

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2018 Estimated Costs and Returns per Acre
Rotation, Sorghum-Fallow-Wheat, Minimum Till, Sorghum
Panhandle Extension District - 1

Crop Acres		160					
REVENUE			Quantity	Units	\$/Unit	Total	Enterprise Total
Grain Sorghum			25.00	CWT	\$6.00	\$150.00	\$24,000.00
Total Revenue						\$150.00	\$24,000.00
VARIABLE COSTS			Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs							
Custom							
Fertilizer Application - ANH3			1	Acre	\$15.36	\$15.36	\$2,457.60
Custom Harvest - Sorghum Dryland			1	Acre	\$25.61	\$25.61	\$4,097.60
Custom Haul - Sorghum Dryland			25	CWT	\$0.26	\$6.50	\$1,040.00
Fertilizer							
Fertilizer (N) - ANH3			40	Pound	\$0.24	\$9.60	\$1,536.00
Herbicide							
Herbicide and Apply Sorghum			1	Acre	\$19.53	\$19.53	\$3,124.80
Insecticide							
Insecticide Head Worm			0.33	Application	\$9.93	\$3.28	\$524.30
Insecticide Sugar Cane Aphid			1	Application	\$21.27	\$21.27	\$3,403.20
Miscellaneous							
Crop Insurance Sorghum - Dryland			1	Acre	\$17.40	\$17.40	\$2,784.00
Seed							
Seed - Sorghum			2.25	Pound	\$2.20	\$4.95	\$792.00
Machinery Labor							
Tractors/Self-Propelled			0.33	Hour	\$12.44	\$4.11	\$656.83
Other Labor			0.35	Hour	\$12.44	\$4.35	\$696.64
Diesel Fuel							
Tractors/Self-Propelled			1.91	Gallon	\$1.99	\$3.80	\$608.14
Gasoline							
Pickup/General Use Equipment			1	Acre	\$4.27	\$4.27	\$682.50
Repairs & Maintenance							
Pickup/General Use Equipment			1	Acre	\$2.49	\$2.49	\$397.80
Tractors/Self-Propelled			1	Acre	\$3.61	\$3.61	\$577.89
Implements			1	Acre	\$9.24	\$9.24	\$1,477.63
Interest on Credit Line					5.74%	\$2.79	\$445.61
Total Variable Costs						\$158.14	\$25,302.55
Planned Returns Above Variable Costs:						(\$8.14)	(\$1,302.55)
Breakeven Price to Cover Variable Costs					\$6.33	CWT	
FIXED COSTS			Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation							
Pickup/General Use Equipment			1	Acre	\$2.61	\$2.61	\$417.69
Tractors/Self-Propelled			1	Acre	\$3.52	\$3.52	\$563.17
Implements			1	Acre	\$11.97	\$11.97	\$1,915.17
Equipment Investment							
Pickup/General Use Equipment			\$18.03	Dollars	6.01%	\$1.08	\$173.33
Tractors/Self-Propelled			\$27.42	Dollars	6.01%	\$1.65	\$263.67
Implements			\$51.20	Dollars	6.01%	\$3.08	\$492.38
Cash Rent - Sorghum			1	Acre	\$26.50	\$26.50	\$4,240.00
Total Fixed Costs						\$50.41	\$8,065.42
Total Specified Costs						\$208.55	\$33,367.96
Returns Above Specified Costs						(\$58.55)	(\$9,367.96)
Breakeven Price to Cover Total Costs					\$8.34	CWT	

Example Breakeven Prices			
Example Yield Percent	Example Yield CWT	To Cover Variable Costs	To Cover Total Costs
75%	18.75	\$8.43	\$11.12
90%	22.50	\$7.03	\$9.27
100%	25.00	\$6.33	\$8.34
110%	27.50	\$5.75	\$7.58
125%	31.25	\$5.06	\$6.67

Developed by Steve Amosson, Regents Fellow, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-677-5600.

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.