

Table 34. 2006 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
GROSS RECEIPTS FROM PRODUCTION						
CORN	BU	3.25	25.00	81.25		
CROP INSURANCE INDEMNITY PAYMENT	DOLS			47.23		
TOTAL RECEIPTS				128.48	3.25	
DIRECT COSTS						
Operating Preharvest						
SEED	DOLS	14.90	1.00	14.90	0.60	
FERTILIZER	DOLS	28.07	1.00	28.07	1.12	
HERBICIDE	DOLS	31.06	1.00	31.06	1.24	
HERBICIDE APPLICATION	DOLS	4.00	1.00	4.00	0.16	
CROP INSURANCE	DOLS	6.45	1.00	6.45	0.26	
FUEL	DOLS			3.81	0.15	
REPAIR & MAINTENANCE	DOLS			2.49	0.10	
LABOR	DOLS			1.76	0.07	
INTEREST EXPENSE ²	DOLS			3.24	0.13	
Total Preharvest	DOLS			95.78	3.83	
Operating Harvest						
FUEL	DOLS			4.37	0.17	
REPAIR & MAINTENANCE	DOLS			4.65	0.19	
LABOR	DOLS			1.31	0.05	
HAULING ¹	DOLS			3.50	0.14	
Total Harvest				13.83	0.55	
Total Operating Costs				109.61	4.38	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			23.98	0.96	
GENERAL FARM OVERHEAD	DOLS			10.00	0.40	
REAL ESTATE TAXES	DOLS			1.86	0.07	
Total Property and Ownership Costs	DOLS			35.84	1.43	
TOTAL DIRECT COSTS				145.45	5.82	
NET RECEIPTS BEFORE FACTOR PAYMENTS				-16.97	-2.57	
FACTOR PAYMENTS						
LAND @ 4.00% ³	DOLS			28.80	1.15	
RETURN TO MANAGEMENT AND RISK	DOLS			-45.77	-3.72	

1 Hauling Machinery & Labor Charges = \$0.14/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)

		ALTERNATIVE PRICES				
		\$/BU				
		-25%	-10%		+10%	+25%
		\$ 2.44	\$ 2.93	\$ 3.25	\$ 3.58	\$ 4.06
ALTERNATIVE YIELDS	-25%	\$ (52.52)	\$ (43.38)	\$ (37.28)	\$ (31.19)	\$ (22.05)
	-10%	\$ (43.38)	\$ (32.41)	\$ (25.10)	\$ (17.78)	\$ (6.81)
	BUSHEL	\$ (37.28)	\$ (25.10)	\$ (16.97)	\$ (8.85)	\$ 3.34
	+10%	\$ (31.19)	\$ (17.78)	\$ (8.85)	\$ 0.09	\$ 13.50
	+25%	\$ (22.05)	\$ (6.81)	\$ 3.34	\$ 13.50	\$ 28.73