

Table 32. 2006 Estimated Production Costs and Returns - Dryland Winter Wheat in Northeastern Colorado. Conventional-Till Wheat - Fallow Rotation

	Unit	Price or Cost/Unit	Quantity	Value or Cost Per Acre	Value or Cost/Unit Production	Your Farm
GROSS RECEIPTS FROM PRODUCTION						
HARD RED WINTER WHEAT	BU	4.60	17.18	79.03		
CROP INSURANCE INDEMNITY				28.28		
TOTAL RECEIPTS				107.31	4.60	
DIRECT COSTS						
Operating Preharvest						
SEED	DOLS	6.39	1.00	6.39	0.37	
FERTILIZER	DOLS	31.76	1.00	31.76	1.85	
HERBICIDE	DOLS	6.37	1.00	6.37	0.37	
CUSTOM APPLICATION	DOLS	4.00	1.00	4.00	0.23	
CROP INSURANCE	DOLS	7.85	1.00	7.85	0.46	
FUEL	DOLS			9.39	0.55	
REPAIR & MAINTENANCE	DOLS			8.24	0.48	
LABOR	DOLS			2.23	0.13	
INTEREST EXPENSE ²	DOLS			2.67	0.16	
Total Preharvest	DOLS			78.90	4.59	
Operating Harvest						
FUEL	DOLS			4.83	0.28	
REPAIR & MAINTENANCE	DOLS			2.90	0.17	
LABOR	DOLS			1.49	0.09	
HAULING ¹	DOLS			2.41	0.14	
Total Harvest				11.63	0.68	
Total Operating Costs				90.52	5.27	
Property and Ownership Costs						
MACHINERY OWNERSHIP COSTS	DOLS			42.78	2.49	
GENERAL FARM OVERHEAD	DOLS			10.00	0.58	
REAL ESTATE TAXES	DOLS			1.80	0.10	
Total Property and Ownership Costs	DOLS			54.58	3.18	
TOTAL DIRECT COSTS:				145.10	8.45	
NET RECEIPTS BEFORE FACTOR PAYMENTS				-37.80	-3.85	
FACTOR PAYMENTS						
LAND @ 4.00% ³	DOLS			32.00	1.86	
RETURN TO MANAGEMENT AND RISK	DOLS			-69.80	-5.71	

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%	
		\$ 3.45	\$ 4.14	\$ 4.60	\$ 5.06	\$ 5.75	
ALTERNATIVE YIELDS	-25%	12.9	\$ (100.65)	\$ (91.76)	\$ (85.83)	\$ (79.91)	\$ (71.02)
	-10%	15.5	\$ (91.76)	\$ (81.09)	\$ (73.98)	\$ (66.87)	\$ (56.20)
		17.2	\$ (85.83)	\$ (73.98)	\$ (66.08)	\$ (58.17)	\$ (46.32)
	+10%	18.9	\$ (79.91)	\$ (66.87)	\$ (58.17)	\$ (49.48)	\$ (36.44)
	+25%	21.5	\$ (71.02)	\$ (56.20)	\$ (46.32)	\$ (36.44)	\$ (21.62)