

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Irrigated Sorghum - 122 Acres
South Plains Extension District - 2

Crop Acres		122						
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total
Grain Sorghum		55.00	CWT	\$7.20		\$396.00	\$48,312.00	
Total Revenue						\$396.00	\$48,312.00	
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs								
Seed								
Seed - Sorghum		4.5	Pound	\$2.40		\$10.80	\$1,317.60	
Fertilizer								
Fertilizer (N) - Liquid		40	Pound	\$0.58		\$23.12	\$2,820.64	
Fertilizer (P) - Liquid		44	Pound	\$0.74		\$32.34	\$3,945.48	
Fertilizer (N) - NH3		70	Pound	\$0.38		\$26.46	\$3,228.12	
Custom								
Harvest and Haul - Sorghum		55	CWT	\$0.60		\$33.00	\$4,026.00	
Fertilizer Application - Liquid High		1	Acre	\$4.75		\$4.75	\$579.50	
Fertilizer Application - Liquid Low		1	Acre	\$3.50		\$3.50	\$427.00	
Fertilizer Application - NH3		1	Acre	\$3.50		\$3.50	\$427.00	
Miscellaneous								
Crop Insurance Sorghum - Irrigated		1	Acre	\$29.00		\$29.00	\$3,538.00	
Herbicide								
Herbicide and Apply Sorghum Irrigated		1	Acre	\$21.12		\$21.12	\$2,576.64	
Insecticide								
Insecticide and Apply Sorghum		1	Acre	\$4.29		\$4.29	\$523.38	
Irrigation								
Energy Cost		9.00	AcreInch	\$9.00		\$81.00	\$9,882.00	
Irrigation Labor		0.90	Hour	\$12.00		\$10.80	\$1,317.60	
Machinery Labor								
Tractors/Self-Propelled		1.3	Hour	\$12.00		\$15.60	\$1,903.20	
Diesel Fuel								
Tractors/Self-Propelled		3.2	Gallon	\$3.00		\$9.60	\$1,171.20	
Gasoline								
Pickup/General Use Equipment		2	Gallon	\$2.25		\$4.50	\$549.00	
Repairs & Maintenance								
Pickup/General Use Equipment		1	Acre	\$0.50		\$0.50	\$61.00	
Irrigation Equipment		1	Acre	\$15.75		\$15.75	\$1,921.50	
Tractors/Self-Propelled		1	Acre	\$6.00		\$6.00	\$732.00	
Implements		1	Acre	\$3.00		\$3.00	\$366.00	
Interest on Credit Line				6.00%		\$6.65	\$811.71	
Total Variable Costs						\$345.28	\$42,124.57	
Planned Returns Above Variable Costs:						\$50.72	\$6,187.43	
Breakeven Price to Cover Variable Costs						\$6.28	CWT	
FIXED COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Investment								
Pickup/General Use Equipment		\$17.89	Dollars	7.00%		\$1.25	\$152.78	
Irrigation Equipment		\$785.72	Dollars	7.00%		\$55.00	\$6,710.01	
Tractors/Self-Propelled		\$171.40	Dollars	7.00%		\$12.00	\$1,463.76	
Implements		\$142.90	Dollars	7.00%		\$10.00	\$1,220.37	
Whole Farm Insurance		1	Acre	\$2.00		\$2.00	\$244.00	
Cash Rent - Sorghum Irrigated		1	Acre	\$100.00		\$100.00	\$12,200.00	
Total Fixed Costs						\$180.25	\$21,990.91	
Total Specified Costs						\$525.54	\$64,115.47	
Returns Above Specified Costs						(\$129.54)	(\$15,803.47)	
Breakeven Price to Cover Total Costs						\$9.56	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%	41.25	\$8.37	\$8.37	\$12.74	\$12.74	\$0.00
90%	49.50	\$6.98	\$6.98	\$10.62	\$10.62	\$0.00
100%	55.00	\$6.28	\$6.28	\$9.56	\$9.56	\$0.00
110%	60.50	\$5.71	\$5.71	\$8.69	\$8.69	\$0.00
125%	68.75	\$5.02	\$5.02	\$7.64	\$7.64	\$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.