

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Sorghum - Conventional Till-24 Row, Dryland, 4000 lb. Yield Goal - 500 Acres
Lower Coastal Bend Extension District - 11

| Crop Acres | | 500 | | | | |
|-----------------------------------------|---------------------------------|----------|---------|----------|------------|------------------|
| REVENUE | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Grain Sorghum, Lower Coast | | 40.00 | CWT | \$7.35 | \$294.00 | \$147,000.00 |
| Total Revenue | | | | | \$294.00 | \$147,000.00 |
| VARIABLE COSTS | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Production Costs | | | | | | |
| Custom | | | | | | |
| | Fertilizer Application | 1 | CWT | \$0.10 | \$0.10 | \$50.00 |
| | Custom Haul - Sorghum | 42 | CWT | \$0.35 | \$14.70 | \$7,350.00 |
| | Drying - Sorghum | 42 | CWT | \$0.10 | \$4.20 | \$2,100.00 |
| Fertilizer | | | | | | |
| | 24-8-0 LC | 0.15 | Ton | \$325.00 | \$48.75 | \$24,375.00 |
| Herbicide | | | | | | |
| | 2, 4D | 0 | Pound | \$4.00 | \$0.00 | \$0.00 |
| | Glyphosate | 2 | Quart | \$5.13 | \$10.26 | \$5,130.00 |
| | Atrazine | 1 | Pound | \$3.15 | \$3.15 | \$1,575.00 |
| | Sorghum PostEmerge Herbicide LC | 1 | Ounce | \$12.65 | \$12.65 | \$6,325.00 |
| Insecticide | | | | | | |
| | Headworn Control | 2.6 | Ounce | \$1.18 | \$3.07 | \$1,534.00 |
| | Stinkbug Control | 2 | Ounce | \$0.43 | \$0.86 | \$430.00 |
| Miscellaneous | | | | | | |
| | Crop Insurance -Sorghum | 1 | Acre | \$19.00 | \$19.00 | \$9,500.00 |
| | Pickup Milage Charge | 1 | Acre | \$3.88 | \$3.88 | \$1,940.00 |
| Other Labor | | | | | | |
| | Hand Labor | 0.04 | Hour | \$13.75 | \$0.55 | \$275.00 |
| Seed | | | | | | |
| | Treated Sorghum Seed | 4.5 | Pound | \$3.20 | \$14.40 | \$7,200.00 |
| Machinery Labor | | | | | | |
| | Tractors/Self-Propelled | 0.81 | Hour | \$19.50 | \$15.80 | \$7,897.50 |
| Diesel Fuel | | | | | | |
| | Tractors/Self-Propelled | 9.49 | Gallon | \$3.30 | \$31.32 | \$15,658.50 |
| Repairs & Maintenance | | | | | | |
| | Tractors/Self-Propelled | 1 | Acre | \$27.89 | \$27.89 | \$13,947.49 |
| | Implements | 1 | Acre | \$18.89 | \$18.89 | \$9,445.14 |
| Interest on Credit Line | | | | | | |
| | | | | 5.00% | \$5.09 | \$2,543.54 |
| Total Variable Costs | | | | | \$234.55 | \$117,276.17 |
| Planned Returns Above Variable Costs: | | | | | \$59.45 | \$29,723.83 |
| Breakeven Price to Cover Variable Costs | | | | \$5.86 | CWT | |
| FIXED COSTS | | Quantity | Units | \$/Unit | Total | Enterprise Total |
| Machinery Depreciation | | | | | | |
| | Tractors/Self-Propelled | 1 | Acre | \$31.21 | \$31.21 | \$15,606.78 |
| | Implements | 1 | Acre | \$24.38 | \$24.38 | \$12,191.88 |
| Equipment Investment | | | | | | |
| | Tractors/Self-Propelled | \$354.27 | Dollars | 7.00% | \$24.80 | \$12,399.48 |
| | Implements | \$212.15 | Dollars | 7.00% | \$14.85 | \$7,425.39 |
| Management Fee, Owner/Operator Labor | | | | | | |
| | LCB - Land Charge | 1 | Acre | \$14.70 | \$14.70 | \$7,350.00 |
| | LCB - Land Charge | 1 | Acre | \$70.00 | \$70.00 | \$35,000.00 |
| Total Fixed Costs | | | | | \$179.95 | \$89,973.53 |
| Total Specified Costs | | | | | \$414.50 | \$207,249.70 |
| Returns Above Specified Costs | | | | | (\$120.50) | (\$60,249.70) |
| Breakeven Price to Cover Total Costs | | | | \$10.36 | 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% | 30.00 | \$7.82 | \$7.82 | \$13.82 | \$13.82 | \$0.00 |
| 90% | 36.00 | \$6.52 | \$6.52 | \$11.51 | \$11.51 | \$0.00 |
| 100% | 40.00 | \$5.86 | \$5.86 | \$10.36 | \$10.36 | \$0.00 |
| 110% | 44.00 | \$5.33 | \$5.33 | \$9.42 | \$9.42 | \$0.00 |
| 125% | 50.00 | \$4.69 | \$4.69 | \$8.29 | \$8.29 | \$0.00 |

Developed by Levi Russell, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension Service.

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.