

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Grain Sorghum, Conventional Tillage, Furrow Irrigated, Rio Grande Valley - 100 Acres
South Extension District - 12

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Grain Sorghum	45.00	CWT	\$7.10	\$319.50	\$31,950.00	\$31,950.00
Total Revenue				\$319.50	\$31,950.00	\$31,950.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Production Costs						
Custom						
Harvest/Haul Sorghum	45	CWT	\$0.90	\$40.50	\$4,050.00	\$4,050.00
Fertilizer						
Fertilizer 25-10-0	0.2	Ton	\$335.00	\$67.00	\$6,700.00	\$6,700.00
Herbicide						
AAtrex 4L	2	Pint	\$2.35	\$4.71	\$470.80	\$470.80
Insecticide						
Transform	1	Ounce	\$7.50	\$7.50	\$750.00	\$750.00
Seed						
Grain Sorghum Seed	6	Pound	\$4.00	\$24.00	\$2,400.00	\$2,400.00
Other Labor						
Unallocated Labor	0.7232	Hour	\$12.00	\$8.68	\$867.84	\$867.84
Irrigation						
Water Cost	0.40	Acre/Foot	\$20.00	\$8.00	\$800.00	\$800.00
Irrigation Labor	1.10	Hour	\$12.00	\$13.20	\$1,320.00	\$1,320.00
Machinery Labor						
Tractors/Self-Propelled	1.4	Hour	\$12.00	\$16.80	\$1,680.00	\$1,680.00
Diesel Fuel						
Tractors/Self-Propelled	8.48	Gallon	\$2.10	\$17.81	\$1,780.80	\$1,780.80
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$15.08	\$15.08	\$1,508.25	\$1,508.25
Implements	1	Acre	\$17.87	\$17.87	\$1,786.91	\$1,786.91
Interest on Credit Line			5.00%	\$4.46	\$445.57	\$445.57
Total Variable Costs				\$245.60	\$24,560.17	\$24,560.17
Planned Returns Above Variable Costs:				\$73.90	\$7,389.83	\$7,389.83
Breakeven Price to Cover Variable Costs			\$5.46	CWT		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$15.59	\$15.59	\$1,558.53	\$1,558.53
Implements	1	Acre	\$21.47	\$21.47	\$2,146.57	\$2,146.57
Equipment Investment						
Tractors/Self-Propelled	\$121.41	Dollars	7.00%	\$8.50	\$849.90	\$849.90
Implements	\$100.79	Dollars	7.00%	\$7.05	\$705.50	\$705.50
Total Fixed Costs				\$52.60	\$5,260.50	\$5,260.50
Total Specified Costs				\$298.21	\$29,820.67	\$29,820.67
Returns Above Specified Costs				\$21.29	\$2,129.33	\$2,129.33
Breakeven Price to Cover Total Costs			\$6.63	CWT		

Example Breakeven Prices			
Example Yield Percent	Example Yield CWT	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	33.75	\$7.28	\$8.84
90%	40.50	\$6.06	\$7.36
100%	45.00	\$5.46	\$6.63
110%	49.50	\$4.96	\$6.02
125%	56.25	\$4.37	\$5.30

Developed by Samuel Zapata, Assistant 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.