

2006 Estimated Production Costs and Returns - Dryland Winter Wheat in Western 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	12.5	57.50		
<b>TOTAL RECEIPTS</b>				<b>57.50</b>	<b>4.60</b>	
<b>DIRECT COSTS</b>						
<b>Operating Preharvest</b>						
SEED	DOLS	6.39	1.00	6.39	0.51	
FERTILIZER	DOLS	13.27	1.00	13.27	1.06	
HERBICIDE	DOLS	8.74	1.00	8.74	0.70	
CUSTOM APPLICATION	DOLS	8.00	1.00	8.00	0.64	
FUEL	DOLS			6.77	0.54	
REPAIR & MAINTENANCE	DOLS			1.84	0.15	
LABOR	DOLS			3.24	0.26	
INTEREST EXPENSE <sup>2</sup>	DOLS			1.69	0.14	
<b>Total Preharvest</b>	DOLS			<b>49.94</b>	<b>4.00</b>	
<b>Operating Harvest</b>						
FUEL	DOLS			3.43	0.27	
REPAIR & MAINTENANCE	DOLS			1.42	0.11	
LABOR	DOLS			0.85	0.07	
HAULING <sup>1</sup>	DOLS			1.75	0.14	
<b>Total Harvest</b>				<b>7.45</b>	<b>0.60</b>	
<b>Total Operating Costs</b>				<b>57.39</b>	<b>4.59</b>	
<b>Property and Ownership Costs</b>						
MACHINERY OWNERSHIP COSTS	DOLS			19.39	1.55	
GENERAL FARM OVERHEAD	DOLS			20.00	1.60	
<b>Total Property and Ownership Costs</b>	DOLS			<b>39.39</b>	<b>3.15</b>	
<b>TOTAL DIRECT COSTS:</b>				<b>96.78</b>	<b>7.74</b>	
<b>NET RECEIPTS BEFORE FACTOR PAYMENTS</b>				<b>-39.28</b>	<b>-3.14</b>	
<b>FACTOR PAYMENTS</b>						
LAND @ 4.00% <sup>3</sup>	DOLS			9.00	0.72	
<b>RETURN TO MANAGEMENT AND RISK</b>	DOLS			<b>-48.28</b>	<b>-3.86</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%	9.4	\$ (64.44)	\$ (57.97)	\$ (53.65)	\$ (49.34)	\$ (42.87)
	-10%	11.3	\$ (57.97)	\$ (50.20)	\$ (45.03)	\$ (39.85)	\$ (32.09)
BUSHEL		12.5	\$ (53.65)	\$ (45.03)	\$ (39.28)	\$ (33.53)	\$ (24.90)
	+10%	13.8	\$ (49.34)	\$ (39.85)	\$ (33.53)	\$ (27.20)	\$ (17.72)
	+25%	15.6	\$ (42.87)	\$ (32.09)	\$ (24.90)	\$ (17.72)	\$ (6.94)