

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Irrigated Wheat - 122 Acres
South Plains Extension District - 2

Crop Acres		122		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Wheat	60.00	Bushel	\$5.50	\$330.00	\$40,260.00
Grazing - Wheat Irrigated	136.00	Pound	\$0.50	\$68.00	\$8,296.00
Total Revenue				\$398.00	\$48,556.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Seed					
Seed - Wheat	1.5	Bushel	\$25.00	\$37.50	\$4,575.00
Fertilizer					
Fertilizer (P) - Liquid	56	Pound	\$0.74	\$41.16	\$5,021.52
Fertilizer (N) - Liquid	50	Pound	\$0.58	\$28.90	\$3,525.80
Fertilizer (N) - NH3	90	Pound	\$0.38	\$34.02	\$4,150.44
Custom					
Harvest and Haul - Wheat Irrigated	60	Bushel	\$0.50	\$30.00	\$3,660.00
Fertilizer Application - NH3	1	Acre	\$3.50	\$3.50	\$427.00
Fertilizer Application - Liquid Low	1	Acre	\$3.50	\$3.50	\$427.00
Fertilizer Application - Liquid High	1	Acre	\$4.75	\$4.75	\$579.50
Miscellaneous					
Crop Insurance Wheat Irrigated	1	Acre	\$19.50	\$19.50	\$2,379.00
Insecticide					
Insecticide and Apply Wheat	1	Acre	\$11.00	\$11.00	\$1,342.00
Irrigation					
Energy Cost	15.00	AcreInch	\$9.00	\$135.00	\$16,470.00
Irrigation Labor	0.90	Hour	\$12.00	\$10.80	\$1,317.60
Machinery Labor					
Tractors/Self-Propelled	1	Hour	\$12.00	\$12.00	\$1,464.00
Diesel Fuel					
Tractors/Self-Propelled	2.4	Gallon	\$3.00	\$7.20	\$878.40
Gasoline					
Pickup/General Use Equipment	1	Acre	\$4.50	\$4.50	\$548.44
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$0.50	\$0.50	\$61.00
Irrigation Equipment	1	Acre	\$26.25	\$26.25	\$3,202.50
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%	\$13.94	\$1,700.51
Total Variable Costs				\$433.01	\$52,827.71
Planned Returns Above Variable Costs:				(\$35.01)	(\$4,271.71)
Breakeven Price to Cover Variable Costs			\$6.08	Bushel	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Fixed Costs					
Pickup/General Use Equipment	1	Acre	\$1.25	\$1.25	\$152.50
Irrigation Equipment	1	Acre	\$55.00	\$55.00	\$6,710.00
Tractors/Self-Propelled	1	Acre	\$12.00	\$12.00	\$1,464.00
Implements	1	Acre	\$10.00	\$10.00	\$1,220.00
Management Fee, Owner/Operator Labor	1	Acre	\$30.00	\$30.00	\$3,660.00
Cash Rent - Wheat Irrigated	1	Acre	\$100.00	\$100.00	\$12,200.00
Whole Farm Insurance	1	Acre	\$2.00	\$2.00	\$244.00
Total Fixed Costs				\$210.25	\$25,650.50
Total Specified Costs				\$643.26	\$78,478.21
Returns Above Specified Costs				(\$245.26)	(\$29,922.21)
Breakeven Price to Cover Total Costs			\$9.59	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%	45.00	\$8.11	\$12.78
90%	54.00	\$6.76	\$10.65
100%	60.00	\$6.08	\$9.59
110%	66.00	\$5.53	\$8.72
125%	75.00	\$4.87	\$7.67

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.