

**Table 16. 2007 Estimated Production Costs and Returns - Dryland Corn in Northeastern Colorado. Reduced-Till in a Two-Crop in Three-Year Rotation.**

|  | Unit | Price or Cost/Unit | Quantity | Value or Cost Per Acre | Value or Cost/Unit Production | Your Farm |
|--|------|--------------------|----------|------------------------|-------------------------------|-----------|
| <b>GROSS RECEIPTS FROM PRODUCTION</b>      |      |                    |          |                        |                               |           |
| CORN                                       | BU   | 4.00               | 59.00    | 236.00                 |                               |           |
| <b>TOTAL RECEIPTS</b>                      |      |                    |          | <b>236.00</b>          | <b>4.00</b>                   |           |
| <b>DIRECT COSTS</b>                        |      |                    |          |                        |                               |           |
| <b>Operating Preharvest</b>                |      |                    |          |                        |                               |           |
| SEED                                       | DOLS | 16.08              | 1.00     | 16.08                  | 0.27                          |           |
| FERTILIZER                                 | DOLS | 34.10              | 1.00     | 34.10                  | 0.58                          |           |
| HERBICIDE                                  | DOLS | 32.34              | 1.00     | 32.34                  | 0.55                          |           |
| CUSTOM APPLICATION                         | DOLS | 5.25               | 1.00     | 5.25                   | 0.09                          |           |
| CROP INSURANCE                             | DOLS | 10.00              | 1.00     | 10.00                  | 0.17                          |           |
| FUEL                                       | DOLS |                    |          | 3.98                   | 0.07                          |           |
| REPAIR & MAINTENANCE                       | DOLS |                    |          | 2.49                   | 0.04                          |           |
| LABOR                                      | DOLS |                    |          | 1.76                   | 0.03                          |           |
| INTEREST EXPENSE <sup>2</sup>              | DOLS |                    |          | 3.71                   | 0.06                          |           |
| <b>Total Preharvest</b>                    | DOLS |                    |          | <b>109.71</b>          | <b>1.86</b>                   |           |
| <b>Operating Harvest</b>                   |      |                    |          |                        |                               |           |
| FUEL                                       | DOLS |                    |          | 4.57                   | 0.08                          |           |
| REPAIR & MAINTENANCE                       | DOLS |                    |          | 4.65                   | 0.08                          |           |
| LABOR                                      | DOLS |                    |          | 1.31                   | 0.02                          |           |
| HAULING <sup>1</sup>                       | DOLS |                    |          | 10.03                  | 0.17                          |           |
| <b>Total Harvest</b>                       |      |                    |          | <b>20.56</b>           | <b>0.35</b>                   |           |
| <b>Total Operating Costs</b>               |      |                    |          | <b>130.27</b>          | <b>2.21</b>                   |           |
| <b>Property and Ownership Costs</b>        |      |                    |          |                        |                               |           |
| MACHINERY OWNERSHIP COSTS                  | DOLS |                    |          | 23.98                  | 0.41                          |           |
| GENERAL FARM OVERHEAD                      | DOLS |                    |          | 10.00                  | 0.17                          |           |
| REAL ESTATE TAXES                          | DOLS |                    |          | 1.86                   | 0.03                          |           |
| <b>Total Property and Ownership Costs</b>  | DOLS |                    |          | <b>35.84</b>           | <b>0.61</b>                   |           |
| <b>TOTAL DIRECT COSTS</b>                  |      |                    |          | <b>166.11</b>          | <b>2.82</b>                   |           |
| <b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b> |      |                    |          | <b>69.89</b>           | <b>1.18</b>                   |           |
| <b>FACTOR PAYMENTS</b>                     |      |                    |          |                        |                               |           |
| LAND @ 4.00% <sup>3</sup>                  | DOLS |                    |          | 28.80                  | 0.49                          |           |
| <b>RETURN TO MANAGEMENT AND RISK</b>       | DOLS |                    |          | <b>41.09</b>           | <b>0.70</b>                   |           |

1 Hauling Machinery & Labor Charges = \$0.17/Bushel

2 Interest on Operating Capital is calculated on 1/2 of pre-harvest operating costs at 7%

3 Includes allocation of fallow acres in the rotation

**BREAKEVEN ANALYSIS - PER ACRE RETURNS OVER TOTAL DIRECT COSTS (\$/ACRE)**

|                    |      |      |  | <b>ALTERNATIVE PRICES</b> |           |           |           |           |
|--------------------|------|------|--|---------------------------|-----------|-----------|-----------|-----------|
|                    |      |      |  | \$/BU                     |           |           |           |           |
|                    |      |      |  | -25%                      | -10%      |           | +10%      | +25%      |
|                    |      |      |  | \$ 3.00                   | \$ 3.60   | \$ 4.00   | \$ 4.40   | \$ 5.00   |
| ALTERNATIVE YIELDS | -25% | 44.3 |  | \$ (33.36)                | \$ (6.81) | \$ 10.89  | \$ 28.59  | \$ 55.14  |
|                    | -10% | 53.1 |  | \$ (6.81)                 | \$ 25.05  | \$ 46.29  | \$ 67.53  | \$ 99.39  |
| BUSHEL             |      | 59.0 |  | \$ 10.89                  | \$ 46.29  | \$ 69.89  | \$ 93.49  | \$ 128.89 |
|                    | +10% | 64.9 |  | \$ 28.59                  | \$ 67.53  | \$ 93.49  | \$ 119.45 | \$ 158.39 |
|                    | +25% | 73.8 |  | \$ 55.14                  | \$ 99.39  | \$ 128.89 | \$ 158.39 | \$ 202.64 |