

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Cotton - GMO Seed, Conv. Till-12 Row, Dryland, 750 lb. Yield Goal - 500 Acres
Coastal Bend Extension District - 11 (Upper Coast)

Crop Acres		500		Enterprise	
REVENUE	Quantity	Units	\$/Unit	Total	Total
Cotton Lint	750.00	Pound	\$0.69	\$517.50	\$258,750.00
Cottonseed	0.60	Ton	\$240.00	\$144.00	\$72,000.00
Total Revenue				\$661.50	\$330,750.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Seed					
Cotton Seed - B2RF	54	Thousand	\$0.46	\$24.84	\$12,420.00
Tech Fee - B2RF	1	Acre	\$40.69	\$40.69	\$20,345.00
Fertilizer					
24-6-2	0.208	Ton	\$375.18	\$78.04	\$39,018.72
Herbicide					
Glyphosate (gal.)	0.1875	Gallon	\$16.01	\$3.00	\$1,500.94
Cotton PreEmerge Herb-Grass	0.625	Pint	\$11.00	\$6.88	\$3,437.50
Cotton PreEmerge Herb-BrodLf	1	Pint	\$3.38	\$3.38	\$1,690.00
Roundup	1.5	Pint	\$3.66	\$5.49	\$2,745.00
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Glyphosate (gal.)	0.1875	Gallon	\$16.01	\$3.00	\$1,500.94
2, 4D Amine	1	Pint	\$2.16	\$2.16	\$1,080.00
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Insecticide					
Boll Weevil Program UC	1	Acre	\$20.20	\$20.20	\$10,100.00
Cutworm Control	1	Ounce	\$0.52	\$0.52	\$260.00
Fleahopper Control UC	1.6	Ounce	\$0.95	\$1.52	\$760.00
Worm Control	0.0281	Gallon	\$173.86	\$4.89	\$2,442.73
Stinkbug Control	8	Ounce	\$0.95	\$7.60	\$3,800.00
Other Chemicals					
Surfactant	0.1	Pint	\$1.61	\$0.16	\$80.50
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Mepiquat Chloride UC	6	Ounce	\$0.07	\$0.42	\$210.00
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Mepiquat Chloride UC	6	Ounce	\$0.07	\$0.42	\$210.00
Mepiquat Chloride UC	12	Ounce	\$0.07	\$0.84	\$420.00
Thidazuron	0.05	Pound	\$23.44	\$1.17	\$586.00
Silicone Surfactant UC	0.0125	Gallon	\$35.97	\$0.45	\$224.81
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Silicone Surfactant UC	0.0125	Gallon	\$35.97	\$0.45	\$224.81
Miscellaneous					
Crop Insurance -Cotton UC	1	Acre	\$9.50	\$9.50	\$4,750.00
G&A Overhead	1	Acre	\$10.50	\$10.50	\$5,250.00
Custom					
Cotton Scout	1	Acre	\$7.00	\$7.00	\$3,500.00
Pick and Module	750	Pound	\$0.12	\$90.00	\$45,000.00
Ginning - Picker	750	Pound	\$0.11	\$82.50	\$41,250.00
Other Labor					
Hand Labor	0.46	Hour	\$7.50	\$3.45	\$1,725.00
Machinery Labor					
Tractors/Self-Propelled	0.55	Hour	\$13.75	\$7.56	\$3,781.25
Diesel Fuel					
Tractors/Self-Propelled	4.35	Gallon	\$3.30	\$14.36	\$7,177.50
Repairs & Maintenance					
Tractors/Self-Propelled	1	Acre	\$2.70	\$2.70	\$1,347.85
Implements	1	Acre	\$1.99	\$1.99	\$996.44
Interest on Credit Line			5.00%	\$10.04	\$5,018.30
Total Variable Costs				\$454.85	\$227,425.29
Planned Returns Above Variable Costs:				\$206.65	\$103,324.71
Breakeven Price to Cover Variable Costs			\$0.41	Pound	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Tractors/Self-Propelled	1	Acre	\$10.78	\$10.78	\$5,390.38
Implements	1	Acre	\$4.63	\$4.63	\$2,317.14
Equipment Investment					
Tractors/Self-Propelled	\$139.74	Dollars	7.00%	\$9.78	\$4,891.03
Implements	\$71.92	Dollars	7.00%	\$5.03	\$2,517.25
Management Fee, Ownwer/Operator Labor	1	Acre	\$33.08	\$33.08	\$16,537.50
UCB - Land Charge	1	Acre	\$75.00	\$75.00	\$37,500.00
Total Fixed Costs				\$138.31	\$69,153.30
Total Specified Costs				\$593.16	\$296,578.59
Returns Above Specified Costs				\$68.34	\$34,171.41
Breakeven Price to Cover Total Costs			\$0.60	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%	562.50	\$0.55	\$0.55	\$0.80	\$0.80	\$0.00
90%	675.00	\$0.46	\$0.46	\$0.67	\$0.67	\$0.00
100%	750.00	\$0.41	\$0.41	\$0.60	\$0.60	\$0.00
110%	825.00	\$0.38	\$0.38	\$0.54	\$0.54	\$0.00
125%	937.50	\$0.33	\$0.33	\$0.48	\$0.48	\$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.