

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Dryland Sorghum - 160 Acres
South Plains Extension District - 2

Crop Acres		160				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Grain Sorghum	18.00	CWT	\$7.20	\$129.60	\$129.60	\$20,736.00
Total Revenue				\$129.60	\$129.60	\$20,736.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Seed						
Seed - Sorghum	2.25	Pound	\$2.40	\$5.40	\$5.40	\$864.00
Fertilizer						
Fertilizer (N) - Liquid	30	Pound	\$0.58	\$17.34	\$17.34	\$2,774.40
Custom						
Custom Harvest - Sorghum Dryland	1	Acre	\$14.00	\$14.00	\$14.00	\$2,240.00
Custom Haul - Sorghum Dryland	18	CWT	\$0.40	\$7.20	\$7.20	\$1,152.00
Fertilizer Application - Liquid High	1	Acre	\$4.75	\$4.75	\$4.75	\$760.00
Miscellaneous						
Crop Insurance Sorghum - Dryland	1	Acre	\$16.50	\$16.50	\$16.50	\$2,640.00
Herbicide						
Herbicide and Apply Sorghum Dryland	1	Acre	\$10.50	\$10.50	\$10.50	\$1,680.00
Insecticide						
Insecticide and Apply Sorghum	1	Acre	\$4.29	\$4.29	\$4.29	\$686.40
Machinery Labor						
Tractors/Self-Propelled	1	Hour	\$12.00	\$12.00	\$12.00	\$1,920.00
Diesel Fuel						
Tractors/Self-Propelled	2.4	Gallon	\$3.00	\$7.20	\$7.20	\$1,152.00
Gasoline						
Pickup/General Use Equipment	2	Gallon	\$2.25	\$4.50	\$4.50	\$720.00
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$0.50	\$80.00
Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$6.00	\$960.00
Implements	1	Acre	\$3.00	\$3.00	\$3.00	\$480.00
Interest on Credit Line			6.00%	\$2.33	\$2.33	\$373.50
Total Variable Costs				\$115.51	\$115.51	\$18,482.30
Planned Returns Above Variable Costs:				\$14.09	\$14.09	\$2,253.70
Breakeven Price to Cover Variable Costs			\$6.42	CWT		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Equipment Investment						
Pickup/General Use Equipment	\$17.84	Dollars	7.00%	\$1.25	\$1.25	\$199.85
Tractors/Self-Propelled	\$171.40	Dollars	7.00%	\$12.00	\$12.00	\$1,919.68
Implements	\$142.90	Dollars	7.00%	\$10.00	\$10.00	\$1,600.48
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$2.00	\$320.00
Cash Rent - Sorghum	1	Acre	\$30.00	\$30.00	\$30.00	\$4,800.00
Total Fixed Costs				\$55.25	\$55.25	\$8,840.01
Total Specified Costs				\$170.76	\$170.76	\$27,322.31
Returns Above Specified Costs				(\$41.16)	(\$41.16)	(\$6,586.31)
Breakeven Price to Cover Total Costs			\$9.49	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	Share/Tenant	Own/Rent	Share/Tenant	Landlord
75%	13.50	\$8.56	\$8.56	\$12.65	\$12.65	\$0.00
90%	16.20	\$7.13	\$7.13	\$10.54	\$10.54	\$0.00
100%	18.00	\$6.42	\$6.42	\$9.49	\$9.49	\$0.00
110%	19.80	\$5.83	\$5.83	\$8.62	\$8.62	\$0.00
125%	22.50	\$5.13	\$5.13	\$7.59	\$7.59	\$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.