

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Rotation, Sorghum-Fallow-Wheat, Minimum Till, Sorghum - 160 Acres
Panhandle Extension District - 1

Crop Acres		160						
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total
Grain Sorghum		25.00	CWT	\$6.45		\$161.25	\$25,800.00	
Total Revenue						\$161.25	\$25,800.00	
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs								
Custom								
Fertilizer Application - ANH3		1	Acre	\$12.07		\$12.07	\$1,931.70	
Custom Harvest - Sorghum Dryland		1	Acre	\$22.45		\$22.45	\$3,592.14	
Custom Haul - Sorghum Dryland		25	CWT	\$0.25		\$6.17	\$986.40	
Fertilizer								
Fertilizer (N) - ANH3		40	Pound	\$0.36		\$14.40	\$2,304.00	
Herbicide								
Herbicide and Apply Sorghum		1	Acre	\$19.06		\$19.06	\$3,050.39	
Insecticide								
Insecticide and Apply Sorghum		0.33	Application	\$9.79		\$3.23	\$517.06	
Miscellaneous								
Crop Insurance Sorghum - Dryland		1	Acre	\$19.00		\$19.00	\$3,040.00	
Seed								
Seed - Sorghum		2.25	Pound	\$1.92		\$4.31	\$690.02	
Machinery Labor								
Tractors/Self-Propelled		0.69	Hour	\$11.97		\$8.26	\$1,321.20	
Diesel Fuel								
Tractors/Self-Propelled		1.93	Gallon	\$1.97		\$3.80	\$608.34	
Gasoline								
Pickup/General Use Equipment		1	Acre	\$4.18		\$4.18	\$669.50	
Repairs & Maintenance								
Pickup/General Use Equipment		1	Acre	\$2.49		\$2.49	\$397.80	
Tractors/Self-Propelled		1	Acre	\$3.03		\$3.03	\$485.43	
Implements		1	Acre	\$9.98		\$9.98	\$1,596.95	
Interest on Credit Line				5.15%		\$2.31	\$370.31	
Total Variable Costs						\$134.76	\$21,561.24	
Planned Returns Above Variable Costs:						\$26.49	\$4,238.76	
Breakeven Price to Cover Variable Costs					\$5.39 CWT			
FIXED COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation								
Pickup/General Use Equipment		1	Acre	\$2.61		\$2.61	\$417.69	
Tractors/Self-Propelled		1	Acre	\$2.99		\$2.99	\$477.72	
Implements		1	Acre	\$12.69		\$12.69	\$2,029.94	
Equipment Investment								
Pickup/General Use Equipment		\$18.03	Dollars	5.40%		\$0.97	\$155.74	
Tractors/Self-Propelled		\$23.26	Dollars	5.40%		\$1.26	\$200.97	
Implements		\$54.27	Dollars	5.40%		\$2.93	\$468.92	
Cash Rent - Sorghum		1	Acre	\$27.50		\$27.50	\$4,400.00	
Total Fixed Costs						\$50.94	\$8,150.97	
Total Specified Costs						\$185.70	\$29,712.21	
Returns Above Specified Costs						(\$24.45)	(\$3,912.21)	
Breakeven Price to Cover Total Costs					\$7.43 CWT			

Example Breakeven Prices			
Example Yield Percent	Example Yield CWT	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	18.75	\$7.19	\$9.90
90%	22.50	\$5.99	\$8.25
100%	25.00	\$5.39	\$7.43
110%	27.50	\$4.90	\$6.75
125%	31.25	\$4.31	\$5.94

Developed by Steve Amosson, Regents Fellow, 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.