

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Sorghum (Nitrogen Fertilizer Only) - 500 Acres
North Texas Extension District - 4

| Crop Acres | | 500 | | | | Enterprise |
|--|----------|---------|----------------|-------------------|----------------------|------------|
| REVENUE | Quantity | Units | \$/Unit | Total | Total | |
| Sorghum | 33.00 | CWT | \$6.50 | \$214.50 | \$107,250.00 | |
| Total Revenue | | | | \$214.50 | \$107,250.00 | |
| VARIABLE COSTS | Quantity | Units | \$/Unit | Total | Enterprise Total | |
| Production Costs | | | | | | |
| Custom | | | | | | |
| Custom Harvest Sorghum | 1 | Acre | \$18.00 | \$18.00 | \$9,000.00 | |
| Custom Haul Sorghum | 33 | CWT | \$0.53 | \$17.49 | \$8,745.00 | |
| Fertilizer | | | | | | |
| 10-34-0 | 100 | Pounds | \$0.32 | \$32.00 | \$16,000.00 | |
| 82-0-0 | 100 | Pounds | \$0.44 | \$44.00 | \$22,000.00 | |
| Herbicide | | | | | | |
| Pre-emerge Sorghum | 2 | Acre | \$14.00 | \$28.00 | \$14,000.00 | |
| Insecticide | | | | | | |
| Insecticide-Sorghum | 1 | Acre | \$15.00 | \$15.00 | \$7,500.00 | |
| Miscellaneous | | | | | | |
| Insurance-Sorghum | 1 | Acre | \$8.00 | \$8.00 | \$4,000.00 | |
| Seed | | | | | | |
| Sorghum Seed | 7 | Pounds | \$2.25 | \$15.75 | \$7,875.00 | |
| Machinery Labor | | | | | | |
| Tractors/Self-Propelled | 1.8 | Hour | \$10.00 | \$18.00 | \$9,000.00 | |
| Diesel Fuel | | | | | | |
| Tractors/Self-Propelled | 8.99 | Gallon | \$3.50 | \$31.47 | \$15,732.50 | |
| Repairs & Maintenance | | | | | | |
| Tractors/Self-Propelled | 1 | Acre | \$11.89 | \$11.89 | \$5,945.10 | |
| Implements | 1 | Acre | \$21.69 | \$21.69 | \$10,843.71 | |
| Interest on Credit Line | | | 4.75% | \$4.56 | \$2,282.25 | |
| Total Variable Costs | | | | \$265.85 | \$132,923.56 | |
| Planned Returns Above Variable Costs: | | | | (\$51.35) | (\$25,673.56) | |
| Breakeven Price to Cover Variable Costs | | | \$8.06 | CWT | | |
| FIXED COSTS | Quantity | Units | \$/Unit | Total | Enterprise Total | |
| Machinery Depreciation | | | | | | |
| Tractors/Self-Propelled | 1 | Acre | \$11.49 | \$11.49 | \$5,745.89 | |
| Implements | 1 | Acre | \$24.81 | \$24.81 | \$12,406.40 | |
| Equipment Investment | | | | | | |
| Tractors/Self-Propelled | \$89.52 | Dollars | 6.00% | \$5.37 | \$2,685.74 | |
| Implements | \$106.14 | Dollars | 6.00% | \$6.37 | \$3,184.31 | |
| Rent-Dryland Crop | 1 | Acre | \$25.00 | \$25.00 | \$12,500.00 | |
| Total Fixed Costs | | | | \$73.04 | \$36,522.34 | |
| Total Specified Costs | | | | \$338.89 | \$169,445.90 | |
| Returns Above Specified Costs | | | | (\$124.39) | (\$62,195.90) | |
| Breakeven Price to Cover Total Costs | | | \$10.27 | 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% | 24.75 | \$10.74 | \$13.69 |
| 90% | 29.70 | \$8.95 | \$11.41 |
| 100% | 33.00 | \$8.06 | \$10.27 |
| 110% | 36.30 | \$7.32 | \$9.34 |
| 125% | 41.25 | \$6.44 | \$8.22 |

Developed by Blake Bennet, Associate 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.