

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

Crop Acres		122						
				Total	Enterprise Total			
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total
Sorghum Silage				24.00	Ton	\$36.00	\$864.00	\$105,408.00
Total Revenue							\$864.00	\$105,408.00
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs								
Seed								
Seed - Sorghum				7	Pound	\$2.40	\$16.80	\$2,049.60
Fertilizer								
Fertilizer (P) - Liquid				88	Pound	\$0.74	\$64.68	\$7,890.96
Fertilizer (N) - Liquid				70	Pound	\$0.58	\$40.46	\$4,936.12
Fertilizer (N) - NH3				150	Pound	\$0.38	\$56.70	\$6,917.40
Custom								
Harvest and Haul - Sorghum Silage				24	Ton	\$7.00	\$168.00	\$20,496.00
Fertilizer Application - Liquid High				1	Acre	\$4.75	\$4.75	\$579.50
Fertilizer Application - Liquid Low				1	Acre	\$3.50	\$3.50	\$427.00
Fertilizer Application - NH3				1	Acre	\$3.50	\$3.50	\$427.00
Miscellaneous								
Crop Insurance Sorghum Silage				1	Acre	\$23.00	\$23.00	\$2,806.00
Herbicide								
Herbicide and Apply Sorghum Silage				1	Acre	\$10.50	\$10.50	\$1,281.00
Insecticide								
Insecticide and Apply Sorghum				1	Acre	\$25.00	\$25.00	\$3,050.00
Irrigation								
Energy Cost				15.00	AcreInch	\$9.00	\$135.00	\$16,470.00
Irrigation Labor				0.90	Hour	\$12.00	\$10.80	\$1,317.60
Machinery Labor								
Tractors/Self-Propelled				1.3	Hour	\$12.00	\$15.60	\$1,903.20
Diesel Fuel								
Tractors/Self-Propelled				3.2	Gallon	\$3.00	\$9.60	\$1,171.20
Gasoline								
Pickup/General Use Equipment				1	Acre	\$4.50	\$4.50	\$548.44
Repairs & Maintenance								
Pickup/General Use Equipment				1	Acre	\$0.50	\$0.50	\$61.00
Irrigation Equipment				1	Acre	\$26.25	\$26.25	\$3,202.50
Tractors/Self-Propelled				1	Acre	\$6.00	\$6.00	\$732.00
Implements				1	Acre	\$3.00	\$3.00	\$366.00
Interest on Credit Line						6.00%	\$7.73	\$943.15
Total Variable Costs							\$635.87	\$77,575.67
Planned Returns Above Variable Costs:							\$228.13	\$27,832.33
Breakeven Price to Cover Variable Costs						\$26.49	Ton	
FIXED COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs								
Pickup/General Use Equipment				1	Acre	\$1.25	\$1.25	\$152.50
Irrigation Equipment				1	Acre	\$55.00	\$55.00	\$6,710.00
Tractors/Self-Propelled				1	Acre	\$12.00	\$12.00	\$1,464.00
Implements				1	Acre	\$10.00	\$10.00	\$1,220.00
Management Fee, Owner/Operator Labor				1	Acre	\$30.00	\$30.00	\$3,660.00
Cash Rent - Sorghum Silage				1	Acre	\$130.00	\$130.00	\$15,860.00
Whole Farm Insurance				1	Acre	\$2.00	\$2.00	\$244.00
Total Fixed Costs							\$240.25	\$29,310.50
Total Specified Costs							\$876.12	\$106,886.17
Returns Above Specified Costs							(\$12.12)	(\$1,478.17)
Breakeven Price to Cover Total Costs						\$36.50	Ton	

Example Breakeven Prices			
Example Yield Percent	Example Yield Ton	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	18.00	\$35.33	\$48.67
90%	21.60	\$29.44	\$40.56
100%	24.00	\$26.49	\$36.50
110%	26.40	\$24.09	\$33.19
125%	30.00	\$21.20	\$29.20

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.