

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
No-Till Dryland Sorghum, Follow Cotton - 400 Acres
West Central Extension District - 7

Crop Acres		400				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Sorghum		22.00	CWT	\$8.00	\$176.00	\$70,400.00
Total Revenue					\$176.00	\$70,400.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise
Production Costs						Total
Seed						
Seed Sorghum		8	Pounds	\$3.64	\$29.12	\$11,648.00
Fertilizer						
Nitrogen Dry Phosphate		20	Pounds	\$0.53	\$10.65	\$4,260.80
Phosphate		20	Pounds	\$0.55	\$11.06	\$4,423.20
Herbicide						
2-4D Amine 4		1.5	Pint	\$2.09	\$3.13	\$1,252.50
Glyphosate		32	Ounce	\$0.13	\$4.25	\$1,701.12
Atrazine		2	Quart	\$3.50	\$7.00	\$2,800.00
Miscellaneous						
RP 65% Crop Ins Sorghum		1	Acre	\$13.80	\$13.80	\$5,520.00
Custom						
Custom Harvest Sorghum		1	Acre	\$25.00	\$25.00	\$10,000.00
Custom Haul Sorghum		39.3	Bushels	\$0.20	\$7.86	\$3,144.00
Machinery Labor						
Tractors/Self-Propelled		0.31	Hour	\$12.00	\$3.72	\$1,488.00
Diesel Fuel						
Tractors/Self-Propelled		1.14	Gallon	\$3.20	\$3.65	\$1,459.20
Gasoline						
Pickup/General Use Equipment		1	Acre	\$2.19	\$2.19	\$877.89
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.78	\$0.78	\$313.90
Tractors/Self-Propelled		1	Acre	\$1.28	\$1.28	\$511.40
Implements		1	Acre	\$4.23	\$4.23	\$1,691.59
Interest on Credit Line				3.75%	\$1.64	\$655.24
Total Variable Costs					\$129.37	\$51,746.85
Planned Returns Above Variable Costs:					\$46.63	\$18,653.15
Breakeven Price to Cover Variable Costs				\$5.88 CWT		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise
Machinery Depreciation						Total
Pickup/General Use Equipment		1	Acre	\$1.66	\$1.66	\$665.64
Tractors/Self-Propelled		1	Acre	\$5.30	\$5.30	\$2,118.80
Implements		1	Acre	\$2.26	\$2.26	\$904.00
Equipment Investment						
Pickup/General Use Equipment		\$16.77	Dollars	3.75%	\$0.63	\$251.55
Tractors/Self-Propelled		\$64.24	Dollars	3.75%	\$2.41	\$963.60
Implements		\$32.51	Dollars	3.75%	\$1.22	\$487.58
Rent-Dryland Crop		1	Acre	\$35.00	\$35.00	\$14,000.00
Total Fixed Costs					\$48.48	\$19,391.17
Total Specified Costs					\$177.85	\$71,138.02
Returns Above Specified Costs					(\$1.85)	(\$738.02)
Breakeven Price to Cover Total Costs				\$8.08 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%	16.50	\$7.84	\$7.84	\$10.78	\$10.78	\$0.00
90%	19.80	\$6.53	\$6.53	\$8.98	\$8.98	\$0.00
100%	22.00	\$5.88	\$5.88	\$8.08	\$8.08	\$0.00
110%	24.20	\$5.35	\$5.35	\$7.35	\$7.35	\$0.00
125%	27.50	\$4.70	\$4.70	\$6.47	\$6.47	\$0.00

Developed by Bill Thompson, 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.