

Projections for Planning Purposes Only -- Not to be Used without Updating
2018 Estimated Costs and Returns per Acre
Dryland Cotton (2X1 Planting Pattern)
Rolling Plains Extension District - 3

Crop Acres		640			
REVENUE					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint	320.00	Pound	\$0.56	\$179.20	\$114,688.00
Cottonseed	0.26	Ton	\$200.00	\$52.80	\$33,792.00
Total Revenue				\$232.00	\$148,480.00
VARIABLE COSTS					
	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Custom					
Insecticide Application	1	Acre	\$5.50	\$5.50	\$3,520.00
Gin, Bag, Ties	320	Pound	\$0.12	\$38.40	\$24,576.00
Custom Stripping	320	Pound	\$0.10	\$32.00	\$20,480.00
Fertilizer					
Fertilizer (N)	57	Pound	\$0.41	\$23.37	\$14,956.80
Herbicide					
Roundup	2	Pint	\$2.19	\$4.38	\$2,800.00
Insecticide					
Insecticide - Cotton	0.5	Pound	\$7.20	\$3.60	\$2,304.00
Bollweevil Eradication	1	Acre	\$2.50	\$2.50	\$1,600.00
Miscellaneous					
Insurance - Dryland Cotton	1	Acre	\$15.00	\$15.00	\$9,600.00
Seed					
Cotton Seed	5	Pound	\$7.70	\$38.50	\$24,640.00
Machinery Labor					
Tractors/Self-Propelled	1.07	Hour	\$10.00	\$10.70	\$6,848.00
Other Labor	1.28	Hour	\$10.00	\$12.80	\$8,192.00
Diesel Fuel					
Tractors/Self-Propelled	7.29	Gallon	\$2.10	\$15.31	\$9,797.76
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	\$14.23	\$14.23	\$9,106.45
Implements	1	Acre	\$17.46	\$17.46	\$11,174.21
Interest on Credit Line			5.75%	\$5.09	\$3,254.66
Total Variable Costs				\$240.17	\$153,706.01
Planned Returns Above Variable Costs:				(\$8.17)	(\$5,226.01)
Breakeven Price to Cover Variable Costs			\$0.59	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	\$14.70	\$14.70	\$9,410.00
Implements	1	Acre	\$21.72	\$21.72	\$13,898.23
Equipment Investment					
Pickup/General Use Equipment	\$2.75	Dollars	5.50%	\$0.15	\$96.88
Tractors/Self-Propelled	\$114.54	Dollars	5.50%	\$6.30	\$4,031.88
Implements	\$92.90	Dollars	5.50%	\$5.11	\$3,269.94
Cash Rent - Dryland Cotton	1	Acre	\$32.00	\$32.00	\$20,480.00
Total Fixed Costs				\$80.37	\$51,438.40
Total Specified Costs				\$320.54	\$205,144.41
Returns Above Specified Costs				(\$88.54)	(\$56,664.41)
Breakeven Price to Cover Total Costs			\$0.84	Pound	

Example Breakeven Prices			
Example Yield Percent	Example Yield Pound	To Cover Variable Costs	To Cover Total Costs
75%	240.00	\$0.78	\$1.12
90%	288.00	\$0.65	\$0.93
100%	320.00	\$0.59	\$0.84
110%	352.00	\$0.53	\$0.76
125%	400.00	\$0.47	\$0.67

Developed by Extension Economists, Texas A&M AgriLife Extension Service, budgets@tamu.edu.

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.