

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Sorghum Sudangrass, Dryland, Grazing - 160 Acres
Panhandle Extension District - 1

Crop Acres	160				
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Grazing - Sorghum	336.00	Pound	\$0.45	\$151.20	\$24,192.00
Total Revenue				\$151.20	\$24,192.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Seed					
Seed - Sorghum Sudangrass	15	Pound	\$0.93	\$13.90	\$2,224.37
Fertilizer					
Fertilizer (N) - ANH3	50	Pound	\$0.36	\$18.00	\$2,880.00
Custom					
Fertilizer Application - ANH3	1	Acre	\$12.07	\$12.07	\$1,931.70
Miscellaneous					
Crop Insurance Sorghum Sudan Dry	1	Acre	\$19.00	\$19.00	\$3,040.00
Herbicide					
Herbicide and Apply Sorghum Sudan	1	Acre	\$12.00	\$12.00	\$1,920.00
Machinery Labor					
Tractors/Self-Propelled	0.72	Hour	\$11.97	\$8.62	\$1,378.64
Diesel Fuel					
Tractors/Self-Propelled	1.64	Gallon	\$1.97	\$3.23	\$516.93
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	\$2.26	\$2.26	\$361.81
Implements	1	Acre	\$6.70	\$6.70	\$1,071.95
Interest on Credit Line			5.15%	\$2.02	\$322.42
Total Variable Costs				\$104.47	\$16,715.12
Planned Returns Above Variable Costs:				\$46.73	\$7,476.88
Breakeven Price to Cover Variable Costs			\$0.31	Pound	
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	\$2.19	\$2.19	\$351.06
Implements	1	Acre	\$8.34	\$8.34	\$1,333.70
Equipment Investment					
Pickup/General Use Equipment	\$18.03	Dollars	5.40%	\$0.97	\$155.74
Tractors/Self-Propelled	\$17.09	Dollars	5.40%	\$0.92	\$147.68
Implements	\$35.66	Dollars	5.40%	\$1.93	\$308.08
Cash Rent - Sorghum	1	Acre	\$27.50	\$27.50	\$4,400.00
Total Fixed Costs				\$44.46	\$7,113.95
Total Specified Costs				\$148.93	\$23,829.07
Returns Above Specified Costs				\$2.27	\$362.93
Breakeven Price to Cover Total Costs			\$0.44	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	252.00	\$0.41	\$0.59
90%	302.40	\$0.35	\$0.49
100%	336.00	\$0.31	\$0.44
110%	369.60	\$0.28	\$0.40
125%	420.00	\$0.25	\$0.35

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.