

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Irrigated Sorghum - 122 Acres**  
**South Plains Extension District - 2**

Crop Acres		122				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Grain Sorghum	55.00	CWT	\$7.00	\$385.00	\$385.00	\$46,970.00
<b>Total Revenue</b>				<b>\$385.00</b>	<b>\$385.00</b>	<b>\$46,970.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Production Costs</b>						
<b>Herbicide</b>						
Herbicide and Apply Sorghum Irrigate	1	Acre	\$21.12	\$21.12	\$21.12	\$2,576.64
<b>Seed</b>						
Seed - Sorghum	4.5	Pound	\$2.40	\$10.80	\$10.80	\$1,317.60
<b>Fertilizer</b>						
Fertilizer (N) - Liquid	40	Pound	\$0.58	\$23.12	\$23.12	\$2,820.64
Fertilizer (P) - Liquid	44	Pound	\$0.74	\$32.34	\$32.34	\$3,945.48
Fertilizer (N) - NH3	70	Pound	\$0.38	\$26.46	\$26.46	\$3,228.12
<b>Custom</b>						
Harvest and Haul - Sorghum	55	CWT	\$0.60	\$33.00	\$33.00	\$4,026.00
Fertilizer Application - Liquid High	1	Acre	\$4.75	\$4.75	\$4.75	\$579.50
Fertilizer Application - Liquid Low	1	Acre	\$3.50	\$3.50	\$3.50	\$427.00
Fertilizer Application - NH3	1	Acre	\$3.50	\$3.50	\$3.50	\$427.00
<b>Miscellaneous</b>						
Crop Insurance Sorghum - Irrigated	1	Acre	\$29.00	\$29.00	\$29.00	\$3,538.00
<b>Insecticide</b>						
Insecticide and Apply Sorghum	1	Acre	\$25.00	\$25.00	\$25.00	\$3,050.00
<b>Irrigation</b>						
Energy Cost	9.00	AcreInch	\$9.00	\$81.00	\$81.00	\$9,882.00
Irrigation Labor	0.90	Hour	\$12.00	\$10.80	\$10.80	\$1,317.60
<b>Machinery Labor</b>						
Tractors/Self-Propelled	1.3	Hour	\$12.00	\$15.60	\$15.60	\$1,903.20
<b>Diesel Fuel</b>						
Tractors/Self-Propelled	3.2	Gallon	\$3.00	\$9.60	\$9.60	\$1,171.20
<b>Gasoline</b>						
Pickup/General Use Equipment	1	Acre	\$4.50	\$4.50	\$4.50	\$548.44
<b>Repairs &amp; Maintenance</b>						
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$0.50	\$61.00
Irrigation Equipment	1	Acre	\$15.75	\$15.75	\$15.75	\$1,921.50
Tractors/Self-Propelled	1	Acre	\$6.00	\$6.00	\$6.00	\$732.00
Implements	1	Acre	\$3.00	\$3.00	\$3.00	\$366.00
Interest on Credit Line			6.00%	\$7.99	\$7.99	\$974.57
<b>Total Variable Costs</b>				<b>\$367.32</b>	<b>\$367.32</b>	<b>\$44,813.49</b>
<b>Planned Returns Above Variable Costs:</b>				<b>\$17.68</b>	<b>\$17.68</b>	<b>\$2,156.51</b>
<b>Breakeven Price to Cover Variable Costs</b>			<b>\$6.68</b>	<b>CWT</b>		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Equipment Fixed Costs</b>						
Pickup/General Use Equipment	1	Acre	\$1.25	\$1.25	\$1.25	\$152.50
Irrigation Equipment	1	Acre	\$55.00	\$55.00	\$55.00	\$6,710.00
Tractors/Self-Propelled	1	Acre	\$12.00	\$12.00	\$12.00	\$1,464.00
Implements	1	Acre	\$10.00	\$10.00	\$10.00	\$1,220.00
Management Fee, Owner/Operator Labor	1	Acre	\$30.00	\$30.00	\$30.00	\$3,660.00
Cash Rent - Sorghum Irrigated	1	Acre	\$100.00	\$100.00	\$100.00	\$12,200.00
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$2.00	\$244.00
<b>Total Fixed Costs</b>				<b>\$210.25</b>	<b>\$210.25</b>	<b>\$25,650.50</b>
<b>Total Specified Costs</b>				<b>\$577.57</b>	<b>\$577.57</b>	<b>\$70,463.99</b>
<b>Returns Above Specified Costs</b>				<b>(\$192.57)</b>	<b>(\$192.57)</b>	<b>(\$23,493.99)</b>
<b>Breakeven Price to Cover Total Costs</b>			<b>\$10.50</b>	<b>CWT</b>		

Example Breakeven Prices			
Example	Example	Price Needed to Cover	Price Needed to Cover
Yield	Yield	Your Variable Costs	Your Total Costs
Percent	CWT		
75%	41.25	\$8.90	\$14.00
90%	49.50	\$7.42	\$11.67
100%	55.00	\$6.68	\$10.50
110%	60.50	\$6.07	\$9.55
125%	68.75	\$5.34	\$8.40

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.**