Projections for Planning Purposes Only -- Not to be Used without Updating

2015 Estimated Costs and Returns per Acre

Sorghum (Nitrogen Fertilizer Only) - 500 Acres

North Texas Extension District - 4

Crop Acres	500				
REVENUE	Quantity	Units	$/Unit	Total	Enterprise Total
Sorghum	33.00	CWT	$6.50	$214.50	$107,250.00
Total Revenue				$214.50	$107,250.00
VARIABLE COSTS	Quantity	Units	$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Custom Harvest Sorghum	1	Acre	$18.00	$18.00	$9,000.00
Custom Haul Sorghum	33	CWT	$0.53	$17.49	$8,745.00
Fertilizer					
10-34-0	100	Pounds	$0.32	$32.00	$16,000.00
82-0-0	100	Pounds	$0.44	$44.00	$22,000.00
Herbicide					
Pre-emerge Sorghum	2	Acre	$14.00	$28.00	$14,000.00
Seed					
Sorghum Seed	7	Pounds	$2.25	$15.75	$7,875.00
Miscellaneous					
Insurance-Sorghum	1	Acre	$8.00	$8.00	$4,000.00
Machinery Labor					
Tractors/Self-Propelled	1.8	Hour	$10.00	$18.00	$9,000.00
Diesel Fuel					
Tractors/Self-Propelled	8.99	Gallon	$3.50	$31.47	$15,732.50
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	$11.89	$11.89	$5,945.10
Implements	1	Acre	$21.69	$21.69	$10,843.71
Interest on Credit Line			4.75%	$4.48	$2,238.33
Total Variable Costs				$250.76	$125,379.63
Planned Returns Above Variable Costs:				($36.26)	($18,129.63)
Breakeven Price to Cover Variable Costs			$7.60	CWT	
FIXED COSTS	Quantity	Units	$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	$11.49	$11.49	$5,745.89
Implements	1	Acre	$24.81	$24.81	$12,406.40
Equipment Investment					
Tractors/Self-Propelled	$129.75	Dollars	6.00%	$7.78	$3,892.38
Implements	$192.99	Dollars	6.00%	$11.58	$5,789.66
Rent-Dryland Crop	1	Acre	$25.00	$25.00	$12,500.00
Total Fixed Costs				$80.67	$40,334.32
Total Specified Costs				$331.43	$165,713.96
Returns Above Specified Costs				($116.93)	($58,463.96)
Breakeven Price to Cover Total Costs			$10.04	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%	24.75	$10.13	$10.13	$13.39	$13.39	$0.00
90%	29.70	$8.44	$8.44	$11.16	$11.16	$0.00
100%	33.00	$7.60	$7.60	$10.04	$10.04	$0.00
110%	36.30	$6.91	$6.91	$9.13	$9.13	$0.00
125%	41.25	$6.08	$6.08	$8.03	$8.03	$0.00

Developed by Blake Bennet, Associate 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.