

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 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	
Grain Sorghum	55.00	CWT	\$7.00	\$385.00	\$46,970.00	
Total Revenue				\$385.00	\$46,970.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total	
Production Costs						
Custom						
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	
Harvest and Haul - Sorghum	55	CWT	\$0.60	\$33.00	\$4,026.00	
Fertilizer						
Fertilizer (N) - Liquid	40	Pound	\$0.40	\$15.94	\$1,944.38	
Fertilizer (P) - Liquid	44	Pound	\$0.52	\$22.97	\$2,802.41	
Fertilizer (N) - NH3	70	Pound	\$0.37	\$25.61	\$3,124.39	
Herbicide						
Herbicide and Apply Sorghum Irrigated	1	Acre	\$21.12	\$21.12	\$2,576.64	
Insecticide						
Insecticide and Apply Sorghum	1	Acre	\$25.00	\$25.00	\$3,050.00	
Miscellaneous						
Crop Insurance Sorghum - Irrigated	1	Acre	\$29.00	\$29.00	\$3,538.00	
Seed						
Seed - Sorghum	4.5	Pound	\$2.40	\$10.80	\$1,317.60	
Irrigation						
Energy Cost	9.00	AcreInch	\$11.00	\$99.00	\$12,078.00	
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	\$1.84	\$5.89	\$718.34	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$3.88	\$3.88	\$472.88	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$61.00	
Irrigation Equipment	1	Acre	\$15.75	\$15.75	\$1,921.50	
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%	\$7.74	\$944.44	
Total Variable Costs				\$363.34	\$44,327.87	
Planned Returns Above Variable Costs:				\$21.66	\$2,642.13	
Breakeven Price to Cover Variable Costs			\$6.61	CWT	Enterprise	
FIXED COSTS	Quantity	Units	\$/Unit	Total	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 Irrigated	1	Acre	\$100.00	\$100.00	\$12,200.00	
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$244.00	
Total Fixed Costs				\$210.25	\$25,650.50	
Total Specified Costs				\$573.59	\$69,978.37	
Returns Above Specified Costs				(\$188.59)	(\$23,008.37)	
Breakeven Price to Cover Total Costs			\$10.43	CWT		

Example Breakeven Prices

Exempl	Example	To Cover	To Cover
Yield	Yield	Variable	Total
Percen	CWT	Costs	Costs
75%	41.25	\$8.81	\$13.91
90%	49.50	\$7.34	\$11.59
100%	55.00	\$6.61	\$10.43
110%	60.50	\$6.01	\$9.48
125%	68.75	\$5.28	\$8.34

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-746-6101.

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.