

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2014 Estimated Costs and Returns per Acre**  
**Sorghum (Nitrogen Fertilizer Only) - 500 Acres**  
**North Texas Extension District - 4**

Crop Acres		500				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Sorghum	33.00	CWT	\$6.50	\$214.50	\$107,250.00	\$107,250.00
<b>Total Revenue</b>				<b>\$214.50</b>	<b>\$107,250.00</b>	<b>\$107,250.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Production Costs</b>						
<b>Seed</b>						
Sorghum Seed	7	Pounds	\$2.25	\$15.75	\$7,875.00	\$7,875.00
<b>Fertilizer</b>						
10-34-0	100	Pounds	\$0.32	\$32.00	\$16,000.00	\$16,000.00
82-0-0	100	Pounds	\$0.44	\$44.00	\$22,000.00	\$22,000.00
<b>Herbicide</b>						
Pre-emerge Sorghum	1	Acre	\$14.00	\$14.00	\$7,000.00	\$7,000.00
Pre-emerge Sorghum	1	Acre	\$14.00	\$14.00	\$7,000.00	\$7,000.00
<b>Miscellaneous</b>						
Insurance-Sorghum	1	Acre	\$8.00	\$8.00	\$4,000.00	\$4,000.00
<b>Custom</b>						
Custom Harvest Sorghum	1	Acre	\$18.00	\$18.00	\$9,000.00	\$9,000.00
Custom Haul Sorghum	33	CWT	\$0.53	\$17.49	\$8,745.00	\$8,745.00
<b>Machinery Labor</b>						
Tractors/Self-Propelled	1.49	Hour	\$10.00	\$14.90	\$7,450.00	\$7,450.00
<b>Diesel Fuel</b>						
Tractors/Self-Propelled	5.58	Gallon	\$3.50	\$19.53	\$9,765.00	\$9,765.00
<b>Repairs &amp; Maintenance</b>						
Tractors/Self-Propelled	1	Acre	\$9.90	\$9.90	\$4,951.93	\$4,951.93
Implements	1	Acre	\$12.17	\$12.17	\$6,084.65	\$6,084.65
Interest on Credit Line			4.75%	\$3.94	\$1,970.27	\$1,970.27
<b>Total Variable Costs</b>				<b>\$223.68</b>	<b>\$111,841.85</b>	<b>\$111,841.85</b>
<b>Planned Returns Above Variable Costs:</b>						
Breakeven Price to Cover Variable Costs			\$6.78	CWT	(\$9.18)	(\$4,591.85)
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
<b>Machinery Depreciation</b>						
Tractors/Self-Propelled	1	Acre	\$9.03	\$9.03	\$4,517.31	\$4,517.31
Implements	1	Acre	\$12.25	\$12.25	\$6,124.63	\$6,124.63
<b>Equipment Investment</b>						
Tractors/Self-Propelled	\$108.24	Dollars	6.00%	\$6.49	\$3,247.08	\$3,247.08
Implements	\$97.94	Dollars	6.00%	\$5.88	\$2,938.16	\$2,938.16
Rent-Dryland Crop	1	Acre	\$25.00	\$25.00	\$12,500.00	\$12,500.00
<b>Total Fixed Costs</b>				<b>\$58.65</b>	<b>\$29,327.19</b>	<b>\$29,327.19</b>
<b>Total Specified Costs</b>				<b>\$282.34</b>	<b>\$141,169.04</b>	<b>\$141,169.04</b>
<b>Returns Above Specified Costs</b>						
					(\$67.84)	(\$33,919.04)
<b>Breakeven Price to Cover Total Costs</b>			\$8.56	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%	24.75	\$9.04	\$9.04	\$11.41	\$11.41	\$0.00
90%	29.70	\$7.53	\$7.53	\$9.51	\$9.51	\$0.00
100%	33.00	\$6.78	\$6.78	\$8.56	\$8.56	\$0.00
110%	36.30	\$6.16	\$6.16	\$7.78	\$7.78	\$0.00
125%	41.25	\$5.42	\$5.42	\$6.84	\$6.84	\$0.00

Developed by Blake Bennet, Associate 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.**