

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Grain Sorghum, Reduced Tillage, Furrow Irrigated, Rio Grande Valley - 100 Acres
South Extension District - 12

Crop Acres		100				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise 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						
Custom						
	Harvest/Haul Sorghum	43	CWT	\$0.90	\$38.70	\$3,870.00
Fertilizer						
	Fertilizer 25-10-0	0.2	Ton	\$360.00	\$72.00	\$7,200.00
Herbicide						
	Glyphosate	3.25	Pint	\$2.25	\$7.31	\$731.25
	AAtrex 4L	2	Pint	\$2.08	\$4.16	\$416.00
Seed						
	Grain Sorghum Seed	6	Pound	\$3.20	\$19.20	\$1,920.00
Other Labor						
	Unallocated Labor	0.22	Hour	\$9.00	\$1.98	\$198.00
Irrigation						
	Water Cost	0.40	Acre/Foot	\$20.00	\$8.00	\$800.00
	Irrigation Labor	1.10	Hour	\$9.00	\$9.90	\$990.00
Machinery Labor						
	Tractors/Self-Propelled	0.85	Hour	\$9.00	\$7.65	\$765.00
Diesel Fuel						
	Tractors/Self-Propelled	4.24	Gallon	\$3.00	\$12.72	\$1,272.00
Repairs & Maintenance						
	Tractors/Self-Propelled	1	Acre	\$6.25	\$6.25	\$625.32
	Implements	1	Acre	\$13.65	\$13.65	\$1,364.55
	Interest on Credit Line			9.00%	\$6.28	\$627.88
Total Variable Costs					\$207.80	\$20,780.00
Planned Returns Above Variable Costs:					\$114.70	\$11,470.00
Breakeven Price to Cover Variable Costs				\$4.83 CWT		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Tractors/Self-Propelled	1	Acre	\$7.33	\$7.33	\$733.13
	Implements	1	Acre	\$17.40	\$17.40	\$1,739.54
Equipment Investment						
	Tractors/Self-Propelled	\$82.93	Dollars	9.00%	\$7.46	\$746.34
	Implements	\$135.87	Dollars	9.00%	\$12.23	\$1,222.86
Total Fixed Costs					\$44.42	\$4,441.87
Total Specified Costs					\$252.22	\$25,221.87
Returns Above Specified Costs					\$70.28	\$7,028.13
Breakeven Price to Cover Total Costs				\$5.87 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%	32.25	\$6.44	\$9.62	\$7.82	\$11.67	\$0.00
90%	38.70	\$5.37	\$8.01	\$6.52	\$9.73	\$0.00
100%	43.00	\$4.83	\$7.21	\$5.87	\$8.75	\$0.00
110%	47.30	\$4.39	\$6.56	\$5.33	\$7.96	\$0.00
125%	53.75	\$3.87	\$5.77	\$4.69	\$7.00	\$0.00

Developed by Luis Ribera, Associate 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.