

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

Crop Acres		122			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Sorghum Silage	24.00	Ton	\$36.00	\$864.00	\$105,408.00
Total Revenue				\$864.00	\$105,408.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Seed					
Seed - Sorghum	7	Pound	\$2.40	\$16.80	\$2,049.60
Fertilizer					
Fertilizer (N) - Liquid	70	Pound	\$0.58	\$40.46	\$4,936.12
Fertilizer (P) - Liquid	88	Pound	\$0.74	\$64.68	\$7,890.96
Fertilizer (N) - NH3	150	Pound	\$0.38	\$56.70	\$6,917.40
Custom					
Harvest and Haul - Sorghum Silage	24	Ton	\$7.00	\$168.00	\$20,496.00
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 Silage	1	Acre	\$23.00	\$23.00	\$2,806.00
Herbicide					
Herbicide and Apply Sorghum Silage	1	Acre	\$10.50	\$10.50	\$1,281.00
Insecticide					
Insecticide and Apply Sorghum	1	Acre	\$4.29	\$4.29	\$523.38
Irrigation					
Energy Cost	15.00	AcreInch	\$9.00	\$135.00	\$16,470.00
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	\$26.25	\$26.25	\$3,202.50
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%	\$6.63	\$809.33
Total Variable Costs				\$614.06	\$74,915.79
Planned Returns Above Variable Costs:				\$249.94	\$30,492.21
Breakeven Price to Cover Variable Costs			\$25.59	Ton	
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 Silage	1	Acre	\$130.00	\$130.00	\$15,860.00
Total Fixed Costs				\$210.25	\$25,650.91
Total Specified Costs				\$824.32	\$100,566.69
Returns Above Specified Costs				\$39.68	\$4,841.31
Breakeven Price to Cover Total Costs			\$34.35	Ton	

Example Breakeven Prices						
Example Yield Percent	Example Yield Ton	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	18.00	\$34.11	\$34.11	\$45.80	\$45.80	\$0.00
90%	21.60	\$28.43	\$28.43	\$38.16	\$38.16	\$0.00
100%	24.00	\$25.59	\$25.59	\$34.35	\$34.35	\$0.00
110%	26.40	\$23.26	\$23.26	\$31.22	\$31.22	\$0.00
125%	30.00	\$20.47	\$20.47	\$27.48	\$27.48	\$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.