

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Sorghum - Conventional Till-24 Row, Dryland, 4000 lb. Yield Goal - 500 Acres
Coastal Bend Extension District - 11 (Lower Coast)

Crop Acres		500				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Grain Sorghum, Lower Coast		40.00	CWT	\$7.20	\$288.00	\$144,000.00
Total Revenue					\$288.00	\$144,000.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
	Treated Sorghum Seed	6	Pound	\$3.58	\$21.48	\$10,740.00
Fertilizer						
	24-8-0 LC	0.15	Ton	\$365.00	\$54.75	\$27,375.00
Herbicide						
	2, 4D	1	Pound	\$4.67	\$4.67	\$2,335.00
	Glyphosate	0.5	Quart	\$5.98	\$2.99	\$1,495.00
	Atrazine	1	Pound	\$3.71	\$3.71	\$1,855.00
	Sorghum PostEmerge Herbicide LC	1	Ounce	\$13.87	\$13.87	\$6,935.00
	Glyphosate	1	Quart	\$5.98	\$5.98	\$2,990.00
Insecticide						
	Headworn Control	1.3	Ounce	\$2.51	\$3.26	\$1,631.50
Miscellaneous						
	Crop Insurance -Sorghum	1	Acre	\$19.00	\$19.00	\$9,500.00
	Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,940.00
Custom						
	Fertilizer Application	1	CWT	\$0.10	\$0.10	\$50.00
	Custom Haul - Sorghum	42	CWT	\$0.30	\$12.60	\$6,300.00
	Drying - Sorghum	42	CWT	\$0.10	\$4.20	\$2,100.00
Other Labor						
	Hand Labor	0.04	Hour	\$7.50	\$0.30	\$150.00
Machinery Labor						
	Tractors/Self-Propelled	0.56	Hour	\$13.75	\$7.70	\$3,850.00
Diesel Fuel						
	Tractors/Self-Propelled	6.5	Gallon	\$3.30	\$21.45	\$10,725.00
Repairs & Maintenance						
	Tractors/Self-Propelled	1	Acre	\$12.92	\$12.92	\$6,461.98
	Implements	1	Acre	\$5.08	\$5.08	\$2,541.48
	Interest on Credit Line			5.00%	\$4.75	\$2,376.90
Total Variable Costs					\$202.70	\$101,351.85
Planned Returns Above Variable Costs:					\$85.30	\$42,648.15
Breakeven Price to Cover Variable Costs				\$5.07 CWT		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Tractors/Self-Propelled	1	Acre	\$14.47	\$14.47	\$7,237.00
	Implements	1	Acre	\$5.57	\$5.57	\$2,786.12
Equipment Investment						
	Tractors/Self-Propelled	\$151.93	Dollars	7.00%	\$10.64	\$5,317.72
	Implements	\$66.82	Dollars	7.00%	\$4.68	\$2,338.81
Management Fee, Ownwer/Operator Labor						
	LCB - Land Charge	1	Acre	\$55.00	\$55.00	\$27,500.00
Total Fixed Costs					\$104.76	\$52,379.66
Total Specified Costs					\$307.46	\$153,731.51
Returns Above Specified Costs					(\$19.46)	(\$9,731.51)
Breakeven Price to Cover Total Costs				\$7.69 CWT		

Example Breakeven Prices						
Example Yield Percent	Example Yield CWT	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	30.00	\$6.76	\$6.76	\$10.25	\$10.25	\$0.00
90%	36.00	\$5.63	\$5.63	\$8.54	\$8.54	\$0.00
100%	40.00	\$5.07	\$5.07	\$7.69	\$7.69	\$0.00
110%	44.00	\$4.61	\$4.61	\$6.99	\$6.99	\$0.00
125%	50.00	\$4.05	\$4.05	\$6.15	\$6.15	\$0.00

Developed by Levi Russell, Assistant 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.