

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Cotton - Conventional Seed, 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	Enterprise Total
Production Costs						
Seed						
Cotton Seed		52.8	Thousand	\$0.35	\$18.48	\$9,240.00
Cotton Seed - Insect Treatment		52.8	Thousand	\$0.15	\$7.92	\$3,960.00
Fertilizer						
24-8-0 LC		0.1665	Ton	\$365.00	\$60.77	\$30,386.25
Herbicide						
Triflurilan		2	Pint	\$2.85	\$5.70	\$2,850.00
Cotton PreEmerge Herbicide		1	Pound	\$11.60	\$11.60	\$5,800.00
Cotton Early Season Herbicide		0.1	Ounce	\$90.24	\$9.02	\$4,512.00
Cotton Mid Season Herbicide		16	Ounce	\$1.56	\$24.96	\$12,480.00
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
TBW-BAW-AW-BW Control		9	Ounce	\$1.72	\$15.48	\$7,740.00
Other Chemicals						
C. O. C.		0.8	Pint	\$1.00	\$0.80	\$400.00
Mepiquat Chloride LC		2	Ounce	\$0.22	\$0.44	\$220.00
Mepiquat Chloride LC		3	Ounce	\$0.22	\$0.66	\$330.00
Defoliant - 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
Hand Hoeing		1	Acre	\$10.00	\$10.00	\$5,000.00
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		0.42	Hour	\$13.75	\$5.78	\$2,887.50
Diesel Fuel						
Tractors/Self-Propelled		4.84	Gallon	\$3.30	\$15.97	\$7,986.00
Repairs & Maintenance						
Tractors/Self-Propelled		1	Acre	\$7.76	\$7.76	\$3,881.87
Implements		1	Acre	\$4.94	\$4.94	\$2,472.29
Interest on Credit Line				5.00%	\$7.19	\$3,597.24
Total Variable Costs					\$446.18	\$223,088.15
Planned Returns Above Variable Costs:					\$264.22	\$132,111.85
Breakeven Price to Cover Variable Costs				\$0.36	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Tractors/Self-Propelled		1	Acre	\$8.99	\$8.99	\$4,495.64
Implements		1	Acre	\$5.40	\$5.40	\$2,699.63
Equipment Investment						
Tractors/Self-Propelled		\$86.77	Dollars	7.00%	\$6.07	\$3,037.08
Implements		\$61.06	Dollars	7.00%	\$4.27	\$2,137.01
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					\$115.26	\$57,629.36
Total Specified Costs					\$561.44	\$280,717.51
Returns Above Specified Costs					\$148.96	\$74,482.49
Breakeven Price to Cover Total Costs				\$0.50	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	Share Tenant	Own/Rent	Share Tenant	Landlord
75%	600.00	\$0.48	\$0.48	\$0.67	\$0.67	\$0.00
90%	720.00	\$0.40	\$0.40	\$0.56	\$0.56	\$0.00
100%	800.00	\$0.36	\$0.36	\$0.50	\$0.50	\$0.00
110%	880.00	\$0.33	\$0.33	\$0.46	\$0.46	\$0.00
125%	1000.00	\$0.29	\$0.29	\$0.40	\$0.40	\$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.