

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2014 Estimated Costs and Returns per Acre**  
**Herbicide Resistant Corn - Reduced Tillage - 500 Acres**  
**Central Texas Extension District - 8**

Crop Acres		500				Enterprise
		Quantity	Units	\$/Unit	Total	Total
<b>REVENUE</b>						
Corn		90.00	Bushel	\$4.82	\$433.80	\$216,900.00
Total Revenue					\$433.80	\$216,900.00
<b>VARIABLE COSTS</b>						
		Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>						
Seed						
	Herbicide Resistant Corn Seed	1	Acre	\$70.00	\$70.00	\$35,000.00
Fertilizer						
	Fertilizer - N, P, Zinc, S	1	Acre	\$85.00	\$85.00	\$42,500.00
Herbicide						
	Herbicide, Atrazine	2	Pound	\$2.88	\$5.76	\$2,880.00
	Corn Herbicide	22	Ounce	\$0.24	\$5.28	\$2,640.00
	Weed Burndown	22	Ounce	\$0.24	\$5.28	\$2,640.00
Insecticide						
	Corn Insecticide	1	Acre	\$14.41	\$14.41	\$7,205.00
Miscellaneous						
	Insurance - Corn 70% CRC	1	Acre	\$11.00	\$11.00	\$5,500.00
Custom						
	Liquid Fertilizer Rig	1	Acre	\$4.00	\$4.00	\$2,000.00
	Custom Grain Haul	90	Bushel	\$0.17	\$15.30	\$7,650.00
Machinery Labor						
	Tractors/Self-Propelled	0.65	Hour	\$10.00	\$6.50	\$3,250.00
Diesel Fuel						
	Tractors/Self-Propelled	5.59	Gallon	\$2.65	\$14.81	\$7,406.75
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$4.10	\$4.10	\$2,047.50
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$0.67	\$0.67	\$336.00
	Tractors/Self-Propelled	1	Acre	\$6.62	\$6.62	\$3,310.99
	Implements	1	Acre	\$4.18	\$4.18	\$2,087.89
	Interest on Credit Line			4.75%	\$5.25	\$2,625.63
Total Variable Costs					\$258.16	\$129,079.77
Planned Returns Above Variable Costs:					\$175.64	\$87,820.23
Breakeven Price to Cover Variable Costs					\$2.87	Bushel
<b>FIXED COSTS</b>						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$0.70	\$0.70	\$348.60
	Tractors/Self-Propelled	1	Acre	\$9.31	\$9.31	\$4,652.75
	Implements	1	Acre	\$6.89	\$6.89	\$3,447.49
Equipment Investment						
	Pickup/General Use Equipment	\$8.40	Dollars	6.00%	\$0.50	\$252.00
	Tractors/Self-Propelled	\$121.18	Dollars	6.00%	\$7.27	\$3,635.39
	Implements	\$62.42	Dollars	6.00%	\$3.75	\$1,872.55
	Corn Land Rent	1	Acre	\$50.00	\$50.00	\$25,000.00
Total Fixed Costs					\$78.42	\$39,208.78
Total Specified Costs					\$336.58	\$168,288.55
Returns Above Specified Costs					\$97.22	\$48,611.45
Breakeven Price to Cover Total Costs					\$3.74	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%	67.50	\$3.82	\$3.82	\$4.99	\$4.99	\$0.00
90%	81.00	\$3.19	\$3.19	\$4.16	\$4.16	\$0.00
100%	90.00	\$2.87	\$2.87	\$3.74	\$3.74	\$0.00
110%	99.00	\$2.61	\$2.61	\$3.40	\$3.40	\$0.00
125%	112.50	\$2.29	\$2.29	\$2.99	\$2.99	\$0.00

Developed by Jason Johnson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension.

**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.**