

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2014 Estimated Costs and Returns per Acre**  
**Wheat, Pivot Irrigated - 122 Acres**  
**South Plains Extension District - 2**

| Crop Acres                              |          | 122      |          |                 |       | Enterprise                      |
|---|----------|----------|----------|-----------------|-------|---------------------------------|
| REVENUE                                 | Quantity | Units    | \$/Unit  | Total           | Total | Total                           |
| Wheat                                   | 60.00    | Bushel   | \$5.75   | \$345.00        |       | \$42,090.00                     |
| Grazing - Wheat Irrigated               | 136.00   | Pound    | \$0.50   | \$68.00         |       | \$8,296.00                      |
| <b>Total Revenue</b>                    |          |          |          | <b>\$413.00</b> |       | <b>\$50,386.00</b>              |
| VARIABLE COSTS                          | Quantity | Units    | \$/Unit  | Total           | Total | Enterprise                      |
| <b>Production Costs</b>                 |          |          |          |                 |       |                                 |
| Seed                                    |          |          |          |                 |       |                                 |
| Seed - Wheat                            | 1.5      | Bushel   | \$25.00  | \$37.50         |       | \$4,575.00                      |
| Fertilizer                              |          |          |          |                 |       |                                 |
| Fertilizer (N)                          | 80       | Pound    | \$0.55   | \$44.00         |       | \$5,368.00                      |
| Fertilizer (P)                          | 50       | Pound    | \$0.60   | \$30.00         |       | \$3,660.00                      |
| Insecticide                             |          |          |          |                 |       |                                 |
| Insecticide and Apply Wheat             | 1        | Acre     | \$11.00  | \$11.00         |       | \$1,342.00                      |
| Custom                                  |          |          |          |                 |       |                                 |
| Fertilizer Application - Wheat          | 1        | Acre     | \$8.00   | \$8.00          |       | \$976.00                        |
| Harvest and Haul - Wheat Irrigated      | 60       | Bushel   | \$0.50   | \$30.00         |       | \$3,660.00                      |
| Irrigation                              |          |          |          |                 |       |                                 |
| Energy or Water Cost                    | 15.00    | AcreInch | \$9.00   | \$135.00        |       | \$16,470.00                     |
| Irrigation Labor                        | 1.00     | Hour     | \$11.75  | \$11.75         |       | \$1,433.50                      |
| Machinery Labor                         |          |          |          |                 |       |                                 |
| Tractors/Self-Propelled                 | 1        | Hour     | \$11.75  | \$11.75         |       | \$1,433.50                      |
| Diesel Fuel                             |          |          |          |                 |       |                                 |
| Tractors/Self-Propelled                 | 1.75     | Gallon   | \$3.20   | \$5.60          |       | \$683.20                        |
| Repairs & Maintenance                   |          |          |          |                 |       |                                 |
| Pickup/General Use Equipment            | 1        | Acre     | \$1.75   | \$1.75          |       | \$213.50                        |
| Irrigation Equipment                    | 1        | Acre     | \$30.00  | \$30.00         |       | \$3,660.00                      |
| Tractors/Self-Propelled                 | 1        | Acre     | \$6.00   | \$6.00          |       | \$732.00                        |
| Implements                              | 1        | Acre     | \$3.00   | \$3.00          |       | \$366.00                        |
| Interest on Credit Line                 |          |          | 6.00%    | \$12.12         |       | \$1,478.82                      |
| <b>Total Variable Costs</b>             |          |          |          | <b>\$377.47</b> |       | <b>\$46,051.52</b>              |
| Planned Returns Above Variable Costs:   |          |          |          | \$35.53         |       | \$4,334.48                      |
| Breakeven Price to Cover Variable Costs |          |          | \$5.16   | Bushel          |       |                                 |
| FIXED COSTS                             | Quantity | Units    | \$/Unit  | Total           | Total | Enterprise                      |
| Equipment Investment                    |          |          |          |                 |       |                                 |
| Pickup/General Use Equipment            | \$35.78  | Dollars  | 7.00%    | \$2.50          |       | \$305.55                        |
| Irrigation Equipment                    | \$714.29 | Dollars  | 7.00%    | \$50.00         |       | \$6,100.00                      |
| Tractors/Self-Propelled                 | \$171.43 | Dollars  | 7.00%    | \$12.00         |       | \$1,464.00                      |
| Implements                              | \$142.86 | Dollars  | 7.00%    | \$10.00         |       | \$1,220.00                      |
| Cash Rent - Wheat Irrigated             | 1        | Acre     | \$100.00 | \$100.00        |       | \$12,200.00                     |
| <b>Total Fixed Costs</b>                |          |          |          | <b>\$174.50</b> |       | <b>\$21,289.55</b>              |
| <b>Total Specified Costs</b>            |          |          |          | <b>\$551.98</b> |       | <b>\$67,341.07</b>              |
| Returns Above Specified Costs           |          |          |          |                 |       | <b>(\$138.98) (\$16,955.07)</b> |
| Breakeven Price to Cover Total Costs    |          |          | \$8.07   | 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%                      | 45.00                | \$6.88                                       | \$6.88      | \$10.76                                   | \$10.76     | \$0.00   |
| 90%                      | 54.00                | \$5.73                                       | \$5.73      | \$8.96                                    | \$8.96      | \$0.00   |
| 100%                     | 60.00                | \$5.16                                       | \$5.16      | \$8.07                                    | \$8.07      | \$0.00   |
| 110%                     | 66.00                | \$4.69                                       | \$4.69      | \$7.33                                    | \$7.33      | \$0.00   |
| 125%                     | 75.00                | \$4.13                                       | \$4.13      | \$6.45                                    | \$6.45      | \$0.00   |

Developed by Jackie Smith, 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.**