

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Dryland Cotton - 100 Acres
Southwest Extension District - 10

Crop Acres		100		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	400.00	Pound	\$0.73	\$292.00	\$29,200.00
Cottonseed	680.00	Pound	\$0.14	\$93.84	\$9,384.00
Total Revenue				\$385.84	\$38,584.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total
Production Costs					
Custom					
Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$400.00
Gin, Bag, Tie (Dryland)	1	Acre	\$12.73	\$12.73	\$1,273.00
Fertilizer					
UAN(32% N)	1.26	CWT	\$16.00	\$20.16	\$2,016.00
Fertilizer 18-46-0	54	Pound	\$0.28	\$15.12	\$1,512.00
Herbicide					
Glyphosate	1.4	Pint	\$2.03	\$2.84	\$284.20
Prowl H2O	2	Pint	\$5.06	\$10.12	\$1,012.00
Insecticide					
Karate Z	1	Ounce	\$0.81	\$0.81	\$81.00
Seed					
Cotton Seed BIIRRF	35	Thousand	\$1.58	\$55.30	\$5,530.00
Miscellaneous					
Boll Weevil Eradication Program	1	Acre	\$17.50	\$17.50	\$1,750.00
Crop Insurance - Cotton Dry	1	Acre	\$13.00	\$13.00	\$1,300.00
Other Chemicals					
Gramoxone SL	24	Ounce	\$0.23	\$5.52	\$552.00
Aim	0.75	Ounce	\$5.39	\$4.04	\$404.25
Crop Oil Concentrate	0.25	Pint	\$2.03	\$0.51	\$50.75
Machinery Labor					
Tractors/Self-Propelled	2.04	Hour	\$12.00	\$24.48	\$2,448.00
Diesel Fuel					
Tractors/Self-Propelled	12.92	Gallon	\$2.15	\$27.78	\$2,777.80
Gasoline					
Pickup/General Use Equipment	1	Acre	\$29.43	\$29.43	\$2,943.36
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$6.72	\$6.72	\$672.00
Tractors/Self-Propelled	1	Acre	\$24.37	\$24.37	\$2,436.52
Implements	1	Acre	\$14.74	\$14.74	\$1,473.61
Interest on Credit Line			6.50%	\$8.03	\$803.21
Total Variable Costs				\$297.20	\$29,719.70
Planned Returns Above Variable Costs:				\$88.64	\$8,864.30
Breakeven Price to Cover Variable Costs			\$0.51	Pound	Enterprise
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$25.20	\$25.20	\$2,520.00
Tractors/Self-Propelled	1	Acre	\$31.72	\$31.72	\$3,172.37
Implements	1	Acre	\$18.77	\$18.77	\$1,877.17
Equipment Investment					
Pickup/General Use Equipment	\$168.00	Dollars	6.50%	\$10.92	\$1,092.00
Tractors/Self-Propelled	\$402.43	Dollars	6.50%	\$26.16	\$2,615.82
Implements	\$173.80	Dollars	6.50%	\$11.30	\$1,129.72
Dryland Winter Garden Rent	1	Acre	\$20.00	\$20.00	\$2,000.00
Total Fixed Costs				\$144.07	\$14,407.08
Total Specified Costs				\$441.27	\$44,126.78
Returns Above Specified Costs				(\$55.43)	(\$5,542.78)
Breakeven Price to Cover Total Costs			\$0.87	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%	300.00	\$0.68	\$0.68	\$1.16	\$1.16	\$0.00
90%	360.00	\$0.56	\$0.56	\$0.97	\$0.97	\$0.00
100%	400.00	\$0.51	\$0.51	\$0.87	\$0.87	\$0.00
110%	440.00	\$0.46	\$0.46	\$0.79	\$0.79	\$0.00
125%	500.00	\$0.41	\$0.41	\$0.69	\$0.69	\$0.00

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension.

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.