

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2014 Estimated Costs and Returns per Acre**  
**Grain Sorghum, Reduced Tillage, Furrow Irrigated, Rio Grande Valley - 100 Acres**  
**South Extension District - 12**

Crop Acres		100				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Grain Sorghum		43.00	CWT	\$7.50	\$322.50	\$32,250.00
Total Revenue					\$322.50	\$32,250.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Grain Sorghum Seed		6	Pound	\$3.35	\$20.10	\$2,010.00
Fertilizer						
Fertilizer 25-10-0		0.2	Ton	\$410.00	\$82.00	\$8,200.00
Herbicide						
Glyphosate		1.25	Pint	\$1.79	\$2.24	\$223.75
AAtrex 4L		2	Pint	\$2.28	\$4.56	\$456.00
Glyphosate		2	Pint	\$1.79	\$3.58	\$358.00
Custom						
Harvest/Haul Sorghum		43	CWT	\$0.90	\$38.70	\$3,870.00
Irrigation						
Energy or Water Cost		0.40	Acre/Foot	\$20.00	\$8.00	\$800.00
Irrigation Labor		1.10	Hour	\$9.00	\$9.90	\$990.00
Other Labor						
Unallocated Labor		0.22	Hour	\$9.00	\$1.98	\$198.00
Machinery Labor						
Tractors/Self-Propelled		0.39	Hour	\$9.00	\$3.51	\$351.00
Diesel Fuel						
Tractors/Self-Propelled		1.64	Gallon	\$3.25	\$5.33	\$533.00
Repairs & Maintenance						
Tractors/Self-Propelled		1	Acre	\$2.78	\$2.78	\$277.61
Implements		1	Acre	\$3.74	\$3.74	\$374.45
Interest on Credit Line				9.00%	\$5.78	\$578.10
Total Variable Costs					\$192.20	\$19,219.92
Planned Returns Above Variable Costs:					\$130.30	\$13,030.08
Breakeven Price to Cover Variable Costs				\$4.47	CWT	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Tractors/Self-Propelled		1	Acre	\$3.66	\$3.66	\$365.63
Implements		1	Acre	\$5.75	\$5.75	\$575.31
Equipment Investment						
Tractors/Self-Propelled		\$57.54	Dollars	9.00%	\$5.18	\$517.85
Implements		\$60.38	Dollars	9.00%	\$5.43	\$543.45
Total Fixed Costs					\$20.02	\$2,002.24
Total Specified Costs					\$212.22	\$21,222.16
Returns Above Specified Costs					\$110.28	\$11,027.84
Breakeven Price to Cover Total Costs				\$4.94	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	Share/Tenant	Own/Rent	Share/Tenant	Landlord
75%	32.25	\$5.96	\$8.90	\$6.58	\$9.82	\$0.00
90%	38.70	\$4.97	\$7.41	\$5.48	\$8.18	\$0.00
100%	43.00	\$4.47	\$6.67	\$4.94	\$7.37	\$0.00
110%	47.30	\$4.06	\$6.06	\$4.49	\$6.70	\$0.00
125%	53.75	\$3.58	\$5.34	\$3.95	\$5.89	\$0.00

Developed by Luis Ribera, Associate Professor and Extension Economist, Texas A&M AgrLife 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.**