

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2016 Estimated Costs and Returns per Acre**  
**Rotation, Sorghum-Fallow-Wheat, Minimum Till, Wheat with Grazing - 160 Acres**  
**Panhandle Extension District - 1**

Crop Acres		160				Enterprise
		Quantity	Units	\$/Unit	Total	Total
<b>REVENUE</b>						
Wheat		26.00	Bushel	\$4.50	\$117.00	\$18,720.00
Grazing - Wheat		73.00	Pound	\$0.45	\$32.85	\$5,256.00
Total Revenue					\$149.85	\$23,976.00
<b>VARIABLE COSTS</b>						
Production Costs						
Seed						
Seed - Wheat		1	Bushel	\$24.61	\$24.61	\$3,938.36
Fertilizer						
Fertilizer (N) - Dry		30	Pound	\$0.42	\$12.60	\$2,016.00
Custom						
Fertilizer Application		1	Acre	\$5.65	\$5.65	\$904.20
Custom Harvest - Wheat		1	Acre	\$23.32	\$23.32	\$3,731.88
Custom Haul - Wheat		26	Bushel	\$0.23	\$5.88	\$940.37
Machinery Labor						
Tractors/Self-Propelled		0.37	Hour	\$11.97	\$4.43	\$708.47
Diesel Fuel						
Tractors/Self-Propelled		0.6	Gallon	\$1.97	\$1.18	\$189.12
Gasoline						
Pickup/General Use Equipment		1	Acre	\$4.18	\$4.18	\$669.50
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$2.49	\$2.49	\$397.80
Tractors/Self-Propelled		1	Acre	\$0.69	\$0.69	\$110.40
Implements		1	Acre	\$4.19	\$4.19	\$670.61
Interest on Credit Line				5.15%	\$1.30	\$207.50
Total Variable Costs					\$90.53	\$14,484.20
Planned Returns Above Variable Costs:					\$59.32	\$9,491.80
Breakeven Price to Cover Variable Costs				\$2.22	Bushel	
<b>FIXED COSTS</b>						
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$2.61	\$2.61	\$417.69
Tractors/Self-Propelled		1	Acre	\$0.57	\$0.57	\$91.27
Implements		1	Acre	\$5.39	\$5.39	\$862.21
Equipment Investment						
Pickup/General Use Equipment	\$18.03		Dollars	5.40%	\$0.97	\$155.74
Tractors/Self-Propelled	\$4.44		Dollars	5.40%	\$0.24	\$38.39
Implements	\$23.05		Dollars	5.40%	\$1.24	\$199.17
Cash Rent - Wheat Dryland		1	Acre	\$27.50	\$27.50	\$4,400.00
Total Fixed Costs					\$38.53	\$6,164.47
Total Specified Costs					\$129.05	\$20,648.67
Returns Above Specified Costs					\$20.80	\$3,327.33
Breakeven Price to Cover Total Costs				\$3.70	Bushel	

Example Breakeven Prices			
Example	Example	Price Needed to Cover	Price Needed to Cover
Yield	Yield	Your Variable Costs	Your Total Costs
Percent	Bushel		
75%	19.50	\$2.96	\$4.93
90%	23.40	\$2.46	\$4.11
100%	26.00	\$2.22	\$3.70
110%	28.60	\$2.02	\$3.36
125%	32.50	\$1.77	\$2.96

Developed by Steve Amosson, Regents Fellow, 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.**