

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Dryland Cotton (2X1 Planting Pattern) - 640 Acres
Rolling Plains Extension District - 3

Crop Acres		640				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Cotton Lint		240.00	Pound	\$0.72	\$172.80	\$110,592.00
Cottonseed		0.20	Ton	\$290.00	\$57.42	\$36,748.80
Total Revenue					\$230.22	\$147,340.80
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Cotton Seed		5	Pound	\$6.00	\$30.00	\$19,200.00
Fertilizer						
Fertilizer (N)		57	Pound	\$0.48	\$27.36	\$17,510.40
Herbicide						
Roundup		1	Pint	\$3.90	\$3.90	\$2,496.00
Roundup		1	Pint	\$3.90	\$3.90	\$2,496.00
Insecticide						
Insecticide - Cotton		5	Fluid Ounce	\$1.19	\$5.95	\$3,808.00
Bollweevil Eradication		1	Acre	\$2.50	\$2.50	\$1,600.00
Miscellaneous						
Insurance - Dryland Cotton		1	Acre	\$15.00	\$15.00	\$9,600.00
Custom						
Insecticide Application		1	Acre	\$5.00	\$5.00	\$3,200.00
Gin, Bag, Ties		240	Pound	\$0.12	\$28.80	\$18,432.00
Custom Stripping		240	Pound	\$0.09	\$21.60	\$13,824.00
Machinery Labor						
Tractors/Self-Propelled		2.43	Hour	\$10.00	\$24.30	\$15,552.00
Diesel Fuel						
Tractors/Self-Propelled		7.39	Gallon	\$3.24	\$23.94	\$15,323.90
Gasoline						
Pickup/General Use Equipment		1	Acre	\$1.05	\$1.05	\$675.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.28	\$0.28	\$181.13
Tractors/Self-Propelled		1	Acre	\$9.52	\$9.52	\$6,094.08
Implements		1	Acre	\$5.47	\$5.47	\$3,497.96
Interest on Credit Line				6.25%	\$4.54	\$2,904.55
Total Variable Costs					\$213.12	\$136,395.01
Planned Returns Above Variable Costs:					\$17.10	\$10,945.79
Breakeven Price to Cover Variable Costs					\$0.65	Pound
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$0.39	\$0.39	\$251.46
Tractors/Self-Propelled		1	Acre	\$9.20	\$9.20	\$5,890.94
Implements		1	Acre	\$6.64	\$6.64	\$4,248.41
Equipment Investment						
Pickup/General Use Equipment		\$4.72	Dollars	5.85%	\$0.28	\$176.60
Tractors/Self-Propelled		\$158.70	Dollars	5.85%	\$9.28	\$5,941.73
Implements		\$51.63	Dollars	5.85%	\$3.02	\$1,933.02
Cash Rent - Dryland Cotton		1	Acre	\$32.00	\$32.00	\$20,480.00
Total Fixed Costs					\$60.82	\$38,922.16
Total Specified Costs					\$273.93	\$175,317.17
Returns Above Specified Costs					(\$43.71)	(\$27,976.37)
Breakeven Price to Cover Total Costs					\$0.90	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%	180.00	\$0.86	\$0.86	\$1.20	\$1.20	\$0.00
90%	216.00	\$0.72	\$0.72	\$1.00	\$1.00	\$0.00
100%	240.00	\$0.65	\$0.65	\$0.90	\$0.90	\$0.00
110%	264.00	\$0.59	\$0.59	\$0.82	\$0.82	\$0.00
125%	300.00	\$0.52	\$0.52	\$0.72	\$0.72	\$0.00

Developed by Stan Bevers, 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.