

NC STATE UNIVERSITY
WHEAT ORGANIC PRODUCTION

ESTIMATED COSTS AND RETURNS PER ACRE
 37 BUSHEL YIELD, 2007

	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
1. GROSS RECEIPTS					
WHEAT	BU.	37.00	\$5.50	\$203.50	_____
STRAW	BALES	25.00	\$3.50	\$87.50	_____
TOTAL RECEIPTS:				\$291.00	_____
2. VARIABLE COSTS					
SEED	BU.	2.00	\$9.00	\$18.00	_____
FERTILIZER					
LIME (PRORATED)	TON	0.33	\$42.50	\$14.03	_____
FEATHER MEAL	LBS	500.00	\$0.13	\$65.00	_____
TRACTOR/MACHINERY	ACRE	1.00	\$30.27	\$30.27	_____
DRYING	BU.	0.00	\$0.12	\$0.00	_____
COVER CROP	ACRE	0.00	\$1.00	\$0.00	_____
HAULING	BU.	37.00	\$0.35	\$12.95	_____
STORAGE	BU.	37.00	\$0.25	\$9.25	_____
LABOR	HRS	4.59	\$8.51	\$39.06	_____
INTEREST ON OP. CAP.	DOL.	\$31.15	8.0%	\$2.49	_____
TOTAL VARIABLE COSTS:				\$191.05	_____
3. INCOME ABOVE VARIABLE COSTS:				\$99.95	_____
4. FIXED COSTS					
TRACTOR/MACHINERY	ACRE	1.00	\$44.20	\$44.20	_____
*TRANSITION COST	ACRE	1.00	\$22.57	\$22.57	_____
**ORGANIC CERTIFICATION	ACRE				_____
TOTAL FIXED COSTS:				\$66.77	_____
6. TOTAL COSTS:				\$257.82	_____
7. NET RETURNS TO LAND, RISK AND MANAGEMENT:				\$33.18	_____

<u>BREAK-EVEN YIELD</u>		<u>BREAK-EVEN PRICE</u>	
VARIABLE COSTS	35 BU.	VARIABLE COSTS	\$5.16
TOTAL COSTS	47 BU.	TOTAL COSTS	\$6.97

PLEASE NOTE: THIS BUDGET IS FOR PLANNING PURPOSES ONLY.

*TRANSITION COST IS THREE YEAR PERIOD OF CONVERSION

FROM CONVENTION PRODUCTION TO ORGANIC AMORTIZED AT 8% FOR 10 YEARS

**ORGANIC CERTIFICATION COSTS VARY BUT ESTIMATED TO BE \$16 /ACRE FOR 40 ACRES

WHEAT ORGANIC PRODUCTION

PER ACRE MACHINERY AND LABOR REQUIREMENTS FOR 37 BUSHEL WHEAT						
MONTH	OPERATION	TIMES OVER	LABOR HOURS	MACHINE HOURS	VARIABLE COSTS	FIXED COSTS
9	ROTARY MOWER 7'	2.00	0.46	0.42	\$4.98	\$5.10
10	HEAVY DISK 16'	2.00	0.26	0.24	\$6.44	\$7.48
10	TRUCK 2.0 TON	1.00	0.25	0.23	\$1.79	\$2.77
11	CULTIVATOR 6R30	1.00	0.15	0.14	\$2.73	\$2.52
11	GRAIN DRILL 16'	1.00	0.14	0.13	\$2.70	\$3.46
6	COMBINE W/ HEADER	1.00	0.33	0.30	\$11.63	\$22.87
174	SQUARE BALER (HAY - TWINE)	1.00	0.37	0.34	\$6.63	\$10.44
174	BALE WAGON	1.00	0.19	0.17	\$1.64	\$1.66
PER ACRE TOTALS FOR SELECTED OPERATIONS			1.59	1.46	30.27	44.20
UNALLOCATED LABOR(HRS./AC.)			3.00			

INCOME ABOVE VARIABLE COSTS AT DIFFERING YIELDS AND PRICES						
YIELD	----- PRICE (\$/bu.) -----					
BU.	\$4.95	\$5.23	\$5.50	\$5.78	\$6.05	
33	-\$26.22	-\$17.06	-\$7.90	\$1.26	\$10.42	
35	-\$17.06	-\$7.39	\$2.27	\$11.94	\$21.61	
37	-\$7.90	\$2.27	\$12.45	\$22.63	\$32.80	
39	\$1.26	\$11.94	\$22.63	\$33.31	\$43.99	
41	\$10.42	\$21.61	\$32.80	\$43.99	\$55.19	