

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Cotton - Genetically Modified Seed, Conv. Till-24 Row, Irrigated, 1250 lb. Yield Goal - 505 Acres
Coastal Bend Extension District - 11

Crop Acres		505			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	1,250.00	Pound	\$0.62	\$775.00	\$391,375.00
Cottonseed	0.86	Ton	\$200.00	\$172.00	\$86,860.00
Total Revenue				\$947.00	\$478,235.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Fertilizer Application	0	CWT	\$0.10	\$0.00	\$0.00
Pick and Module	1250	Pound	\$0.14	\$175.00	\$88,375.00
Ginning - Picker	1250	Pound	\$0.13	\$156.25	\$78,906.25
Fertilizer					
24-8-0	0.2	Ton	\$332.00	\$66.40	\$33,532.00
Herbicide					
Glyphosate	3	Quart	\$5.50	\$16.50	\$8,332.50
Trifluralin	32	Ounce	\$0.18	\$5.76	\$2,908.80
2, 4D Amine	2	Pint	\$1.52	\$3.04	\$1,535.20
Insecticide					
Boll Weevil Program LC	1	Acre	\$3.50	\$3.50	\$1,767.50
Fleahopper Control	3.2	Ounce	\$1.20	\$3.84	\$1,939.20
Miscellaneous					
Pickup Milage Charge	1	Acre	\$3.88	\$3.88	\$1,959.40
Crop Insurance - Irr Cotton	1	Acre	\$19.08	\$19.08	\$9,635.40
Seed					
Cotton Seed - B2RF	45	Thousand	\$0.78	\$35.10	\$17,725.50
Cotton Seed - Insect Treatment	45	Thousand	\$0.17	\$7.65	\$3,863.25
Tech Fee - B2RF	1	Acre	\$42.00	\$42.00	\$21,210.00
Other Chemicals					
Defoliant - Picker	4.8	Ounce	\$0.82	\$3.94	\$1,987.68
Silicone Surfactant	1.6	Ounce	\$0.70	\$1.12	\$565.60
Generic PIX	24	Ounce	\$0.09	\$2.16	\$1,090.80
Other Labor					
Hand Labor	0.08	Hour	\$16.00	\$1.28	\$646.40
Irrigation					
Energy Cost	10.00	AcreInch	\$2.10	\$21.00	\$10,605.00
Irrigation Labor	1.50	Hour	\$19.50	\$29.25	\$14,771.25
Machinery Labor					
Tractors/Self-Propelled	0.5	Hour	\$19.50	\$9.75	\$4,923.75
Diesel Fuel					
Tractors/Self-Propelled	6.27	Gallon	\$2.10	\$13.17	\$6,649.34
Repairs & Maintenance					
Irrigation Equipment	1	Acre	\$25.08	\$25.08	\$12,666.67
Tractors/Self-Propelled	1	Acre	\$14.07	\$14.07	\$7,106.76
Implements	1	Acre	\$15.82	\$15.82	\$7,990.04
Interest on Credit Line			4.25%	\$9.49	\$4,793.43
Total Variable Costs				\$684.13	\$345,486.71
Planned Returns Above Variable Costs:				\$262.87	\$132,748.29
Breakeven Price to Cover Variable Costs			\$0.41	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Irrigation Equipment	1	Acre	\$28.18	\$28.18	\$14,233.33
Tractors/Self-Propelled	1	Acre	\$19.24	\$19.24	\$9,715.14
Implements	1	Acre	\$21.01	\$21.01	\$10,609.20
Equipment Investment					
Irrigation Equipment	\$293.56	Dollars	7.00%	\$20.55	\$10,377.50
Tractors/Self-Propelled	\$147.69	Dollars	7.00%	\$10.34	\$5,220.75
Implements	\$90.61	Dollars	7.00%	\$6.34	\$3,203.16
Management Fee, Owner/Operator Labor	1	Acre	\$47.35	\$47.35	\$23,911.75
LCB - Land Charge	1	Acre	\$70.00	\$70.00	\$35,350.00
Total Fixed Costs				\$223.01	\$112,620.83
Total Specified Costs				\$907.14	\$458,107.54
Returns Above Specified Costs				\$39.86	\$20,127.46
Breakeven Price to Cover Total Costs			\$0.59	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	937.50	\$0.55	\$0.78
90%	1125.00	\$0.46	\$0.65
100%	1250.00	\$0.41	\$0.59
110%	1375.00	\$0.37	\$0.53
125%	1562.50	\$0.33	\$0.47

Developed by Levi Russell, Assistant 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.