

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2019 Estimated Costs and Returns per Acre
Grain Sorghum, Conventional Tillage, Dryland, Rio Grande Valley
South Extension District - 12

Crop Acres		100				
		Quantity	Units	\$/Unit	Total	Enterprise Total
REVENUE						
Grain Sorghum		30.00	CWT	\$6.60	\$198.00	\$19,800.00
Total Revenue					\$198.00	\$19,800.00
VARIABLE COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Herbicide						
	AAtrex 4L	2	Pint	\$2.48	\$4.95	\$495.28
Seed						
	Grain Sorghum Seed	4.5	Pound	\$3.20	\$14.40	\$1,440.00
Fertilizer						
	Fertilizer 25-10-0	0.12	Ton	\$462.00	\$55.44	\$5,544.00
Custom						
	Harvest/Haul Sorghum	30	CWT	\$0.56	\$16.80	\$1,680.00
Other Labor						
	Unallocated Labor	0.7072	Hour	\$12.00	\$8.49	\$848.64
Machinery Labor						
	Tractors/Self-Propelled	1.27	Hour	\$12.00	\$15.24	\$1,524.00
Diesel Fuel						
	Tractors/Self-Propelled	7.66	Gallon	\$2.30	\$17.62	\$1,761.80
Repairs & Maintenance						
	Tractors/Self-Propelled	1	Acre	\$16.26	\$16.26	\$1,625.72
	Implements	1	Acre	\$14.38	\$14.38	\$1,438.48
Interest on Credit Line						
				5.00%	\$3.73	\$373.44
Total Variable Costs					\$167.31	\$16,731.36
Planned Returns Above Variable Costs:					\$30.69	\$3,068.64
Breakeven Price to Cover Variable Costs				\$5.58	CWT	
FIXED COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Tractors/Self-Propelled	1	Acre	\$16.80	\$16.80	\$1,679.91
	Implements	1	Acre	\$17.50	\$17.50	\$1,749.78
Equipment Investment						
	Tractors/Self-Propelled	\$130.87	Dollars	7.00%	\$9.16	\$916.09
	Implements	\$80.55	Dollars	7.00%	\$5.64	\$563.88
Cash Rent, Dryland		1	Acre	\$60.00	\$60.00	\$6,000.00
Total Fixed Costs					\$109.10	\$10,909.66
Total Specified Costs					\$276.41	\$27,641.03
Returns Above Specified Costs					(\$78.41)	(\$7,841.03)
Breakeven Price to Cover Total Costs				\$9.21	CWT	

Example Breakeven Prices			
Example Yield Percent	Example Yield CWT	To Cover Variable Costs	To Cover Total Costs
75%	22.50	\$7.44	\$12.28
90%	27.00	\$6.20	\$10.24
100%	30.00	\$5.58	\$9.21
110%	33.00	\$5.07	\$8.38
125%	37.50	\$4.46	\$7.37

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.