

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Dryland Sorghum - 640 Acres
Rolling Plains Extension District - 3

Crop Acres	640					Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	
Grain Sorghum	22.00	CWT	\$6.45	\$141.90	\$90,816.00	
Total Revenue				\$141.90	\$90,816.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs						
Herbicide						
Atrazine	1	Quart	\$2.95	\$2.95	\$1,888.00	
Seed						
Grain Sorghum Seed	3	Pound	\$2.20	\$6.60	\$4,224.00	
Custom						
Custom Harvest Sorghum	1	Acre	\$24.00	\$24.00	\$15,360.00	
Custom Haul Sorghum	22	CWT	\$0.24	\$5.28	\$3,379.20	
Miscellaneous						
Insurance - Grain Sorghum	1	Acre	\$8.00	\$8.00	\$5,120.00	
Machinery Labor						
Tractors/Self-Propelled	1.55	Hour	\$10.00	\$15.50	\$9,920.00	
Diesel Fuel						
Tractors/Self-Propelled	4.81	Gallon	\$1.65	\$7.94	\$5,079.36	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$2.11	\$2.11	\$1,350.00	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.57	\$0.57	\$362.25	
Tractors/Self-Propelled	1	Acre	\$7.51	\$7.51	\$4,806.23	
Implements	1	Acre	\$9.40	\$9.40	\$6,016.31	
Interest on Credit Line			5.75%	\$1.06	\$676.97	
Total Variable Costs				\$90.91	\$58,182.31	
Planned Returns Above Variable Costs:				\$50.99	\$32,633.69	
Breakeven Price to Cover Variable Costs			\$4.13 CWT			
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$0.79	\$0.79	\$502.92	
Tractors/Self-Propelled	1	Acre	\$7.76	\$7.76	\$4,966.43	
Implements	1	Acre	\$11.61	\$11.61	\$7,428.60	
Equipment Investment						
Pickup/General Use Equipment	\$5.50	Dollars	5.50%	\$0.30	\$193.76	
Tractors/Self-Propelled	\$60.45	Dollars	5.50%	\$3.32	\$2,127.96	
Implements	\$49.65	Dollars	5.50%	\$2.73	\$1,747.78	
Cash Rent - Grain Sorghum	1	Acre	\$32.00	\$32.00	\$20,480.00	
Total Fixed Costs				\$58.51	\$37,447.46	
Total Specified Costs				\$149.42	\$95,629.77	
Returns Above Specified Costs				(\$7.52)	(\$4,813.77)	
Breakeven Price to Cover Total Costs			\$6.79 CWT			

Example Breakeven Prices			
Example	Example	Price Needed to Cover	Price Needed to Cover
Yield	Yield	Your Variable Costs	Your Total Costs
Percent	CWT		
75%	16.50	\$5.51	\$9.06
90%	19.80	\$4.59	\$7.55
100%	22.00	\$4.13	\$6.79
110%	24.20	\$3.76	\$6.17
125%	27.50	\$3.31	\$5.43

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

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.