

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Cotton, Dryland (Roundup Ready Flex) - 160 Acres
Panhandle Extension District - 1

Crop Acres		160				Enterprise
REVENUE	Quantity	Units	\$/Unit	Total	Total	Total
Cotton Lint	400.00	Pound	\$0.73	\$292.00	\$46,720.00	
Cottonseed	0.30	Ton	\$260.00	\$78.00	\$12,480.00	
Total Revenue				\$370.00	\$59,200.00	
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Production Costs						
Seed						
Seed - Cotton Dryland	0.18	Bag	\$350.20	\$63.04	\$10,085.76	
Fertilizer						
Fertilizer (P) - Dry	20	Pound	\$0.52	\$10.40	\$1,664.00	
Fertilizer (N) - Dry	30	Pound	\$0.47	\$14.10	\$2,256.00	
Herbicide						
Herbicide and Apply Preplant	1	Acre	\$14.52	\$14.52	\$2,322.62	
Herbicide and Apply Postemerge D	1	Acre	\$14.35	\$14.35	\$2,296.28	
Insecticide						
Insecticide and Apply Cotton	0.5	Acre	\$9.85	\$4.93	\$788.27	
Boll Weevil Assessment Dryland	1	Acre	\$0.75	\$0.75	\$120.00	
Other Chemicals						
Harvest Aid Apply Cotton Dryland	0.5	Acre	\$25.98	\$12.99	\$2,078.00	
Miscellaneous						
Crop Insurance Cotton - Dryland	1	Acre	\$22.46	\$22.46	\$3,594.24	
Custom						
Fertilizer Application	1	Acre	\$5.50	\$5.50	\$880.00	
Strip and Module - Cotton	4	CWT	\$9.00	\$36.00	\$5,760.00	
Ginning - Cotton	18	CWT	\$2.70	\$48.60	\$7,776.00	
Machinery Labor						
Tractors/Self-Propelled	1.31	Hour	\$11.75	\$15.39	\$2,462.80	
Diesel Fuel						
Tractors/Self-Propelled	3.05	Gallon	\$3.28	\$10.00	\$1,600.64	
Gasoline						
Pickup/General Use Equipment	1	Acre	\$6.60	\$6.60	\$1,056.25	
Repairs & Maintenance						
Pickup/General Use Equipment	1	Acre	\$2.49	\$2.49	\$397.80	
Tractors/Self-Propelled	1	Acre	\$11.37	\$11.37	\$1,818.85	
Implements	1	Acre	\$20.18	\$20.18	\$3,229.43	
Interest on Credit Line			4.75%	\$5.77	\$923.58	
Total Variable Costs				\$319.44	\$51,110.52	
Planned Returns Above Variable Costs:				\$50.56	\$8,089.48	
Breakeven Price to Cover Variable Costs			\$0.60	Pound		
FIXED COSTS	Quantity	Units	\$/Unit	Total	Total	Enterprise
Machinery Depreciation						
Pickup/General Use Equipment	1	Acre	\$2.61	\$2.61	\$417.69	
Tractors/Self-Propelled	1	Acre	\$10.80	\$10.80	\$1,727.75	
Implements	1	Acre	\$24.97	\$24.97	\$3,994.56	
Equipment Investment						
Pickup/General Use Equipment	\$31.08	Dollars	5.25%	\$1.63	\$261.06	
Tractors/Self-Propelled	\$121.92	Dollars	5.25%	\$6.40	\$1,024.11	
Implements	\$195.76	Dollars	5.25%	\$10.28	\$1,644.34	
Cash Rent - Cotton Dryland	1	Acre	\$30.00	\$30.00	\$4,800.00	
Total Fixed Costs				\$86.68	\$13,869.50	
Total Specified Costs				\$406.13	\$64,980.03	
Returns Above Specified Costs				(\$36.13)	(\$5,780.03)	
Breakeven Price to Cover Total Costs			\$0.82	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%	300.00	\$0.80	\$0.80	\$1.09	\$1.09	\$0.00
90%	360.00	\$0.67	\$0.67	\$0.91	\$0.91	\$0.00
100%	400.00	\$0.60	\$0.60	\$0.82	\$0.82	\$0.00
110%	440.00	\$0.55	\$0.55	\$0.75	\$0.75	\$0.00
125%	500.00	\$0.48	\$0.48	\$0.66	\$0.66	\$0.00

Developed by Steve Amosson, Regents Fellow, Professor and Extension Economist, Texas A&M AgriLife Extension.

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.