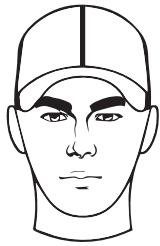


GROWING AGRICULTURE *together.*

FARMER BREAKEVEN

Farming operations are like any other business; they have to know what it costs to run their operation. If they know what it costs them, they can figure out what price they need to sell their grain for. This plan is called figuring a Breakeven.

WORDS TO KNOW:



FARMER

A person who owns or manages a farm.



BREAKEVEN

A budget that tells a producer what they need to sell their crop for to pay all of their expenses.



YIELD

A measure of agricultural product.

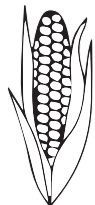
FIGURING BREAKEVEN

To figure a breakeven, a farmer must know their total expenses per acre. Then, they can divide their total expenses by the estimated yield per acre. This is the price point where their expenses are covered, but there is no extra revenue or profit.

FIGURING BREAKEVEN WITH MARGIN

If a farmer wants to know how much they should sell their grain for in order to make a profit, they must first choose a target profit margin. From there, they will need to multiply the breakeven amount by the target margin and then add it to the original breakeven amount.

BREAKEVEN



BREAKEVEN WITH MARGIN

