

Projections for Planning Purposes Only -- Not to be Used without Updating
2020 Estimated Costs and Returns per Acre
Sorghum Sudangrass, Dryland, Grazing
Panhandle Extension District - 1

Crop Acres		160						
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total
Grazing - Sorghum		336.00	Pound	\$0.45			\$151.20	\$24,192.00
Total Revenue							\$151.20	\$24,192.00
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs								
Fertilizer								
Fertilizer (N) - ANH3		50	Pound	\$0.29			\$14.35	\$2,296.00
Custom								
Fertilizer Application - ANH3		1	Acre	\$16.05			\$16.05	\$2,568.22
Seed								
Seed - Sorghum Sudangrass		15	Pound	\$0.90			\$13.46	\$2,153.22
Miscellaneous								
Crop Insurance Sorghum Sudan Dry		1	Acre	\$19.00			\$19.00	\$3,040.00
Herbicide								
Herbicide and Apply Sorghum Sudan		1	Acre	\$13.17			\$13.17	\$2,107.69
Machinery Labor								
Tractors/Self-Propelled		0.43	Hour	\$13.43			\$5.77	\$923.98
Other Labor		0.48	Hour	\$13.43			\$6.45	\$1,031.42
Diesel Fuel								
Tractors/Self-Propelled		2.12	Gallon	\$2.33			\$4.94	\$790.34
Gasoline								
Pickup/General Use Equipment		1	Acre	\$4.77			\$4.77	\$763.75
Repairs & Maintenance								
Pickup/General Use Equipment		1	Acre	\$2.49			\$2.49	\$397.80
Tractors/Self-Propelled		1	Acre	\$3.47			\$3.47	\$555.42
Implements		1	Acre	\$9.85			\$9.85	\$1,575.72
Interest on Credit Line				6.25%			\$3.00	\$479.90
Total Variable Costs							\$116.77	\$18,683.48
Planned Returns Above Variable Costs:							\$34.43	\$5,508.52
Breakeven Price to Cover Variable Costs						\$0.35	Pound	
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	\$3.43			\$3.43	\$549.33
Implements		1	Acre	\$12.57			\$12.57	\$2,011.84
Equipment Investment								
Pickup/General Use Equipment		\$18.03	Dollars	6.25%			\$1.13	\$180.25
Tractors/Self-Propelled		\$26.75	Dollars	6.25%			\$1.67	\$267.47
Implements		\$53.79	Dollars	6.25%			\$3.36	\$537.89
Cash Rent - Sorghum		1	Acre	\$30.00			\$30.00	\$4,800.00
Total Fixed Costs							\$54.78	\$8,764.47
Total Specified Costs							\$171.55	\$27,447.94
Returns Above Specified Costs							(\$20.35)	(\$3,255.94)
Breakeven Price to Cover Total Costs						\$0.51	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	252.00	\$0.46	\$0.68
90%	302.40	\$0.39	\$0.57
100%	336.00	\$0.35	\$0.51
110%	369.60	\$0.32	\$0.46
125%	420.00	\$0.28	\$0.41

Developed by Justin Benavidez, Assistant Professor, 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.