

Projections for Planning Purposes Only -- Not to be Used without Updating
2017 Estimated Costs and Returns per Acre
Irrigated Wheat - 122 Acres
South Plains Extension District - 2

Crop Acres		122				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Wheat		60.00	Bushel	\$5.20	\$312.00	\$38,064.00
Grazing - Wheat Irrigated		136.00	Pound	\$0.45	\$61.20	\$7,466.40
Total Revenue					\$373.20	\$45,530.40
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	\$0.52	\$29.24	\$3,566.71
Fertilizer (N) - Liquid		50	Pound	\$0.40	\$19.92	\$2,430.47
Fertilizer (N) - NH3		90	Pound	\$0.37	\$32.93	\$4,017.07
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	\$11.00	\$165.00	\$20,130.00
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	\$1.84	\$4.42	\$538.75
Gasoline						
Pickup/General Use Equipment		1	Acre	\$3.88	\$3.88	\$472.88
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%	\$13.83	\$1,687.26
Total Variable Costs					\$437.51	\$53,375.73
Planned Returns Above Variable Costs:					(\$64.31)	(\$7,845.33)
Breakeven Price to Cover Variable Costs				\$6.27	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					\$647.76	\$79,026.23
Returns Above Specified Costs					(\$274.56)	(\$33,495.83)
Breakeven Price to Cover Total Costs				\$9.78	Bushel	

Example Breakeven Prices			
Example Yield Percent	Example Yield Bushel	To Cover Variable Costs	To Cover Total Costs
75%	45.00	\$8.36	\$13.03
90%	54.00	\$6.97	\$10.86
100%	60.00	\$6.27	\$9.78
110%	66.00	\$5.70	\$8.89
125%	75.00	\$5.02	\$7.82

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-746-6101.

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.