

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Grain Sorghum - 500 Acres**  
**Central Texas Extension District - 8**

Crop Acres		500			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Grain Sorghum	45.00	CWT	\$6.80	\$306.00	\$153,000.00
<b>Total Revenue</b>				<b>\$306.00</b>	<b>\$153,000.00</b>
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>					
Custom					
Dry Fertilizer Rig	1	Acre	\$3.00	\$3.00	\$1,500.00
Custom Combine	1	Acre	\$25.00	\$25.00	\$12,500.00
Custom Hauling Sorghum	45	CWT	\$0.25	\$11.25	\$5,625.00
Fertilizer					
18-46-0	100	Pound	\$0.65	\$65.00	\$32,500.00
N	80	Pound	\$0.60	\$48.00	\$24,000.00
Herbicide					
Pre-emerge sorghum	1.5	Quart	\$6.50	\$9.75	\$4,875.00
Insecticide					
Soil Insecticide	2.5	Acre	\$8.00	\$20.00	\$10,000.00
Insecticide - Midge	1	Acre	\$3.00	\$3.00	\$1,500.00
Miscellaneous					
Insurance - Sorghum	1	Acre	\$11.00	\$11.00	\$5,500.00
Seed					
Treated Sorghum Seed	20	Pound	\$2.50	\$50.00	\$25,000.00
Machinery Labor					
Tractors/Self-Propelled	0.51	Hour	\$10.00	\$5.10	\$2,550.00
Diesel Fuel					
Tractors/Self-Propelled	4.98	Gallon	\$2.65	\$13.20	\$6,598.50
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$10.02	\$10.02	\$5,009.37
Implements	1	Acre	\$13.75	\$13.75	\$6,876.20
Interest on Credit Line			4.75%	\$5.98	\$2,987.89
<b>Total Variable Costs</b>				<b>\$294.04</b>	<b>\$147,021.96</b>
Planned Returns Above Variable Costs:				\$11.96	\$5,978.04
Breakeven Price to Cover Variable Costs			\$6.53 CWT		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$11.22	\$11.22	\$5,611.14
Implements	1	Acre	\$17.97	\$17.97	\$8,987.11
Equipment Investment					
Tractors/Self-Propelled	\$87.02	Dollars	6.00%	\$5.22	\$2,610.63
Implements	\$76.89	Dollars	6.00%	\$4.61	\$2,306.69
Dryland Crop Rent	1	Acre	\$30.00	\$30.00	\$15,000.00
<b>Total Fixed Costs</b>				<b>\$69.03</b>	<b>\$34,515.58</b>
<b>Total Specified Costs</b>				<b>\$363.08</b>	<b>\$181,537.54</b>
Returns Above Specified Costs				<b>(\$57.08)</b>	<b>(\$28,537.54)</b>
<b>Breakeven Price to Cover Total Costs</b>			<b>\$8.07 CWT</b>		

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	\$8.71	\$10.76
90%	40.50	\$7.26	\$8.96
100%	45.00	\$6.53	\$8.07
110%	49.50	\$5.94	\$7.33
125%	56.25	\$5.23	\$6.45

Developed by Jason Johnson, 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.**