

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Irrigated Sorghum Silage - 122 Acres
South Plains Extension District - 2

Crop Acres		122			
				Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Sorghum Silage	24.00	Ton	\$33.00	\$792.00	\$96,624.00
Total Revenue				\$792.00	\$96,624.00
				Enterprise	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Fertilizer					
Fertilizer (N) - Liquid	70	Pound	\$0.40	\$27.89	\$3,402.66
Fertilizer (P) - Liquid	88	Pound	\$0.52	\$45.94	\$5,604.82
Fertilizer (N) - NH3	150	Pound	\$0.37	\$54.88	\$6,695.12
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
Insecticide					
Insecticide and Apply Sorghum	1	Acre	\$25.00	\$25.00	\$3,050.00
Herbicide					
Herbicide and Apply Sorghum Silage	1	Acre	\$10.50	\$10.50	\$1,281.00
Seed					
Seed - Sorghum	7	Pound	\$2.40	\$16.80	\$2,049.60
Irrigation					
Energy Cost	15.00	AcreInch	\$11.00	\$165.00	\$20,130.00
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	\$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%	\$7.15	\$871.70
Total Variable Costs				\$627.82	\$76,593.92
Planned Returns Above Variable Costs:				\$164.18	\$20,030.08
Breakeven Price to Cover Variable Costs			\$26.16	Ton	
				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 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				\$868.07	\$105,904.42
Returns Above Specified Costs				(\$76.07)	(\$9,280.42)
Breakeven Price to Cover Total Costs			\$36.17	Ton	

Example Breakeven Prices			
Example	Example	To Cover	To Cover
Yield	Yield	Variable	Total
Percent	Ton	Costs	Costs
75%	18.00	\$34.88	\$48.23
90%	21.60	\$29.07	\$40.19
100%	24.00	\$26.16	\$36.17
110%	26.40	\$23.78	\$32.88
125%	30.00	\$20.93	\$28.94

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.