

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2014 Estimated Costs and Returns per Acre**  
**Sorghum, Dryland, Continuous, Minimum Tillage - 160 Acres**  
**Panhandle Extension District - 1**

Crop Acres		160				
<b>REVENUE</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
Grain Sorghum		25.00	CWT	\$7.80	\$195.00	\$31,200.00
Total Revenue					\$195.00	\$31,200.00
<b>VARIABLE COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
<b>Production Costs</b>						
Seed						
Seed - Sorghum		2.25	Pound	\$1.88	\$4.24	\$678.56
Fertilizer						
Fertilizer (N) - ANH3		30	Pound	\$0.38	\$11.40	\$1,824.00
Herbicide						
Herbicide and Apply Sorghum		1	Acre	\$19.23	\$19.23	\$3,076.52
Insecticide						
Insecticide and Apply Sorghum		0.33	Application	\$10.09	\$3.33	\$532.95
Miscellaneous						
Crop Insurance Sorghum - Dryland		1	Acre	\$26.40	\$26.40	\$4,224.00
Custom						
Fertilizer Application - ANH3		1	Acre	\$11.75	\$11.75	\$1,880.00
Custom Harvest - Sorghum Dryland		1	Acre	\$21.25	\$21.25	\$3,400.00
Custom Haul - Sorghum Dryland		25	CWT	\$0.23	\$5.75	\$920.00
Machinery Labor						
Tractors/Self-Propelled		0.9	Hour	\$11.75	\$10.58	\$1,692.00
Diesel Fuel						
Tractors/Self-Propelled		2.43	Gallon	\$3.28	\$7.97	\$1,275.26
Gasoline						
Pickup/General Use Equipment		1	Acre	\$6.60	\$6.60	\$1,056.25
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$2.49	\$2.49	\$397.80
Tractors/Self-Propelled		1	Acre	\$7.36	\$7.36	\$1,177.01
Implements		1	Acre	\$17.20	\$17.20	\$2,752.11
Interest on Credit Line				4.75%	\$2.68	\$429.07
Total Variable Costs					\$158.22	\$25,315.54
Planned Returns Above Variable Costs:					\$36.78	\$5,884.46
Breakeven Price to Cover Variable Costs					\$6.33	CWT
<b>FIXED COSTS</b>		<b>Quantity</b>	<b>Units</b>	<b>\$/Unit</b>	<b>Total</b>	<b>Enterprise Total</b>
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$2.61	\$2.61	\$417.69
Tractors/Self-Propelled		1	Acre	\$7.13	\$7.13	\$1,140.95
Implements		1	Acre	\$20.90	\$20.90	\$3,344.54
Equipment Investment						
Pickup/General Use Equipment		\$31.08	Dollars	5.25%	\$1.63	\$261.06
Tractors/Self-Propelled		\$80.51	Dollars	5.25%	\$4.23	\$676.29
Implements		\$162.58	Dollars	5.25%	\$8.54	\$1,365.69
Cash Rent - Sorghum		1	Acre	\$30.00	\$30.00	\$4,800.00
Total Fixed Costs					\$75.04	\$12,006.22
Total Specified Costs					\$233.26	\$37,321.76
Returns Above Specified Costs					(\$38.26)	(\$6,121.76)
Breakeven Price to Cover Total Costs					\$9.33	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%	18.75	\$8.44	\$8.44	\$12.44	\$12.44	\$0.00
90%	22.50	\$7.03	\$7.03	\$10.37	\$10.37	\$0.00
100%	25.00	\$6.33	\$6.33	\$9.33	\$9.33	\$0.00
110%	27.50	\$5.75	\$5.75	\$8.48	\$8.48	\$0.00
125%	31.25	\$5.06	\$5.06	\$7.46	\$7.46	\$0.00

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

**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.**