

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Dryland Sorghum - 160 Acres**  
**South Plains Extension District - 2**

Crop Acres		160				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Grain Sorghum		18.00	CWT	\$7.00	\$126.00	\$20,160.00
Total Revenue					\$126.00	\$20,160.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>						
Herbicide						
Herbicide and Apply Sorghum Dryland		1	Acre	\$10.50	\$10.50	\$1,680.00
Seed						
Seed - Sorghum		2.25	Pound	\$2.40	\$5.40	\$864.00
Fertilizer						
Fertilizer (N) - Liquid		30	Pound	\$0.58	\$17.34	\$2,774.40
Custom						
Custom Harvest - Sorghum Dryland		1	Acre	\$14.00	\$14.00	\$2,240.00
Custom Haul - Sorghum Dryland		18	CWT	\$0.40	\$7.20	\$1,152.00
Fertilizer Application - Liquid High		1	Acre	\$4.75	\$4.75	\$760.00
Miscellaneous						
Crop Insurance Sorghum - Dryland		1	Acre	\$16.50	\$16.50	\$2,640.00
Insecticide						
Insecticide and Apply Sorghum		1	Acre	\$25.00	\$25.00	\$4,000.00
Machinery Labor						
Tractors/Self-Propelled		1	Hour	\$12.00	\$12.00	\$1,920.00
Diesel Fuel						
Tractors/Self-Propelled		2.4	Gallon	\$3.00	\$7.20	\$1,152.00
Gasoline						
Pickup/General Use Equipment		1	Acre	\$4.50	\$4.50	\$720.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.50	\$0.50	\$80.00
Tractors/Self-Propelled		1	Acre	\$6.00	\$6.00	\$960.00
Implements		1	Acre	\$3.00	\$3.00	\$480.00
Interest on Credit Line				6.00%	\$3.28	\$524.05
Total Variable Costs					\$137.17	\$21,946.45
Planned Returns Above Variable Costs:					(\$11.17)	(\$1,786.45)
Breakeven Price to Cover Variable Costs				\$7.62	CWT	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs						
Pickup/General Use Equipment		1	Acre	\$1.25	\$1.25	\$200.00
Tractors/Self-Propelled		1	Acre	\$12.00	\$12.00	\$1,920.00
Implements		1	Acre	\$10.00	\$10.00	\$1,600.00
Management Fee, Owner/Operator Labor		1	Acre	\$15.00	\$15.00	\$2,400.00
Cash Rent - Sorghum		1	Acre	\$30.00	\$30.00	\$4,800.00
Whole Farm Insurance		1	Acre	\$2.00	\$2.00	\$320.00
Total Fixed Costs					\$70.25	\$11,240.00
Total Specified Costs					\$207.42	\$33,186.45
Returns Above Specified Costs					(\$81.42)	(\$13,026.45)
Breakeven Price to Cover Total Costs				\$11.52	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%	13.50	\$10.16	\$15.36
90%	16.20	\$8.47	\$12.80
100%	18.00	\$7.62	\$11.52
110%	19.80	\$6.93	\$10.48
125%	22.50	\$6.10	\$9.22

Developed by Jackie Smith, 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.**