

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Dryland Cotton (Solid 40" Rows) - 640 Acres
Rolling Plains Extension District - 3

Crop Acres		640				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Cotton Lint		260.00	Pound	\$0.72	\$187.20	\$119,808.00
Cottonseed		0.23	Ton	\$290.00	\$66.99	\$42,873.60
Total Revenue					\$254.19	\$162,681.60
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Cotton Seed		5	Pound	\$6.00	\$30.00	\$19,200.00
Fertilizer						
Fertilizer (N)		57	Pound	\$0.48	\$27.36	\$17,510.40
Herbicide						
Roundup		1	Pint	\$3.90	\$3.90	\$2,496.00
Roundup		1	Pint	\$3.90	\$3.90	\$2,496.00
Insecticide						
Insecticide - Cotton		5	Fluid Ounce	\$1.19	\$5.95	\$3,808.00
Bollweevil Eradication		1	Acre	\$2.50	\$2.50	\$1,600.00
Miscellaneous						
Insurance - Dryland Cotton		1	Acre	\$15.00	\$15.00	\$9,600.00
Custom						
Fertilizer Application		1	Acre	\$5.00	\$5.00	\$3,200.00
Insecticide Application		1	Acre	\$5.00	\$5.00	\$3,200.00
Gin, Bag, Ties		260	Pound	\$0.12	\$31.20	\$19,968.00
Custom Stripping		260	Pound	\$0.09	\$23.40	\$14,976.00
Machinery Labor						
Tractors/Self-Propelled		2.19	Hour	\$10.00	\$21.90	\$14,016.00
Diesel Fuel						
Tractors/Self-Propelled		6.66	Gallon	\$3.24	\$21.58	\$13,810.18
Gasoline						
Pickup/General Use Equipment		1	Acre	\$1.05	\$1.05	\$675.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.28	\$0.28	\$181.13
Tractors/Self-Propelled		1	Acre	\$8.58	\$8.58	\$5,492.40
Implements		1	Acre	\$5.11	\$5.11	\$3,268.74
Interest on Credit Line				6.25%	\$4.49	\$2,875.35
Total Variable Costs					\$216.21	\$138,373.20
Planned Returns Above Variable Costs:					\$37.98	\$24,308.40
Breakeven Price to Cover Variable Costs				\$0.57	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$0.39	\$0.39	\$251.46
Tractors/Self-Propelled		1	Acre	\$8.30	\$8.30	\$5,309.32
Implements		1	Acre	\$6.24	\$6.24	\$3,990.54
Equipment Investment						
Pickup/General Use Equipment	\$4.72		Dollars	5.85%	\$0.28	\$176.60
Tractors/Self-Propelled	\$143.03		Dollars	5.85%	\$8.37	\$5,355.09
Implements	\$48.50		Dollars	5.85%	\$2.84	\$1,815.70
Cash Rent - Dryland Cotton		1	Acre	\$32.00	\$32.00	\$20,480.00
Total Fixed Costs					\$58.40	\$37,378.71
Total Specified Costs					\$274.61	\$175,751.91
Returns Above Specified Costs					(\$20.42)	(\$13,070.31)
Breakeven Price to Cover Total Costs				\$0.80	Pound	

Example Breakeven Prices						
Example Yield Percent	Example Yield Pound	Price Needed to Cover Example Variable Costs		Price Needed to Cover Example Total Costs		
		Own/Rent	ShareTenant	Own/Rent	ShareTenant	Landlord
75%	195.00	\$0.77	\$0.77	\$1.06	\$1.06	\$0.00
90%	234.00	\$0.64	\$0.64	\$0.89	\$0.89	\$0.00
100%	260.00	\$0.57	\$0.57	\$0.80	\$0.80	\$0.00
110%	286.00	\$0.52	\$0.52	\$0.73	\$0.73	\$0.00
125%	325.00	\$0.46	\$0.46	\$0.64	\$0.64	\$0.00

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

Information presented is prepared solely as a general guide and not intended to recognize or predict the costs and returns from any one operation. Brand names are mentioned only as examples and imply no endorsement.