

**NC STATE UNIVERSITY**  
**WHEAT ORGANIC PRODUCTION**

ESTIMATED COSTS AND RETURNS PER ACRE  
 37 BUSHEL YIELD, 2008

	UNIT	QUANTITY	PRICE OR COST/UNIT	TOTAL PER ACRE	YOUR FARM
<b>1. GROSS RECEIPTS</b>					
WHEAT	BU.	37.00	\$5.50	\$203.50	_____
STRAW	BALES	25.00	\$3.50	\$87.50	_____
TOTAL RECEIPTS:				<b>\$291.00</b>	_____
<b>2. VARIABLE COSTS</b>					
SEED	BU.	2.00	\$9.00	\$18.00	_____
FERTILIZER					
LIME (PRORATED)	TON	0.33	\$52.50	\$17.33	_____
FEATHER MEAL	LBS	500.00	\$0.13	\$65.00	_____
TRACTOR/MACHINERY	ACRE	1.00	\$39.03	\$39.03	_____
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	4.84	\$9.02	\$43.66	_____
INTEREST ON OP. CAP.	DOL.	\$37.18	9.25%	\$3.44	_____
TOTAL VARIABLE COSTS:				<b>\$208.66</b>	_____
<b>3. INCOME ABOVE VARIABLE COSTS:</b>				<b>\$82.34</b>	_____
<b>4. FIXED COSTS</b>					
TRACTOR/MACHINERY	ACRE	1.00	\$58.24	\$58.24	_____
*TRANSITION COST	ACRE	1.00	\$22.57	\$22.57	_____
**ORGANIC CERTIFICATION	ACRE				_____
TOTAL FIXED COSTS:				<b>\$80.81</b>	_____
<b>6. TOTAL COSTS:</b>				<b>\$289.47</b>	_____
<b>7. NET RETURNS TO LAND, RISK AND MANAGEMENT:</b>				<b>\$1.53</b>	_____

<u>BREAK-EVEN YIELD</u>		<u>BREAK-EVEN PRICE</u>	
VARIABLE COSTS	38 BU.	VARIABLE COSTS	\$5.64
TOTAL COSTS	53 BU.	TOTAL COSTS	\$7.82

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**

<b>PER ACRE MACHINERY AND LABOR REQUIREMENTS FOR 37 BUSHEL WHEAT</b>						
MONTH	OPERATION	TIMES OVER	LABOR HOURS	MACHINE HOURS	VARIABLE COSTS	FIXED COSTS
9	ROTARY MOWER 7'	2.00	0.46	0.42	\$5.06	\$5.30
10	HEAVY DISK 16'	2.00	0.26	0.24	\$6.54	\$7.76
10	TRUCK 2.0 TON	1.00	0.25	0.23	\$1.79	\$2.85
11	CULTIVATOR 6R30	1.00	0.15	0.14	\$2.77	\$2.61
11	GRAIN DRILL 16'	1.00	0.14	0.13	\$2.74	\$3.58
6	COMBINE W/ HEADER	1.00	0.33	0.30	\$11.73	\$23.65
6	SQUARE BALER (HAY - TWINE)	1.00	0.37	0.34	\$6.73	\$10.78
6	BALE WAGON	1.00	0.19	0.17	\$1.67	\$1.71
PER ACRE TOTALS FOR SELECTED OPERATIONS			2.15	1.97	39.03	58.24
UNALLOCATED LABOR(HRS./AC.)			2.69			

<b>INCOME ABOVE VARIABLE COSTS AT DIFFERING YIELDS AND PRICES</b>						
YIELD	----- PRICE (\$/bu.) -----					
BU.	\$4.95	\$5.23	\$5.50	\$5.78	\$6.05	
33	-\$43.83	-\$34.67	-\$25.51	-\$16.35	-\$7.19	
35	-\$34.67	-\$25.00	-\$15.34	-\$5.67	\$4.00	
37	-\$25.51	-\$15.34	-\$5.16	\$5.02	\$15.19	
39	-\$16.35	-\$5.67	\$5.02	\$15.70	\$26.38	
41	-\$7.19	\$4.00	\$15.19	\$26.38	\$37.58	