

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Grain Sorghum - 500 Acres
Central Texas Extension District - 8

Crop Acres		500				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Grain Sorghum	45.00	CWT	\$7.10	\$319.50	\$159,750.00	\$159,750.00
Total Revenue				\$319.50	\$159,750.00	\$159,750.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Custom						
Dry Fertilizer Rig	1	Acre	\$3.00	\$3.00	\$1,500.00	\$1,500.00
Custom Combine	1	Acre	\$25.00	\$25.00	\$12,500.00	\$12,500.00
Custom Hauling Sorghum	45	CWT	\$0.25	\$11.25	\$5,625.00	\$5,625.00
Fertilizer						
18-46-0	100	Pound	\$0.65	\$65.00	\$32,500.00	\$32,500.00
N	80	Pound	\$0.60	\$48.00	\$24,000.00	\$24,000.00
Herbicide						
Pre-emerge sorghum	1.5	Quart	\$6.50	\$9.75	\$4,875.00	\$4,875.00
Insecticide						
Soil Insecticide	2.5	Acre	\$8.00	\$20.00	\$10,000.00	\$10,000.00
Insecticide - Midge	1	Acre	\$3.00	\$3.00	\$1,500.00	\$1,500.00
Seed						
Treated Sorghum Seed	20	Pound	\$2.50	\$50.00	\$25,000.00	\$25,000.00
Miscellaneous						
Insurance - Sorghum	1	Acre	\$11.00	\$11.00	\$5,500.00	\$5,500.00
Machinery Labor						
Tractors/Self-Propelled	0.51	Hour	\$10.00	\$5.10	\$2,550.00	\$2,550.00
Diesel Fuel						
Tractors/Self-Propelled	4.98	Gallon	\$2.65	\$13.20	\$6,598.50	\$6,598.50
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$10.02	\$10.02	\$5,009.37	\$5,009.37
Implements	1	Acre	\$13.75	\$13.75	\$6,876.20	\$6,876.20
Interest on Credit Line			4.75%	\$5.98	\$2,987.89	\$2,987.89
Total Variable Costs				\$294.04	\$147,021.96	\$147,021.96
Planned Returns Above Variable Costs:				\$25.46	\$12,728.04	\$12,728.04
Breakeven Price to Cover Variable Costs			\$6.53	CWT		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$11.22	\$11.22	\$5,611.14	\$5,611.14
Implements	1	Acre	\$17.97	\$17.97	\$8,987.11	\$8,987.11
Equipment Investment						
Tractors/Self-Propelled	\$126.86	Dollars	6.00%	\$7.61	\$3,805.73	\$3,805.73
Implements	\$139.80	Dollars	6.00%	\$8.39	\$4,193.99	\$4,193.99
Dryland Crop Rent	1	Acre	\$30.00	\$30.00	\$15,000.00	\$15,000.00
Total Fixed Costs				\$75.20	\$37,597.96	\$37,597.96
Total Specified Costs				\$369.24	\$184,619.92	\$184,619.92
Returns Above Specified Costs				(\$49.74)	(\$24,869.92)	(\$24,869.92)
Breakeven Price to Cover Total Costs			\$8.21	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%	33.75	\$8.71	\$8.71	\$10.94	\$10.94	\$0.00
90%	40.50	\$7.26	\$7.26	\$9.12	\$9.12	\$0.00
100%	45.00	\$6.53	\$6.53	\$8.21	\$8.21	\$0.00
110%	49.50	\$5.94	\$5.94	\$7.46	\$7.46	\$0.00
125%	56.25	\$5.23	\$5.23	\$6.56	\$6.56	\$0.00

Developed by Jason Johnson, Associate 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.