

Projections for Planning Purposes Only -- *Not to be Used without Updating*
2016 Estimated Costs and Returns per Acre
Cotton, Conventional Tillage, Furrow Irrigated, Rio Grande Valley - 100 Acres
South Extension District - 12

Crop Acres		100				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Cotton Lint	975.00	Pound	\$0.56	\$546.00	\$54,600.00	\$54,600.00
Cottonseed	0.80	Ton	\$175.00	\$140.77	\$14,076.56	\$14,076.56
Total Revenue				\$686.77	\$68,676.56	\$68,676.56
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise Total
Production Costs						
Custom						
Insect Scouting	1	Acre	\$10.00	\$10.00	\$1,000.00	\$1,000.00
Apply by Air - 3 Gallons	3	Application	\$7.88	\$23.64	\$2,364.00	\$2,364.00
Custom Haul Cotton	975	Pound	\$0.15	\$146.25	\$14,625.00	\$14,625.00
Gin	975	Pound	\$0.12	\$117.00	\$11,700.00	\$11,700.00
Custom Harvest Cotton	975	Pound	\$0.12	\$117.00	\$11,700.00	\$11,700.00
Fertilizer						
UAN (32% N)	2.5	CWT	\$14.00	\$35.00	\$3,500.00	\$3,500.00
Herbicide						
2, 4-D Amine	1	Pint	\$2.63	\$2.63	\$263.00	\$263.00
Trifluralin 4EC	2	Pint	\$3.47	\$6.94	\$694.00	\$694.00
Insecticide						
Vydate C-LV	8.5	Ounce	\$0.93	\$7.91	\$790.50	\$790.50
Oberon 4SC	11	Ounce	\$3.69	\$40.59	\$4,059.00	\$4,059.00
Entrust	2	Ounce	\$12.50	\$25.00	\$2,500.00	\$2,500.00
Miscellaneous						
Insurance, Cotton	1	Acre	\$13.00	\$13.00	\$1,300.00	\$1,300.00
Seed						
Cotton Seed	50	Thousand	\$0.72	\$36.00	\$3,600.00	\$3,600.00
Other Chemicals						
Surfactant	1	Pint	\$5.35	\$5.35	\$535.00	\$535.00
Mepiquat	12	Ounce	\$0.13	\$1.56	\$156.00	\$156.00
Thidiazuron	5.4	Ounce	\$1.21	\$6.53	\$653.40	\$653.40
Other Labor						
Unallocated Labor	1.2856	Hour	\$12.00	\$15.43	\$1,542.72	\$1,542.72
Irrigation						
Water Cost	0.80	Acre/Foot	\$20.00	\$16.00	\$1,600.00	\$1,600.00
Irrigation Labor	1.10	Hour	\$12.00	\$13.20	\$1,320.00	\$1,320.00
Machinery Labor						
Tractors/Self-Propelled	1.39	Hour	\$12.00	\$16.68	\$1,668.00	\$1,668.00
Diesel Fuel						
Tractors/Self-Propelled	9.15	Gallon	\$2.10	\$19.22	\$1,921.50	\$1,921.50
Repairs & Maintenance						
Tractors/Self-Propelled	1	Acre	\$15.89	\$15.89	\$1,589.23	\$1,589.23
Implements	1	Acre	\$17.70	\$17.70	\$1,769.53	\$1,769.53
Interest on Credit Line			5.00%	\$5.48	\$547.81	\$547.81
Total Variable Costs				\$713.99	\$71,398.69	\$71,398.69
Planned Returns Above Variable Costs:						
Breakeven Price to Cover Variable Costs				\$0.59	Pound	
FIXED COSTS						
Machinery Depreciation						
Tractors/Self-Propelled	1	Acre	\$19.03	\$19.03	\$1,903.08	\$1,903.08
Implements	1	Acre	\$21.31	\$21.31	\$2,130.93	\$2,130.93
Equipment Investment						
Tractors/Self-Propelled	\$147.04	Dollars	7.00%	\$10.29	\$1,029.31	\$1,029.31
Implements	\$100.12	Dollars	7.00%	\$7.01	\$700.81	\$700.81
Total Fixed Costs				\$57.64	\$5,764.13	\$5,764.13
Total Specified Costs				\$771.63	\$77,162.82	\$77,162.82
Returns Above Specified Costs						
Breakeven Price to Cover Total Costs				\$0.65	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%	731.25	\$0.78	\$0.86
90%	877.50	\$0.65	\$0.72
100%	975.00	\$0.59	\$0.65
110%	1072.50	\$0.53	\$0.59
125%	1218.75	\$0.47	\$0.52

Developed by Samuel Zapata, Assistant 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.