

Projections for Planning Purposes Only -- Not to be Used without Updating
2019 Estimated Costs and Returns per Acre
Dryland Cotton - Herbicide Tolerant
South Plains Extension District - 2

| Crop Acres | | 160 | | | | Enterprise |
|--|-----------|----------|---------------|------------------|---------------------|------------------|
| REVENUE | Quantity | Units | \$/Unit | Total | Total | Enterprise Total |
| Cotton Lint | 400.00 | Pound | \$0.68 | \$272.00 | \$43,520.00 | |
| Cottonseed | 0.28 | Ton | \$160.00 | \$45.44 | \$7,270.40 | |
| Total Revenue | | | | \$317.44 | \$50,790.40 | |
| VARIABLE COSTS | Quantity | Units | \$/Unit | Total | Total | Enterprise Total |
| Production Costs | | | | | | |
| Custom | | | | | | |
| Strip and Module - Cotton | 400 | Pound | \$0.08 | \$32.00 | \$5,120.00 | |
| Ginning - Cotton | 13.333333 | CWT | \$2.90 | \$38.67 | \$6,186.67 | |
| Fertilizer Application - Liquid High | 1 | Acre | \$4.75 | \$4.75 | \$760.00 | |
| Scouting - Dryland Cotton | 1 | Acre | \$5.00 | \$5.00 | \$800.00 | |
| Fertilizer | | | | | | |
| Fertilizer (N) - Liquid | 35 | Pound | \$0.46 | \$16.13 | \$2,581.25 | |
| Fertilizer (P) - Liquid | 14 | Pound | \$0.71 | \$9.99 | \$1,597.65 | |
| Herbicide | | | | | | |
| Herbicide - Cotton Preplant | 1 | Acre | \$9.50 | \$9.50 | \$1,520.00 | |
| Herbicide - Cotton At Plant | 1 | Acre | \$4.50 | \$4.50 | \$720.00 | |
| Herbicide - Cotton Postplant Dryland | 1 | Acre | \$12.50 | \$12.50 | \$2,000.00 | |
| Spot Spray and Chemical | 0.1 | Acre | \$15.00 | \$1.50 | \$240.00 | |
| Insecticide | | | | | | |
| Boll Weevil Assessment Dryland | 0.8 | Bale | \$1.00 | \$0.80 | \$128.00 | |
| Insecticide and Apply Cotton Dryland | 1 | Acre | \$6.00 | \$6.00 | \$960.00 | |
| Miscellaneous | | | | | | |
| Crop Insurance Cotton - Dryland | 1 | Acre | \$32.00 | \$32.00 | \$5,120.00 | |
| Seed | | | | | | |
| Seed - Cotton Dryland HT | 35 | Thousand | \$1.06 | \$37.10 | \$5,936.00 | |
| Other Chemicals | | | | | | |
| Harvest Aid Apply Cotton Dryland | 1 | Acre | \$10.00 | \$10.00 | \$1,600.00 | |
| Other Labor | | | | | | |
| Hoing | 0.1 | Acre | \$15.00 | \$1.50 | \$240.00 | |
| Machinery Labor | | | | | | |
| Tractors/Self-Propelled | 0.65 | Hour | \$12.00 | \$7.80 | \$1,248.00 | |
| Other Labor | 0.75 | Hour | \$12.00 | \$9.00 | \$1,440.00 | |
| Diesel Fuel | | | | | | |
| Tractors/Self-Propelled | 3.4 | Gallon | \$2.40 | \$8.16 | \$1,305.60 | |
| Gasoline | | | | | | |
| Pickup/General Use Equipment | 1 | Acre | \$4.00 | \$4.00 | \$640.00 | |
| Repairs & Maintenance | | | | | | |
| Pickup/General Use Equipment | 1 | Acre | \$0.50 | \$0.50 | \$80.00 | |
| Tractors/Self-Propelled | 1 | Acre | \$6.00 | \$6.00 | \$960.00 | |
| Implements | 1 | Acre | \$3.00 | \$3.00 | \$480.00 | |
| Interest on Credit Line | | | 6.00% | \$7.21 | \$1,153.90 | |
| Total Variable Costs | | | | \$267.61 | \$42,817.06 | |
| Planned Returns Above Variable Costs: | | | | \$49.83 | \$7,973.34 | |
| Breakeven Price to Cover Variable Costs | | | \$0.56 | Pound | | |
| FIXED COSTS | Quantity | Units | \$/Unit | Total | Total | Enterprise Total |
| Equipment Fixed Costs | | | | | | |
| Pickup/General Use Equipment | 1 | Acre | \$1.25 | \$1.25 | \$200.00 | |
| Tractors/Self-Propelled | 1 | Acre | \$12.00 | \$12.00 | \$1,920.00 | |
| Implements | 1 | Acre | \$10.00 | \$10.00 | \$1,600.00 | |
| Management Fee, Owner/Operator Labor | 1 | Acre | \$25.00 | \$25.00 | \$4,000.00 | |
| Cash Rent - Cotton Dryland | 1 | Acre | \$50.00 | \$50.00 | \$8,000.00 | |
| Whole Farm Insurance | 1 | Acre | \$2.00 | \$2.00 | \$320.00 | |
| Total Fixed Costs | | | | \$100.25 | \$16,040.00 | |
| Total Specified Costs | | | | \$367.86 | \$58,857.06 | |
| Returns Above Specified Costs | | | | (\$50.42) | (\$8,066.66) | |
| Breakeven Price to Cover Total Costs | | | \$0.81 | Pound | | |

| Example Breakeven Prices | | | |
|--------------------------|---------------------|-------------------------|----------------------|
| Example Yield Percent | Example Yield Pound | To Cover Variable Costs | To Cover Total Costs |
| 75% | 300.00 | \$0.74 | \$1.07 |
| 90% | 360.00 | \$0.62 | \$0.90 |
| 100% | 400.00 | \$0.56 | \$0.81 |
| 110% | 440.00 | \$0.50 | \$0.73 |
| 125% | 500.00 | \$0.44 | \$0.64 |

Developed by Jackie Smith, Professor and Extension Economist, Texas A&M AgriLife Extension, 806-746-6101.

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.