

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Hard Red Spring Wheat, Dryland, 35 bu. Yield Goal, Northwest - 500 Acres
Coastal Bend Extension District - 11

Crop Acres		500			
				Total	Enterprise Total
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Hard Red Spring Wheat	35.00	Bushel	\$4.95	\$173.25	\$86,625.00
Total Revenue				\$173.25	\$86,625.00
VARIABLE COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	1	CWT	\$0.10	\$0.10	\$50.00
Custom Haul - Wheat	35	Bushel	\$0.21	\$7.35	\$3,675.00
Fertilizer					
32-11-3 6S	0.095	Ton	\$510.00	\$48.45	\$24,225.00
Herbicide					
Glyphosate (Generic)	1	Quart	\$4.00	\$4.00	\$2,000.00
Miscellaneous					
Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,940.00
Crop Insurance -Wheat LC	1	Acre	\$14.00	\$14.00	\$7,000.00
Seed					
HRS Wheat Seed	125	Pound	\$0.44	\$55.00	\$27,500.00
Other Labor					
Hand Labor	0.018	Hour	\$16.00	\$0.29	\$144.00
Machinery Labor					
Tractors/Self-Propelled	0.54	Hour	\$19.50	\$10.53	\$5,265.00
Diesel Fuel					
Tractors/Self-Propelled	6.07	Gallon	\$2.10	\$12.75	\$6,373.50
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$20.33	\$20.33	\$10,163.61
Implements	1	Acre	\$10.18	\$10.18	\$5,091.33
Interest on Credit Line			4.25%	\$4.12	\$2,060.34
Total Variable Costs				\$190.98	\$95,487.79
Planned Returns Above Variable Costs:				(\$17.73)	(\$8,862.79)
Breakeven Price to Cover Variable Costs			\$5.46	Bushel	
FIXED COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$20.26	\$20.26	\$10,131.44
Implements	1	Acre	\$12.36	\$12.36	\$6,178.93
Equipment Investment					
Tractors/Self-Propelled	\$154.44	Dollars	7.00%	\$10.81	\$5,405.50
Implements	\$68.26	Dollars	7.00%	\$4.78	\$2,388.99
Management Fee, Owner/Operator Labor					
LCB - Land Charge	1	Acre	\$70.00	\$70.00	\$35,000.00
Total Fixed Costs				\$126.87	\$63,436.10
Total Specified Costs				\$317.85	\$158,923.89
Returns Above Specified Costs				(\$144.60)	(\$72,298.89)
Breakeven Price to Cover Total Costs			\$9.08	Bushel	

Example Breakeven Prices			
Example Yield Percent	Example Yield Bushel	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	26.25	\$7.28	\$12.11
90%	31.50	\$6.06	\$10.09
100%	35.00	\$5.46	\$9.08
110%	38.50	\$4.96	\$8.26
125%	43.75	\$4.37	\$7.27

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.