

**WHEAT FOR GRAIN, INTENSIVE MANAGEMENT
GEORGIA, 2010**

ESTIMATED COSTS AND RETURNS

Expected Yield 75 Bushels YIELD: YOUR FARM _____

| Variable Costs:* | Unit | Number of | | Cost/Acre | \$/Bushels | Your Farm |
|--|---------|-----------|-----------|------------------|----------------|-----------|
| | | Units | \$/Unit | | | |
| Seed | Bushel | 2.25 | \$ 13.500 | \$ 30.38 | \$ 0.41 | _____ |
| Lime | Tons | 0.25 | \$ 33.00 | \$ 8.25 | \$ 0.11 | _____ |
| Fertilizer | | | | | | |
| Nitrogen | Lbs | 120.00 | \$ 0.50 | \$ 60.00 | \$ 0.80 | _____ |
| Phosphate (P2O5) | Lbs | 50.00 | \$ 0.28 | \$ 14.00 | \$ 0.19 | _____ |
| Potash (K2O) | Lbs | 60.00 | \$ 0.60 | \$ 36.00 | \$ 0.48 | _____ |
| Weed Control | Acre | 1.00 | \$ 15.55 | \$ 15.55 | \$ 0.21 | _____ |
| Insect Control | Acre | 1.00 | \$ - | \$ - | \$ - | _____ |
| Disease Control | Acre | 1.00 | \$ 17.00 | \$ 17.00 | \$ 0.23 | _____ |
| <i>Machinery: Preharvest</i> | | | | | | |
| Fuel | Gallon | 7.01 | \$ 2.50 | \$ 17.52 | \$ 0.23 | _____ |
| Repairs & Maintenance | Acre | 1.00 | \$ 11.58 | \$ 11.58 | \$ 0.15 | _____ |
| <i>Machinery: Harvest</i> | | | | | | |
| Fuel | Gallon | 2.20 | \$ 2.50 | \$ 5.50 | \$ 0.07 | _____ |
| Repairs & Maintenance | Acre | 1.00 | \$ 3.03 | \$ 3.03 | \$ 0.04 | _____ |
| Labor | Hrs | 1.17 | \$ 11.00 | \$ 12.92 | \$ 0.17 | _____ |
| Crop Insurance | Acre | 1.00 | \$ 7.25 | \$ 7.25 | \$ 0.10 | _____ |
| Land Rental | Acre | 1.00 | \$ - | \$ - | \$ - | _____ |
| Interest on Operating capital | Percent | \$ 119.49 | 7.50% | \$ 8.96 | \$ 0.12 | _____ |
| Drying - 2 points | Bushel | 77.25 | \$ 0.08 | \$ 6.18 | \$ 0.08 | _____ |
| Total Variable Costs | | | | \$ 254.12 | \$ 3.39 | |
| Fixed Costs: | | | | | | |
| Machinery: Depreciation, Taxes, Insurance, and Housing | | | | | | |
| Preharvest | Acre | 1.00 | \$ 33.85 | \$ 33.85 | \$ 0.45 | _____ |
| Harvest | Acre | 1.00 | \$ 17.96 | \$ 17.96 | \$ 0.24 | _____ |
| General Overhead | % of VC | \$ 254.12 | 5.00% | \$ 12.71 | \$ 0.17 | _____ |
| Management | % of VC | \$ 254.12 | 5.00% | \$ 12.71 | \$ 0.17 | _____ |
| Owned Land Costs; Taxes, Cash Payment, Etc. | Acre | 1.00 | \$ - | \$ - | \$ - | _____ |
| Other | | | | | | |
| Total Fixed Costs | | | | \$ 77.22 | \$ 1.03 | |
| TOTAL COSTS AND PROFIT GOAL | | | | | | |
| Total Variable Costs | | | | \$ 254.12 | \$ 3.39 | |
| Total Fixed Costs | | | | \$ 77.22 | \$ 1.03 | |
| **** YOUR PROFIT GOAL **** | | | | \$ _____ | /Bu. | |
| \$\$-PRICE NEEDED FOR PROFIT-\$\$ | | | | \$ _____ | /Bu. | |

*Seed, fertilizer, chemical and fuel costs could vary as much as +/- 15 to 20% from estimates shown. The estimates are based on "normal" or typical growing conditions and pest pressure. Abnormal weather, weed/grass problems, insects, and diseases would alter the estimates shown above.

Sensitivity Analysis of WHEAT FOR GRAIN, INTENSIVE MANAGEMENT

| NET RETURNS ABOVE VARIABLE COSTS PER ACRE | | | | | | |
|---|------|------------|------------|----------|-----------|-----------|
| Varying Prices and Yield (Bushels) | | | | | | |
| | | -25% | -10% | Average | +10% | +25% |
| | | 56.25 | 67.5 | 75 | 82.5 | 93.75 |
| \$ | 3.50 | \$ (57.24) | \$ (17.87) | \$ 8.38 | \$ 34.63 | \$ 74.01 |
| \$ | 3.75 | \$ (43.18) | \$ (0.99) | \$ 27.13 | \$ 55.26 | \$ 97.45 |
| \$ | 4.00 | \$ (29.12) | \$ 15.88 | \$ 45.88 | \$ 75.88 | \$ 120.88 |
| \$ | 4.25 | \$ (15.05) | \$ 32.76 | \$ 64.63 | \$ 96.51 | \$ 144.32 |
| \$ | 4.50 | \$ (0.99) | \$ 49.63 | \$ 83.38 | \$ 117.13 | \$ 167.78 |

ESTIMATED LABOR AND MACHINERY COSTS PER ACRE

| PREHARVEST OPERATIONS | | | | | | | |
|---|------------|-------------------|-----------------|--------------------|---------------------------|---------------------|--|
| Operation | Acres/Hour | Number Times Over | Labor Use (Hr.) | Fuel Use (Gal./Ac) | Machinery Repairs (\$/Ac) | Fixed Costs (\$/Ac) | |
| Plow 4 Bottom Switch6' with Tractor (180-199 hp)-MFWD 190 | 2.327 | 1.00 | 0.43 | 4.20 | 6.12 | 18.40 | |
| Disk Harrow32' with Tractor (180-199 hp)-MFWD 190 | 16.291 | 2.00 | 0.12 | 1.20 | 2.60 | 7.55 | |
| Grain Drill15' with Tractor (180-199 hp)-MFWD 190 | 7.955 | 1.00 | 0.13 | 1.23 | 2.36 | 6.67 | |
| Spray (Broadcast)60' with Tractor (120-139 hp)-2WD 130 | 35.455 | 2.00 | 0.06 | 0.38 | 0.51 | 1.23 | |
| Total Preharvest Fuel, Repairs, Fixed Costs, and Labor | | | 0.75 | 7.01 | 11.5 | 33.85 | |

| HARVEST OPERATIONS | | | | | | | |
|--|------------|-------------------|-----------------|--------------------|---------------------------|---------------------|--|
| Operation | Acres/Hour | Number Times Over | Labor Use (Hr.) | Fuel Use (Gal./Ac) | Machinery Repairs (\$/Ac) | Fixed Costs (\$/Ac) | |
| Header Wheat/Sorghum22' Rigid with Combine (250-299 hp)275hp | 9.015 | 1.000 | 0.111 | 1.57 | 2.43 | 15.41 | |
| Corn Grain Cart 8R36500 bu with Tractor (120-139 hp)-2WD 130 | 10.642 | 1.000 | 0.094 | 0.63 | 0.60 | 2.55 | |
| Total Harvest Fuel, Repairs, Fixed Costs, and Labor | | | 0.205 | 2.20 | 3.03 | 17.96 | |

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