

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Sorghum - Conventional Till-12 Row, Dryland, 90 bu. Yield Goal - 500 Acres
Coastal Bend Extension District - 11

Crop Acres	500					Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Grain Sorghum, Upper Coast	90.00	Bushel	\$4.00	\$360.00	\$360.00	\$180,000.00
Total Revenue				\$360.00	\$360.00	\$180,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Herbicide						
Sorghum PreEmerge Herbicide	1.6	Quart	\$10.00	\$16.00	\$16.00	\$8,000.00
Glyphosate (Generic)	2	Quart	\$4.00	\$8.00	\$8.00	\$4,000.00
2, 4D Amine`	1	Pint	\$1.52	\$1.52	\$1.52	\$760.00
Atrazine 4L`	2	Pint	\$1.47	\$2.94	\$2.94	\$1,470.00
Sorghum PostEmerge Herbicide`	1	Ounce	\$15.25	\$15.25	\$15.25	\$7,625.00
Seed						
Treated Sorghum Seed	7	Pound	\$3.20	\$22.40	\$22.40	\$11,200.00
Fertilizer						
24-8-0`	0.225	Ton	\$341.00	\$76.73	\$76.73	\$38,362.50
Custom						
Apply by Air	1	Acre	\$6.00	\$6.00	\$6.00	\$3,000.00
Custom Grain Haul	57	CWT	\$0.30	\$17.10	\$17.10	\$8,550.00
Miscellaneous						
Crop Insurance -Sorghum UC	1	Acre	\$15.40	\$15.40	\$15.40	\$7,700.00
G&A Overhead	1	Acre	\$10.50	\$10.50	\$10.50	\$5,250.00
Insecticide						
Cutworm Control	1.25	Ounce	\$0.70	\$0.88	\$0.88	\$437.50
Worm Control	0.0285	Gallon	\$153.00	\$4.36	\$4.36	\$2,180.25
Other Chemicals						
Crop Oil	0.5	Pint	\$2.50	\$1.25	\$1.25	\$625.00
Surfactant	0.2	Pint	\$1.61	\$0.32	\$0.32	\$161.00
Other Labor						
Hand Labor	0.21	Hour	\$16.00	\$3.36	\$3.36	\$1,680.00
Machinery Labor						
Tractors/Self-Propelled	0.87	Hour	\$19.50	\$16.97	\$16.97	\$8,482.50
Diesel Fuel						
Tractors/Self-Propelled	9.57	Gallon	\$2.10	\$20.10	\$20.10	\$10,048.50
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$24.20	\$24.20	\$24.20	\$12,098.83
Implements	1	Acre	\$18.19	\$18.19	\$18.19	\$9,097.38
Interest on Credit Line			4.25%	\$6.26	\$6.26	\$3,127.62
Total Variable Costs				\$287.71	\$287.71	\$143,856.08
Planned Returns Above Variable Costs:				\$72.29	\$72.29	\$36,143.92
Breakeven Price to Cover Variable Costs			\$3.20	Bushel		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$24.76	\$24.76	\$24.76	\$12,380.66
Implements	1	Acre	\$21.40	\$21.40	\$21.40	\$10,702.18
Equipment Investment						
Tractors/Self-Propelled	\$189.26	Dollars	7.00%	\$13.25	\$13.25	\$6,623.94
Implements	\$117.35	Dollars	7.00%	\$8.21	\$8.21	\$4,107.34
Management Fee, Owner/Operator Labor						
UCB - Land Charge	1	Acre	\$85.00	\$85.00	\$85.00	\$42,500.00
Total Fixed Costs				\$170.63	\$170.63	\$85,314.11
Total Specified Costs				\$458.34	\$458.34	\$229,170.19
Returns Above Specified Costs				(\$98.34)	(\$98.34)	(\$49,170.19)
Breakeven Price to Cover Total Costs			\$5.09	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%	67.50	\$4.26	\$6.79
90%	81.00	\$3.55	\$5.66
100%	90.00	\$3.20	\$5.09
110%	99.00	\$2.91	\$4.63
125%	112.50	\$2.56	\$4.07

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.