

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Soft Red Winter Wheat, 45 bu. Yield Goal - 500 Acres
Coastal Bend Extension District - 11 (Upper Coast)

Crop Acres		500				Enterprise		
		Quantity	Units	\$/Unit	Total	Total		
REVENUE								
Soft Red Wheat		45.00	Bushel	\$6.40	\$288.00	\$144,000.00		
Total Revenue					\$288.00	\$144,000.00		
VARIABLE COSTS								
Production Costs								
Seed								
Fertilizer	Soft Red Wheat	90	Pound	\$0.33	\$29.70	\$14,850.00		
	18-18-18	159	Pounds	\$0.32	\$50.88	\$25,440.00		
	46-0-0	100	Pounds	\$0.24	\$24.00	\$12,000.00		
Herbicide								
	Wheat PostEmerge Herbicide	0.5	Ounce	\$10.43	\$5.22	\$2,607.50		
Fungicides								
	Wheat Fungicide	6	Ounce	\$2.87	\$17.22	\$8,610.00		
Other Chemicals								
	Surfactant	0.5	Pint	\$1.61	\$0.81	\$402.50		
Miscellaneous								
	Crop Insurance -Wheat UC	1	Acre	\$16.50	\$16.50	\$8,250.00		
	Hand Labor	0.0833	Hour	\$7.50	\$0.62	\$312.38		
	G&A Overhead	1	Acre	\$10.50	\$10.50	\$5,250.00		
Custom								
	Fertilizer Application UC	1	Acre	\$5.50	\$5.50	\$2,750.00		
	Apply by Air	1	Acre	\$6.00	\$6.00	\$3,000.00		
	Fertilizer Application UC	1	Acre	\$5.50	\$5.50	\$2,750.00		
	Custom Grain Haul	27	CWT	\$0.30	\$8.10	\$4,050.00		
Machinery Labor								
	Tractors/Self-Propelled	0.43	Hour	\$13.75	\$5.91	\$2,956.25		
Diesel Fuel								
	Tractors/Self-Propelled	4.71	Gallon	\$3.30	\$15.54	\$7,771.50		
Repairs & Maintenance								
	Tractors/Self-Propelled	1	Acre	\$7.12	\$7.12	\$3,559.44		
	Implements	1	Acre	\$3.47	\$3.47	\$1,735.40		
Interest on Credit Line				5.00%	\$5.88	\$2,942.22		
Total Variable Costs					\$218.47	\$109,237.18		
Planned Returns Above Variable Costs:					\$69.53	\$34,762.82		
Breakeven Price to Cover Variable Costs				\$4.85	Bushel			
FIXED COSTS								
Machinery Depreciation								
	Tractors/Self-Propelled	1	Acre	\$10.26	\$10.26	\$5,132.26		
	Implements	1	Acre	\$4.52	\$4.52	\$2,262.38		
Equipment Investment								
	Tractors/Self-Propelled	\$113.66	Dollars	7.00%	\$7.96	\$3,978.01		
	Implements	\$59.76	Dollars	7.00%	\$4.18	\$2,091.65		
Management Fee, Ownwer/Operator Labor				1	Acre	\$14.40	\$14.40	\$7,200.00
UCB - Land Charge				1	Acre	\$75.00	\$75.00	\$37,500.00
Total Fixed Costs					\$116.33	\$58,164.30		
Total Specified Costs					\$334.80	\$167,401.48		
Returns Above Specified Costs					(\$46.80)	(\$23,401.48)		
Breakeven Price to Cover Total Costs				\$7.44	Bushel			

Example Breakeven Prices						
Example Yield Percent	Example Yield Bushel	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	33.75	\$6.47	\$6.47	\$9.92	\$9.92	\$0.00
90%	40.50	\$5.39	\$5.39	\$8.27	\$8.27	\$0.00
100%	45.00	\$4.85	\$4.85	\$7.44	\$7.44	\$0.00
110%	49.50	\$4.41	\$4.41	\$6.76	\$6.76	\$0.00
125%	56.25	\$3.88	\$3.88	\$5.95	\$5.95	\$0.00

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.