

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Sorghum - Conventional Till-24 Row, Irrigated, 100 bu. Yield Goal - 505 Acres
Coastal Bend Extension District - 11

Crop Acres		505			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Grain Sorghum, Lower Coast	100.00	Bushel	\$4.05	\$405.00	\$204,525.00
Total Revenue				\$405.00	\$204,525.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	1	CWT	\$0.10	\$0.10	\$50.50
Custom Haul - Sorghum	57	CWT	\$0.35	\$19.95	\$10,074.75
Drying - Sorghum	57	CWT	\$0.10	\$5.70	\$2,878.50
Fertilizer					
24-8-0	0.1875	Ton	\$332.00	\$62.25	\$31,436.25
Herbicide					
Atrazine 4L	3	Pint	\$1.47	\$4.41	\$2,227.05
Sorghum PostEmerge Herbicide	1	Ounce	\$12.70	\$12.70	\$6,413.50
Glyphosate (Generic)	2	Quart	\$4.00	\$8.00	\$4,040.00
Insecticide					
Headworn Control	2.6	Ounce	\$1.18	\$3.07	\$1,549.34
Stinkbug Control	2	Ounce	\$0.29	\$0.58	\$292.90
Miscellaneous					
Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,959.40
Crop Insurance - Irr Sorghum	1	Acre	\$10.50	\$10.50	\$5,302.50
Seed					
Treated Sorghum Seed	5	Pound	\$3.20	\$16.00	\$8,080.00
Other Labor					
Hand Labor	0.04	Hour	\$16.00	\$0.64	\$323.20
Irrigation					
Energy Cost	10.00	AcreInch	\$2.10	\$21.00	\$10,605.00
Irrigation Labor	1.50	Hour	\$19.50	\$29.25	\$14,771.25
Machinery Labor					
Tractors/Self-Propelled	0.81	Hour	\$19.50	\$15.80	\$7,976.48
Diesel Fuel					
Tractors/Self-Propelled	9.69	Gallon	\$2.10	\$20.35	\$10,276.25
Repairs & Maintenance					
Irrigation Equipment	1	Acre	\$25.08	\$25.08	\$12,666.67
Tractors/Self-Propelled	1	Acre	\$28.11	\$28.11	\$14,195.75
Implements	1	Acre	\$18.89	\$18.89	\$9,539.60
Interest on Credit Line			4.25%	\$6.03	\$3,047.15
Total Variable Costs				\$312.29	\$157,706.01
Planned Returns Above Variable Costs:				\$92.71	\$46,818.99
Breakeven Price to Cover Variable Costs			\$3.12	Bushel	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Irrigation Equipment	1	Acre	\$28.18	\$28.18	\$14,233.33
Tractors/Self-Propelled	1	Acre	\$32.22	\$32.22	\$16,270.51
Implements	1	Acre	\$24.38	\$24.38	\$12,313.79
Equipment Investment					
Irrigation Equipment	\$293.56	Dollars	7.00%	\$20.55	\$10,377.50
Tractors/Self-Propelled	\$245.77	Dollars	7.00%	\$17.20	\$8,687.80
Implements	\$120.44	Dollars	7.00%	\$8.43	\$4,257.72
Management Fee, Owner/Operator Labor	1	Acre	\$20.25	\$20.25	\$10,226.25
LCB - Land Charge	1	Acre	\$70.00	\$70.00	\$35,350.00
Total Fixed Costs				\$221.22	\$111,716.91
Total Specified Costs				\$533.51	\$269,422.92
Returns Above Specified Costs				(\$128.51)	(\$64,897.92)
Breakeven Price to Cover Total Costs			\$5.34	Bushel	

Example Breakeven Prices			
Example Yield Percent	Example Yield Bushel	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	75.00	\$4.16	\$7.11
90%	90.00	\$3.47	\$5.93
100%	100.00	\$3.12	\$5.34
110%	110.00	\$2.84	\$4.85
125%	125.00	\$2.50	\$4.27

Developed by Levi Russell, Assistant 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.