

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

Crop Acres		100			
				Total	Enterprise Total
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Grain Sorghum	45.00	CWT	\$7.10	\$319.50	\$31,950.00
Total Revenue				\$319.50	\$31,950.00
VARIABLE COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Harvest/Haul Sorghum	45	CWT	\$0.90	\$40.50	\$4,050.00
Fertilizer					
Fertilizer 25-10-0	0.2	Ton	\$335.00	\$67.00	\$6,700.00
Herbicide					
Glyphosate	3.25	Pint	\$2.48	\$8.06	\$806.00
AAtrex 4L	2	Pint	\$2.35	\$4.71	\$470.80
Insecticide					
Transform	1	Ounce	\$7.50	\$7.50	\$750.00
Seed					
Grain Sorghum Seed	6	Pound	\$4.00	\$24.00	\$2,400.00
Other Labor					
Unallocated Labor	0.22	Hour	\$12.00	\$2.64	\$264.00
Irrigation					
Water Cost	0.40	Acre/Foot	\$20.00	\$8.00	\$800.00
Irrigation Labor	1.10	Hour	\$12.00	\$13.20	\$1,320.00
Machinery Labor					
Tractors/Self-Propelled	0.93	Hour	\$12.00	\$11.16	\$1,116.00
Diesel Fuel					
Tractors/Self-Propelled	4.78	Gallon	\$2.10	\$10.04	\$1,003.80
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$7.09	\$7.09	\$709.39
Implements	1	Acre	\$13.82	\$13.82	\$1,381.93
Interest on Credit Line			5.00%	\$3.14	\$314.28
Total Variable Costs				\$220.86	\$22,086.20
Planned Returns Above Variable Costs:				\$98.64	\$9,863.80
Breakeven Price to Cover Variable Costs				\$4.91	CWT
FIXED COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$8.20	\$8.20	\$820.00
Implements	1	Acre	\$17.55	\$17.55	\$1,755.19
Equipment Investment					
Tractors/Self-Propelled	\$63.48	Dollars	7.00%	\$4.44	\$444.33
Implements	\$75.27	Dollars	7.00%	\$5.27	\$526.89
Total Fixed Costs				\$35.46	\$3,546.41
Total Specified Costs				\$256.33	\$25,632.61
Returns Above Specified Costs				\$63.17	\$6,317.39
Breakeven Price to Cover Total Costs				\$5.70	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	\$6.54	\$7.59
90%	40.50	\$5.45	\$6.33
100%	45.00	\$4.91	\$5.70
110%	49.50	\$4.46	\$5.18
125%	56.25	\$3.93	\$4.56

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.