

Insights into Sorghum crop profitability

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Is sorghum growing profitable for European farmers?

- ... Few existing studies
- → Watch on Economic literature, agricultural press....
- → Design of ad-hoc studies in the frame of EU-funded promotional programs for sorghum.
- → Ex.: Austria

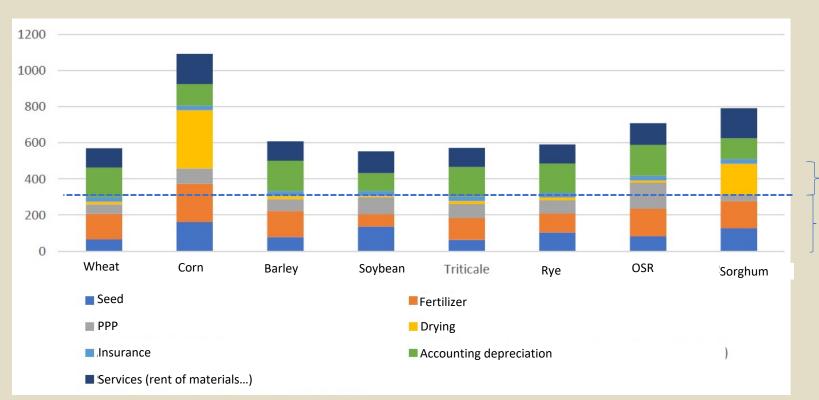






Is sorghum growing profitable for European farmers?

Cost evidences from Austria (5 y. average 2015-2019)





Sorghum

Need to dry the grain after harvest

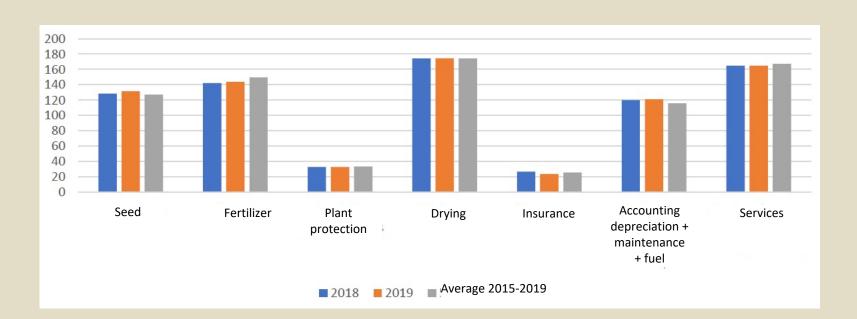
Low input cost (seed, fertilizer, PPP)





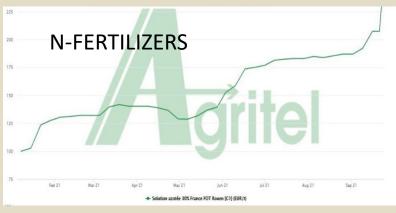
Sorghum cost in Austria

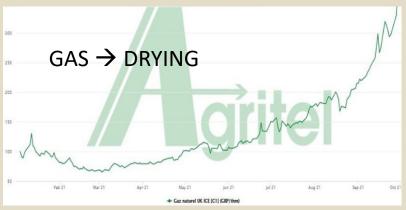
Stability over 5 years (2015-2019)



3RD EUROPEAN SORGHUM CONGRESS

How about 2021 & 2022?



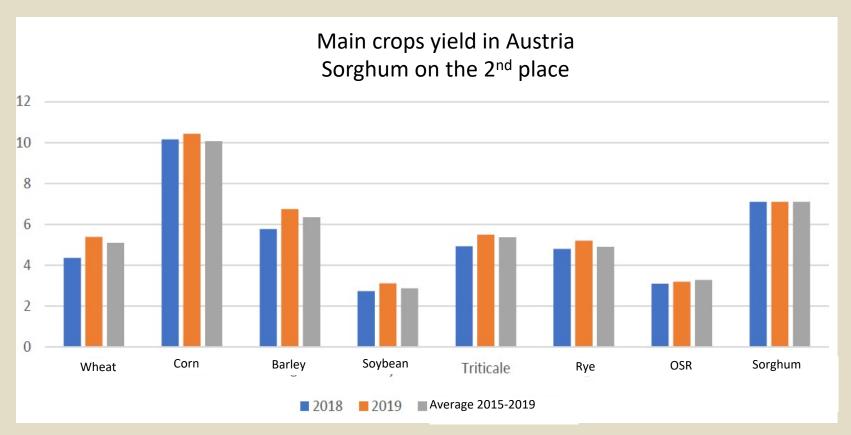






Compared profitability

Different yields...

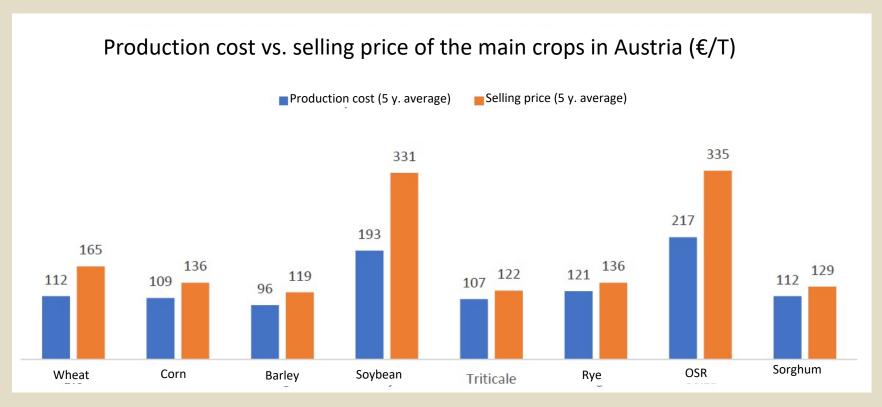






Compared profitability

... Different prices



- → Lower price for sorghum (indexed to corn, no official quotation)
- → Value as farm own consumption (pig & poultry breeding).







Compared profitability of sorghum: many dimensions

Crop	Production cost/ha	Yield / ha	Income / ha	Margin / ha	Margin / t	Margin / worked hour	Number of work hours/ha
Wheat	-28%*	-28%	-8%	+124%	+212%	+70%	+31%
Corn	+38%	+42%	+50%	+129%	+59%	+96%	+16%
Barley	-23%	-11%	-17%	+24%	+35%	-7%	+33%
Soybean	-30%	-60%	+3.5%	+228%	+711%	+249%	-6%
Triticale	-28%	-24%	-28%	-31%	-12%	-49%	+27%
Rye	-25%	-31%	-27%	-40%	-12%	-53%	+27%
OSR	-10%	-54%	+20%	+222%	+594%	+113%	+41%

Source: Business France and Austrian Ministry for Agriculture

*Production cost of wheat is 28% less than production cost of sorghum

In green : indicators for which sorghum has a comparative advantage







Conclusion

- No general case but many particular situations depending on yield potential, price, use...
- Lower direct cost (seed, fertilization, plant protection)
- Cost of drying
- European Sorghum price mostly indexed to commodity corn prices
- A specific sorghum quotation on stock exchange will give more visibility for European farmers and industrialists.

