

**Projections for Planning Purposes Only -- *Not to be Used without Updating***  
**2015 Estimated Costs and Returns per Acre**  
**Hard Red Winter Wheat - 800 Acres**  
**Central Texas Extension District - 8**

| Crop Acres                                  |          | 800     |               |                 |                  | Enterprise           |
|---|----------|---------|---------------|-----------------|------------------|----------------------|
| REVENUE                                     | Quantity | Units   | \$/Unit       | Total           |                  | Total                |
| Wheat                                       | 45.00    | Bushel  | \$5.70        | \$256.50        |                  | \$205,200.00         |
| <b>Total Revenue</b>                        |          |         |               | <b>\$256.50</b> |                  | <b>\$205,200.00</b>  |
| VARIABLE COSTS                              | Quantity | Units   | \$/Unit       | Total           |                  | Enterprise Total     |
| <b>Production Costs</b>                     |          |         |               |                 |                  |                      |
| Custom                                      |          |         |               |                 |                  |                      |
| Custom Combine                              | 1        | Acre    | \$25.00       | \$25.00         |                  | \$20,000.00          |
| Custom Hauling Wheat                        | 45       | Bushel  | \$0.30        | \$13.50         |                  | \$10,800.00          |
| Fertilizer                                  |          |         |               |                 |                  |                      |
| N   | 140      | Pound   | \$0.60        | \$84.00         |                  | \$67,200.00          |
| Insecticide                                 |          |         |               |                 |                  |                      |
| Insecticide Greenbug                        | 1        | Acre    | \$4.50        | \$4.50          |                  | \$3,600.00           |
| Seed  |          |         |               |                 |                  |                      |
| Wheat Seed                                  | 90       | Pound   | \$0.35        | \$31.50         |                  | \$25,200.00          |
| Miscellaneous                               |          |         |               |                 |                  |                      |
| Insurance - Wheat 65%                       | 1        | Acre    | \$7.00        | \$7.00          |                  | \$5,600.00           |
| Insurance - Wheat SCO                       | 1        | Acre    | \$2.00        | \$2.00          |                  | \$1,600.00           |
| Machinery Labor                             |          |         |               |                 |                  |                      |
| Tractors/Self-Propelled                     | 0.76     | Hour    | \$10.00       | \$7.60          |                  | \$6,080.00           |
| Diesel Fuel                                 |          |         |               |                 |                  |                      |
| Tractors/Self-Propelled                     | 5.15     | Gallon  | \$2.65        | \$13.65         |                  | \$10,918.00          |
| Repairs & Maintenance                       |          |         |               |                 |                  |                      |
| Tractors/Self-Propelled                     | 1        | Acre    | \$8.38        | \$8.38          |                  | \$6,700.72           |
| Implements                                  | 1        | Acre    | \$12.54       | \$12.54         |                  | \$10,032.86          |
| Interest on Credit Line                     |          |         | 4.75%         | \$4.35          |                  | \$3,483.31           |
| <b>Total Variable Costs</b>                 |          |         |               | <b>\$214.02</b> |                  | <b>\$171,214.89</b>  |
| Planned Returns Above Variable Costs:       |          |         |               | \$42.48         |                  | \$33,985.11          |
| Breakeven Price to Cover Variable Costs     |          |         | \$4.76        | Bushel          |                  |                      |
| FIXED COSTS                                 | Quantity | Units   | \$/Unit       | Total           |                  | Enterprise Total     |
| Machinery Depreciation                      |          |         |               |                 |                  |                      |
| Tractors/Self-Propelled                     | 1        | Acre    | \$8.66        | \$8.66          |                  | \$6,924.08           |
| Implements                                  | 1        | Acre    | \$14.93       | \$14.93         |                  | \$11,942.23          |
| Equipment Investment                        |          |         |               |                 |                  |                      |
| Tractors/Self-Propelled                     | \$97.72  | Dollars | 6.00%         | \$5.86          |                  | \$4,690.51           |
| Implements                                  | \$116.10 | Dollars | 6.00%         | \$6.97          |                  | \$5,573.04           |
| Dryland Crop Rent                           | 1        | Acre    | \$30.00       | \$30.00         |                  | \$24,000.00          |
| <b>Total Fixed Costs</b>                    |          |         |               | <b>\$66.41</b>  |                  | <b>\$53,129.86</b>   |
| <b>Total Specified Costs</b>                |          |         |               | <b>\$280.43</b> |                  | <b>\$224,344.74</b>  |
| Returns Above Specified Costs               |          |         |               |                 | <b>(\$23.93)</b> | <b>(\$19,144.74)</b> |
| <b>Breakeven Price to Cover Total Costs</b> |          |         | <b>\$6.23</b> | 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                                     | Share/Tenant | Own/Rent                                  | Share/Tenant | Landlord |
| 75%                      | 33.75                | \$6.34                                       | \$6.34       | \$8.31                                    | \$8.31       | \$0.00   |
| 90%                      | 40.50                | \$5.28                                       | \$5.28       | \$6.92                                    | \$6.92       | \$0.00   |
| 100%                     | 45.00                | \$4.76                                       | \$4.76       | \$6.23                                    | \$6.23       | \$0.00   |
| 110%                     | 49.50                | \$4.32                                       | \$4.32       | \$5.67                                    | \$5.67       | \$0.00   |
| 125%                     | 56.25                | \$3.80                                       | \$3.80       | \$4.99                                    | \$4.99       | \$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.**