

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2015 Estimated Costs and Returns per Acre**  
**Rotation, Sorghum-Fallow-Wheat, Minimum Till, Sorghum - 160 Acres**  
**Panhandle Extension District - 1**

Crop Acres		160				
<b>REVENUE</b>		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
<b>VARIABLE COSTS</b>		Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>						
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
Fertilizer						
Fertilizer (N) - ANH3		40	Pound	\$0.40	\$16.00	\$2,560.00
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
Seed						
Seed - Sorghum		2.25	Pound	\$1.90	\$4.28	\$684.00
Miscellaneous						
Crop Insurance Sorghum - Dryland		1	Acre	\$26.40	\$26.40	\$4,224.00
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%	\$2.57	\$410.85
Total Variable Costs					\$147.88	\$23,660.22
Planned Returns Above Variable Costs:					\$27.12	\$4,339.78
Breakeven Price to Cover Variable Costs					\$5.92	CWT
<b>FIXED COSTS</b>		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					\$203.49	\$32,557.92
Returns Above Specified Costs					(\$28.49)	(\$4,557.92)
Breakeven Price to Cover Total Costs					\$8.14	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	\$7.89	\$7.89	\$10.85	\$10.85	\$0.00
90%	22.50	\$6.57	\$6.57	\$9.04	\$9.04	\$0.00
100%	25.00	\$5.92	\$5.92	\$8.14	\$8.14	\$0.00
110%	27.50	\$5.38	\$5.38	\$7.40	\$7.40	\$0.00
125%	31.25	\$4.73	\$4.73	\$6.51	\$6.51	\$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.**