

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Grain Sorghum, Conventional Tillage, Furrow Irrigated, Rio Grande Valley - 100 Acres
South Extension District - 12

Crop Acres	100					Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	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	
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						
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	0.7232	Hour	\$12.00	\$8.68	\$867.84	
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	1.37	Hour	\$12.00	\$16.44	\$1,644.00	
Diesel Fuel						
Tractors/Self-Propelled	8.35	Gallon	\$2.10	\$17.54	\$1,753.50	
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$17.65	\$17.65	\$1,765.32	
Implements	1	Acre	\$14.86	\$14.86	\$1,485.66	
Interest on Credit Line				5.00%	\$4.44	\$443.76
Total Variable Costs				\$244.51	\$24,450.88	
Planned Returns Above Variable Costs:				\$74.99	\$7,499.12	
Breakeven Price to Cover Variable Costs				\$5.43	CWT	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise	
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$18.24	\$18.24	\$1,824.16	
Implements	1	Acre	\$18.03	\$18.03	\$1,803.32	
Equipment Investment						
Tractors/Self-Propelled	\$142.11	Dollars	7.00%	\$9.95	\$994.76	
Implements	\$82.95	Dollars	7.00%	\$5.81	\$580.66	
Total Fixed Costs				\$52.03	\$5,202.90	
Total Specified Costs				\$296.54	\$29,653.78	
Returns Above Specified Costs				\$22.96	\$2,296.22	
Breakeven Price to Cover Total Costs				\$6.59	CWT	

Example Breakeven Prices			
Example Yield Percent	Example Yield CWT	To Cover Variable Costs	To Cover Total Costs
75%	33.75	\$7.24	\$8.79
90%	40.50	\$6.04	\$7.32
100%	45.00	\$5.43	\$6.59
110%	49.50	\$4.94	\$5.99
125%	56.25	\$4.35	\$5.27

Developed by Samuel Zapata, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension, 956-968-5581.

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.