

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Grain Sorghum, Conventional Tillage, Furrow Irrigated, Rio Grande Valley
South Extension District - 12

Crop Acres		100				
		Quantity	Units	\$/Unit	Total	Enterprise Total
REVENUE						
Grain Sorghum		45.00	CWT	\$6.10	\$274.50	\$27,450.00
Total Revenue					\$274.50	\$27,450.00
VARIABLE COSTS						
Production Costs						
Custom						
Harvest/Haul Sorghum		45	CWT	\$0.90	\$40.50	\$4,050.00
Fertilizer						
Fertilizer 25-10-0		0.2	Ton	\$360.80	\$72.16	\$7,215.90
Herbicide						
AAtrex 4L		2	Pint	\$2.48	\$4.95	\$495.28
Insecticide						
Transform		1	Ounce	\$7.80	\$7.80	\$780.00
Seed						
Grain Sorghum Seed		6	Pound	\$3.97	\$23.82	\$2,382.24
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	\$17.62	\$17.62	\$1,761.85
Implements		1	Acre	\$14.68	\$14.68	\$1,468.00
Interest on Credit Line						
				5.00%	\$5.03	\$502.63
Total Variable Costs					\$250.41	\$25,041.24
Planned Returns Above Variable Costs:					\$24.09	\$2,408.76
Breakeven Price to Cover Variable Costs				\$5.56	CWT	
FIXED COSTS						
Machinery Depreciation						
Tractors/Self-Propelled		1	Acre	\$18.21	\$18.21	\$1,820.58
Implements		1	Acre	\$17.86	\$17.86	\$1,785.90
Equipment Investment						
Tractors/Self-Propelled		\$141.83	Dollars	7.00%	\$9.93	\$992.80
Implements		\$82.23	Dollars	7.00%	\$5.76	\$575.60
Cash Rent, Irrigated		1	Acre	\$85.00	\$85.00	\$8,500.00
Total Fixed Costs					\$136.75	\$13,674.87
Total Specified Costs					\$387.16	\$38,716.11
Returns Above Specified Costs					(\$112.66)	(\$11,266.11)
Breakeven Price to Cover Total Costs				\$8.60	CWT	

Example Breakeven Prices				
Example Yield Percent	Example Yield CWT	To Cover Variable Costs	To Cover Total Costs	
75%	33.75	\$7.42	\$11.47	
90%	40.50	\$6.18	\$9.56	
100%	45.00	\$5.56	\$8.60	
110%	49.50	\$5.06	\$7.82	
125%	56.25	\$4.45	\$6.88	

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.