

2006 Estimated Production Costs and Returns - Dryland Winter Wheat in Southeastern Colorado.  
 Conventional-Till Wheat - Fallow 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>						
HARD RED WINTER WHEAT	BU	4.60	16.0	73.60		
<b>TOTAL RECEIPTS</b>				<b>73.60</b>	<b>4.60</b>	
<b>DIRECT COSTS</b>						
<b>Operating Preharvest</b>						
SEED	DOLS	6.39	1.00	6.39	0.40	
FERTILIZER	DOLS	18.16	1.00	18.16	1.14	
HERBICIDE	DOLS	8.74	1.00	8.74	0.55	
CUSTOM APPLICATION	DOLS	4.00	1.00	4.00	0.25	
FUEL	DOLS			9.29	0.58	
REPAIR & MAINTENANCE	DOLS			5.75	0.36	
LABOR	DOLS			4.24	0.27	
INTEREST EXPENSE <sup>2</sup>	DOLS			1.98	0.12	
<b>Total Preharvest</b>	DOLS			<b>58.55</b>	<b>3.66</b>	
<b>Operating Harvest</b>						
FUEL	DOLS			3.43	0.21	
REPAIR & MAINTENANCE	DOLS			1.42	0.09	
LABOR	DOLS			0.85	0.05	
HAULING <sup>1</sup>	DOLS			2.24	0.14	
<b>Total Harvest</b>				<b>7.94</b>	<b>0.50</b>	
<b>Total Operating Costs</b>				<b>66.49</b>	<b>4.16</b>	
<b>Property and Ownership Costs</b>						
MACHINERY OWNERSHIP COSTS	DOLS			34.32	2.15	
GENERAL FARM OVERHEAD	DOLS			7.00	0.44	
REAL ESTATE TAXES	DOLS			2.00	0.13	
<b>Total Property and Ownership Costs</b>	DOLS			<b>43.32</b>	<b>2.71</b>	
<b>TOTAL DIRECT COSTS:</b>				<b>109.81</b>	<b>6.86</b>	
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>-36.21</b>	<b>-2.26</b>	
<b>FACTOR PAYMENTS</b>						
LAND @ 4.00% <sup>3</sup>	DOLS			14.00	0.88	
<b>RETURN TO MANAGEMENT AND RISK</b>	DOLS			<b>-50.21</b>	<b>-3.14</b>	

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%	12.0	\$ (68.41)	\$ (60.13)	\$ (54.61)	\$ (49.09)	\$ (40.81)
	-10%	14.4	\$ (60.13)	\$ (50.19)	\$ (43.57)	\$ (36.95)	\$ (27.01)
BUSHEL		16.0	\$ (54.61)	\$ (43.57)	\$ (36.21)	\$ (28.85)	\$ (17.81)
	+10%	17.6	\$ (49.09)	\$ (36.95)	\$ (28.85)	\$ (20.75)	\$ (8.61)
	+25%	20.0	\$ (40.81)	\$ (27.01)	\$ (17.81)	\$ (8.61)	\$ 5.19