

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Sorghum - Conventional Till-24 Row, Dryland, 72 bu. Yield Goal - 500 Acres
Coastal Bend Extension District - 11

Crop Acres		500		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Grain Sorghum, Lower Coast	72.00	Bushel	\$4.05	\$291.60	\$145,800.00
Total Revenue				\$291.60	\$145,800.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	1	CWT	\$0.10	\$0.10	\$50.00
Custom Haul - Sorghum	42	CWT	\$0.35	\$14.70	\$7,350.00
Drying - Sorghum	42	CWT	\$0.10	\$4.20	\$2,100.00
Fertilizer					
24-8-0	0.15	Ton	\$332.00	\$49.80	\$24,900.00
Herbicide					
Atrazine 4L	3	Pint	\$1.47	\$4.41	\$2,205.00
Glyphosate (Generic)	2	Quart	\$4.00	\$8.00	\$4,000.00
Sorghum PostEmerge Herbicide	1	Ounce	\$12.70	\$12.70	\$6,350.00
Seed					
Treated Sorghum Seed	4.5	Pound	\$3.20	\$14.40	\$7,200.00
Insecticide					
Headworm Control	2.6	Ounce	\$1.18	\$3.07	\$1,534.00
Stinkbug Control	2	Ounce	\$0.29	\$0.58	\$290.00
Transform	1	Ounce	\$7.25	\$7.25	\$3,625.00
Miscellaneous					
Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,940.00
Crop Insurance -Sorghum LC	1	Acre	\$12.35	\$12.35	\$6,175.00
Other Labor					
Hand Labor	0.04	Hour	\$16.00	\$0.64	\$320.00
Machinery Labor					
Tractors/Self-Propelled	0.82	Hour	\$19.50	\$15.99	\$7,995.00
Diesel Fuel					
Tractors/Self-Propelled	9.69	Gallon	\$2.10	\$20.35	\$10,174.50
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$28.11	\$28.11	\$14,055.19
Implements	1	Acre	\$18.89	\$18.89	\$9,445.14
Interest on Credit Line			4.25%	\$4.40	\$2,200.15
Total Variable Costs				\$223.82	\$111,908.99
Planned Returns Above Variable Costs:				\$67.78	\$33,891.01
Breakeven Price to Cover Variable Costs			\$3.11	Bushel	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$32.22	\$32.22	\$16,109.41
Implements	1	Acre	\$24.38	\$24.38	\$12,191.88
Equipment Investment					
Tractors/Self-Propelled	\$245.77	Dollars	7.00%	\$17.20	\$8,601.78
Implements	\$120.44	Dollars	7.00%	\$8.43	\$4,215.57
Management Fee, Owner/Operator Labor	1	Acre	\$14.58	\$14.58	\$7,290.00
LCB - Land Charge	1	Acre	\$70.00	\$70.00	\$35,000.00
Total Fixed Costs				\$166.82	\$83,408.64
Total Specified Costs				\$390.64	\$195,317.62
Returns Above Specified Costs				(\$99.04)	(\$49,517.62)
Breakeven Price to Cover Total Costs			\$5.43	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%	54.00	\$4.14	\$7.23
90%	64.80	\$3.45	\$6.03
100%	72.00	\$3.11	\$5.43
110%	79.20	\$2.83	\$4.93
125%	90.00	\$2.49	\$4.34

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.