# 2016 Estimated Costs and Returns per Acre

**Hard Red Spring Wheat, Dryland, 35 bu. Yield Goal**

**500 Acres**

Coastal Bend Extension District - 11

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## REVENUE

<table>
<thead>
<tr>
<th>Crop Acres</th>
<th>500</th>
<th>Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td></td>
<td>$86,625.00</td>
</tr>
<tr>
<td>Hard Red Spring Wheat</td>
<td>35.00 Bushel</td>
<td>$4.95</td>
</tr>
<tr>
<td>Total Revenue</td>
<td></td>
<td>$173.25</td>
</tr>
</tbody>
</table>

## VARIABLE COSTS

### Production Costs

#### Custom
- **Fertilizer Application**: 1 CWT, $0.10 per CWT
- **Custom Haul - Wheat**: 35 Bushel, $0.21 per Bushel

#### Fertilizer
- **24-8-0**: 0.1 Ton, $332.00 per Ton

#### Herbicide
- **Glyphosate (Generic)**: 1 Quart, $4.00 per Quart
- **Affinity**: 0.5 Ounce, $11.20 per Ounce

#### Insecticide
- **Wheat Insect Control**: 1.5 Pint, $9.00 per Pint

#### Miscellaneous
- **Pickup Milage Charge**: 1 Acre, $3.88 per Acre
- **Crop Insurance - Wheat LC**: 1 Acre, $14.00 per Acre

#### Seed
- **HRS Wheat Seed**: 90 Pound, $0.44 per Pound

#### Other Labor
- **Hand Labor**: 0.018 Hour, $16.00 per Hour

#### Machinery Labor
- **Tractors/Self-Propelled**: 0.56 Hour, $19.50 per Hour

#### Diesel Fuel
- **Tractors/Self-Propelled**: 6.47 Gallon, $2.10 per Gallon

#### Repairs & Maintenance
- **Tractors/Self-Propelled**: 1 Acre, $20.76 per Acre
- ** Implements**: 1 Acre, $10.18 per Acre

#### Interest on Credit Line
- **4.25%**: $3.66 per Acre

Total Variable Costs: **$180.63**

Planned Returns Above Variable Costs: **($7.38)***

Breakeven Price to Cover Variable Costs: **$5.16 per Bushel**

## FIXED COSTS

### Machinery Depreciation
- **Tractors/Self-Propelled**: 1 Acre, $22.27 per Acre
- ** Implements**: 1 Acre, $12.36 per Acre

### Equipment Investment
- **Tractors/Self-Propelled**: $169.38 Dollars, 7.00%
- ** Implements**: $68.26 Dollars, 7.00%

### Management Fee, Owner/Operator Labor
- **LCB - Land Charge**: 1 Acre, $70.00 per Acre

Total Fixed Costs: **$129.93**

Total Specified Costs: **$155,278.22**

Returns Above Specified Costs: **($137.31)**

Breakeven Price to Cover Total Costs: **$8.87 per Bushel**

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### Example Breakeven Prices

<table>
<thead>
<tr>
<th>Example Yield Percent</th>
<th>Example Yield Bushel</th>
<th>Price Needed to Cover Your Variable Costs</th>
<th>Price Needed to Cover Your Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>26.25</td>
<td>$6.86</td>
<td>$11.83</td>
</tr>
<tr>
<td>90%</td>
<td>31.50</td>
<td>$5.73</td>
<td>$9.86</td>
</tr>
<tr>
<td>100%</td>
<td>35.00</td>
<td>$5.16</td>
<td>$8.87</td>
</tr>
<tr>
<td>110%</td>
<td>38.50</td>
<td>$4.69</td>
<td>$8.07</td>
</tr>
<tr>
<td>125%</td>
<td>43.75</td>
<td>$4.13</td>
<td>$7.10</td>
</tr>
</tbody>
</table>

Developed by Levi Russell, Assistant Professor and Extension Economist, Texas A&M AgriLife Extension Service.

*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.*