

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

Crop Acres		100				Enterprise	
REVENUE		Quantity	Units	\$/Unit	Total	Total	
Grain Sorghum		30.00	CWT	\$7.10	\$213.00	\$21,300.00	
Total Revenue					\$213.00	\$21,300.00	
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise	
Production Costs						Total	
Herbicide							
	AAtrex 4L	2	Pint	\$2.35	\$4.71	\$470.80	
Seed							
	Grain Sorghum Seed	4.5	Pound	\$4.00	\$18.00	\$1,800.00	
Fertilizer							
	Fertilizer 25-10-0	0.12	Ton	\$335.00	\$40.20	\$4,020.00	
Custom							
	Harvest/Haul Sorghum	30	CWT	\$0.90	\$27.00	\$2,700.00	
Other Labor							
	Unallocated Labor	0.7072	Hour	\$12.00	\$8.49	\$848.64	
Machinery Labor							
	Tractors/Self-Propelled	1.3	Hour	\$12.00	\$15.60	\$1,560.00	
Diesel Fuel							
	Tractors/Self-Propelled	7.79	Gallon	\$2.10	\$16.36	\$1,635.90	
Repairs & Maintenance							
	Tractors/Self-Propelled	1	Acre	\$14.01	\$14.01	\$1,400.52	
	Implements	1	Acre	\$17.63	\$17.63	\$1,763.06	
Interest on Credit Line				5.00%	\$3.00	\$300.27	
Total Variable Costs					\$164.99	\$16,499.20	
Planned Returns Above Variable Costs:					\$48.01	\$4,800.80	
Breakeven Price to Cover Variable Costs				\$5.50	CWT		
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						Total	
	Tractors/Self-Propelled	1	Acre	\$14.47	\$14.47	\$1,447.21	
	Implements	1	Acre	\$21.18	\$21.18	\$2,117.98	
Equipment Investment							
	Tractors/Self-Propelled	\$112.74	Dollars	7.00%	\$7.89	\$789.20	
	Implements	\$99.47	Dollars	7.00%	\$6.96	\$696.28	
Total Fixed Costs					\$50.51	\$5,050.67	
Total Specified Costs					\$215.50	\$21,549.87	
Returns Above Specified Costs						(\$2.50)	(\$249.87)
Breakeven Price to Cover Total Costs				\$7.18	CWT		

Example Breakeven Prices			
Example	Example	Price Needed to Cover	Price Needed to Cover
Yield	Yield	Your Variable Costs	Your Total Costs
Percent	CWT		
75%	22.50	\$7.33	\$9.58
90%	27.00	\$6.11	\$7.98
100%	30.00	\$5.50	\$7.18
110%	33.00	\$5.00	\$6.53
125%	37.50	\$4.40	\$5.75

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.**