

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Cotton - Genetically Modified Seed, Conv. Till-24 Row, Dryland, 800 lb. Yield Goal - 500 Acres
Coastal Bend Extension District - 11 (Lower Coast)

| Crop Acres | | 500 | | Enterprise | |
|---|----------|----------|----------|-----------------|---------------------|
| REVENUE | | | | | |
| | Quantity | Units | \$/Unit | Total | Total |
| Cotton Lint | 800.00 | Pound | \$0.69 | \$552.00 | \$276,000.00 |
| Cottonseed | 0.66 | Ton | \$240.00 | \$158.40 | \$79,200.00 |
| Total Revenue | | | | \$710.40 | \$355,200.00 |
| VARIABLE COSTS | | | | | |
| | Quantity | Units | \$/Unit | Total | Total |
| Production Costs | | | | | |
| Seed | | | | | |
| Cotton Seed - B2RF | 52.8 | Thousand | \$0.46 | \$24.29 | \$12,144.00 |
| Cotton Seed - Insect Treatment | 52.8 | Thousand | \$0.15 | \$7.92 | \$3,960.00 |
| Tech Fee - B2RF | 1 | Acre | \$43.16 | \$43.16 | \$21,580.00 |
| Fertilizer | | | | | |
| 24-8-0 LC | 0.1665 | Ton | \$365.00 | \$60.77 | \$30,386.25 |
| Herbicide | | | | | |
| Glyphosate | 0.6875 | Quart | \$5.98 | \$4.11 | \$2,055.63 |
| Trifluralin | 2 | Pint | \$2.85 | \$5.70 | \$2,850.00 |
| Glyphosate | 0.6875 | Quart | \$5.98 | \$4.11 | \$2,055.63 |
| Glyphosate | 0.5 | Quart | \$5.98 | \$2.99 | \$1,495.00 |
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| 2, 4D | 1 | Pound | \$4.67 | \$4.67 | \$2,335.00 |
| Insecticide | | | | | |
| Boll Weevil Program LC | 1 | Acre | \$17.50 | \$17.50 | \$8,750.00 |
| Fleahopper Control LC | 1.6 | Ounce | \$1.01 | \$1.62 | \$808.00 |
| Fleahopper Control LC | 1.6 | Ounce | \$1.01 | \$1.62 | \$808.00 |
| Bollworm Control | 2.5 | Ounce | \$3.36 | \$8.40 | \$4,200.00 |
| Other Chemicals | | | | | |
| Mepiquat Chloride LC | 2 | Ounce | \$0.22 | \$0.44 | \$220.00 |
| Mepiquat Chloride LC | 3 | Ounce | \$0.22 | \$0.66 | \$330.00 |
| Defoliants - Picker | 0.2 | Pound | \$23.44 | \$4.69 | \$2,344.00 |
| Silicone Surfactant | 1.6 | Ounce | \$0.70 | \$1.12 | \$560.00 |
| Miscellaneous | | | | | |
| Crop Insurance -Cotton | 1 | Acre | \$10.50 | \$10.50 | \$5,250.00 |
| Pickup Milage Charge | 1 | Acre | \$3.88 | \$3.88 | \$1,940.00 |
| Custom | | | | | |
| Fertilizer Application | 1 | CWT | \$0.10 | \$0.10 | \$50.00 |
| Pick and Module | 800 | Pound | \$0.12 | \$96.00 | \$48,000.00 |
| Ginning - Picker | 800 | Pound | \$0.11 | \$88.00 | \$44,000.00 |
| Other Labor | | | | | |
| Hand Labor | 0.08 | Hour | \$7.50 | \$0.60 | \$300.00 |
| Machinery Labor | | | | | |
| Tractors/Self-Propelled | 0.36 | Hour | \$13.75 | \$4.95 | \$2,475.00 |
| Diesel Fuel | | | | | |
| Tractors/Self-Propelled | 4.31 | Gallon | \$3.30 | \$14.22 | \$7,111.50 |
| Repairs & Maintenance | | | | | |
| Tractors/Self-Propelled | 1 | Acre | \$7.03 | \$7.03 | \$3,516.99 |
| Implements | 1 | Acre | \$4.68 | \$4.68 | \$2,340.55 |
| Interest on Credit Line | | | 5.00% | \$7.52 | \$3,758.04 |
| Total Variable Costs | | | | \$434.24 | \$217,118.58 |
| Planned Returns Above Variable Costs: | | | | \$276.16 | \$138,081.42 |
| Breakeven Price to Cover Variable Costs | | | \$0.34 | Pound | |
| FIXED COSTS | | | | | |
| | Quantity | Units | \$/Unit | Total | Total |
| Machinery Depreciation | | | | | |
| Tractors/Self-Propelled | 1 | Acre | \$8.22 | \$8.22 | \$4,107.96 |
| Implements | 1 | Acre | \$5.12 | \$5.12 | \$2,559.66 |
| Equipment Investment | | | | | |
| Tractors/Self-Propelled | \$79.48 | Dollars | 7.00% | \$5.56 | \$2,781.66 |
| Implements | \$57.11 | Dollars | 7.00% | \$4.00 | \$1,998.68 |
| Management Fee, Ownwer/Operator Labor | 1 | Acre | \$35.52 | \$35.52 | \$17,760.00 |
| LCB - Land Charge | 1 | Acre | \$55.00 | \$55.00 | \$27,500.00 |
| Total Fixed Costs | | | | \$113.42 | \$56,707.97 |
| Total Specified Costs | | | | \$547.65 | \$273,826.55 |
| Returns Above Specified Costs | | | | \$162.75 | \$81,373.45 |
| Breakeven Price to Cover Total Costs | | | \$0.49 | 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% | 600.00 | \$0.46 | \$0.46 | \$0.65 | \$0.65 | \$0.00 |
| 90% | 720.00 | \$0.38 | \$0.38 | \$0.54 | \$0.54 | \$0.00 |
| 100% | 800.00 | \$0.34 | \$0.34 | \$0.49 | \$0.49 | \$0.00 |
| 110% | 880.00 | \$0.31 | \$0.31 | \$0.44 | \$0.44 | \$0.00 |
| 125% | 1000.00 | \$0.28 | \$0.28 | \$0.39 | \$0.39 | \$0.00 |

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.