	\$21.85	\$21.85	\$3,496.00
Custom Haul - Sorghum Dryland	25	CWT	\$0.24	\$6.00	\$960.00
Miscellaneous					
Crop Insurance Sorghum - Dryland	1	Acre	\$26.40	\$26.40	\$4,224.00
Herbicide					
Herbicide and Apply Sorghum	1	Acre	\$19.60	\$19.60	\$3,136.00
Insecticide					
Insecticide and Apply Sorghum	0.33	Application	\$10.25	\$3.38	\$541.20
Machinery Labor					
Tractors/Self-Propelled	0.69	Hour	\$11.75	\$8.11	\$1,297.20
Diesel Fuel					
Tractors/Self-Propelled	1.93	Gallon	\$3.30	\$6.37	\$1,019.04
Gasoline					
Pickup/General Use Equipment	1	Acre	\$6.07	\$6.07	\$971.75
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$2.49	\$2.49	\$397.80
Tractors/Self-Propelled	1	Acre	\$3.03	\$3.03	\$485.43
Implements	1	Acre	\$9.98	\$9.98	\$1,596.95
Interest on Credit Line			4.90%	\$2.46	\$394.36
Total Variable Costs				\$143.77	\$23,003.73
Planned Returns Above Variable Costs:				\$31.23	\$4,996.27
Breakeven Price to Cover Variable Costs			\$5.75	CWT	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$2.61	\$2.61	\$417.69
Tractors/Self-Propelled	1	Acre	\$2.99	\$2.99	\$477.72
Implements	1	Acre	\$12.69	\$12.69	\$2,029.94
Equipment Investment					
Pickup/General Use Equipment	\$31.08	Dollars	5.40%	\$1.68	\$268.52
Tractors/Self-Propelled	\$33.71	Dollars	5.40%	\$1.82	\$291.26
Implements	\$98.68	Dollars	5.40%	\$5.33	\$852.58
Cash Rent - Sorghum	1	Acre	\$28.50	\$28.50	\$4,560.00
Total Fixed Costs				\$55.61	\$8,897.70
Total Specified Costs				\$199.38	\$31,901.43
Returns Above Specified Costs				(\$24.38)	(\$3,901.43)
Breakeven Price to Cover Total Costs			\$7.98	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	\$7.67	\$7.67	\$10.63	\$10.63	\$0.00
90%	22.50	\$6.39	\$6.39	\$8.86	\$8.86	\$0.00
100%	25.00	\$5.75	\$5.75	\$7.98	\$7.98	\$0.00
110%	27.50	\$5.23	\$5.23	\$7.25	\$7.25	\$0.00
125%	31.25	\$4.60	\$4.60	\$6.38	\$6.38	\$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.