

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Grain Sorghum, Pivot Irrigated - 122 Acres
South Plains Extension District - 2

Crop Acres		122				Enterprise
		Quantity	Units	\$/Unit	Total	Total
REVENUE						
Grain Sorghum		55.00	CWT	\$7.50	\$412.50	\$50,325.00
Total Revenue					\$412.50	\$50,325.00
VARIABLE COSTS						Enterprise
		Quantity	Units	\$/Unit	Total	Total
Production Costs						
Seed						
Seed - Sorghum		4.5	Pound	\$2.40	\$10.80	\$1,317.60
Fertilizer						
Fertilizer (P)		50	Pound	\$0.60	\$30.00	\$3,660.00
Fertilizer (N)		100	Pound	\$0.55	\$55.00	\$6,710.00
Herbicide						
Herbicide and Apply Sorghum Irrigated		1	Acre	\$21.12	\$21.12	\$2,576.64
Insecticide						
Insecticide and Apply Sorghum		0.33	Application	\$10.00	\$3.30	\$402.60
Miscellaneous						
Crop Insurance Sorghum - Irrigated		1	Acre	\$20.00	\$20.00	\$2,440.00
Custom						
Fertilizer Application		1	Acre	\$10.00	\$10.00	\$1,220.00
Harvest and Haul - Sorghum		55	CWT	\$0.60	\$33.00	\$4,026.00
Irrigation						
Energy or Water Cost		14.00	AcreInch	\$9.00	\$126.00	\$15,372.00
Irrigation Labor		1.00	Hour	\$11.75	\$11.75	\$1,433.50
Machinery Labor						
Tractors/Self-Propelled		1	Hour	\$11.75	\$11.75	\$1,433.50
Diesel Fuel						
Tractors/Self-Propelled		2.5	Gallon	\$3.20	\$8.00	\$976.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$1.75	\$1.75	\$213.50
Irrigation Equipment		1	Acre	\$30.00	\$30.00	\$3,660.00
Tractors/Self-Propelled		1	Acre	\$6.00	\$6.00	\$732.00
Implements		1	Acre	\$3.00	\$3.00	\$366.00
Interest on Credit Line				6.00%	\$7.04	\$859.24
Total Variable Costs					\$388.51	\$47,398.58
Planned Returns Above Variable Costs:					\$23.99	\$2,926.42
Breakeven Price to Cover Variable Costs				\$7.06	CWT	
FIXED COSTS						Enterprise
		Quantity	Units	\$/Unit	Total	Total
Equipment Investment						
Pickup/General Use Equipment		\$35.78	Dollars	7.00%	\$2.50	\$305.55
Irrigation Equipment		\$714.29	Dollars	7.00%	\$50.00	\$6,100.00
Tractors/Self-Propelled		\$171.43	Dollars	7.00%	\$12.00	\$1,464.00
Implements		\$142.86	Dollars	7.00%	\$10.00	\$1,220.00
Cash Rent - Sorghum Irrigated		1	Acre	\$100.00	\$100.00	\$12,200.00
Total Fixed Costs					\$174.50	\$21,289.55
Total Specified Costs					\$563.02	\$68,688.13
Returns Above Specified Costs					(\$150.52)	(\$18,363.13)
Breakeven Price to Cover Total Costs				\$10.24	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%	41.25	\$9.42	\$9.42	\$13.65	\$13.65	\$0.00
90%	49.50	\$7.85	\$7.85	\$11.37	\$11.37	\$0.00
100%	55.00	\$7.06	\$7.06	\$10.24	\$10.24	\$0.00
110%	60.50	\$6.42	\$6.42	\$9.31	\$9.31	\$0.00
125%	68.75	\$5.65	\$5.65	\$8.19	\$8.19	\$0.00

Developed by Jackie Smith, 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.