

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Dryland Cotton, Stacked Gene, Follow Wheat - 2700 Acres
West Central Extension District - 7

Crop Acres		2700				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Cotton Lint		350.00	Pound	\$0.71	\$248.50	\$670,950.00
Cotton Seed		0.25	Ton	\$275.00	\$68.75	\$185,625.00
Total Revenue					\$317.25	\$856,575.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Seed Cotton		25	Thousand	\$1.40	\$35.00	\$94,500.00
Fertilizer						
Phosphate		19	Pounds	\$0.55	\$10.51	\$28,363.77
N at Planting		19	Pounds	\$0.62	\$11.78	\$31,806.00
Herbicide						
Glyphosate		32	Ounce	\$0.13	\$4.25	\$11,482.56
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2-4D Amine 4		1.25	Pint	\$2.09	\$2.61	\$7,045.31
Glyphosate		32	Ounce	\$0.13	\$4.25	\$11,482.56
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Insecticide						
Boll Weevil Eradication Program		1	Acre	\$5.00	\$5.00	\$13,500.00
Other Chemicals						
Firestorm		28	Ounce	\$0.21	\$5.91	\$15,951.60
Miscellaneous						
Crop Insurance Cotton Dry		1	Acre	\$17.17	\$17.17	\$46,359.00
Custom						
Custom Strip		350	Pounds	\$0.09	\$31.50	\$85,050.00
Gin and Haul		12.5	CWT	\$2.50	\$31.25	\$84,375.00
Custom Bag/Tie		0.7	Bales	\$12.00	\$8.40	\$22,680.00
Machinery Labor						
Tractors/Self-Propelled		0.48	Hour	\$12.00	\$5.76	\$15,552.00
Diesel Fuel						
Tractors/Self-Propelled		2.27	Gallon	\$3.20	\$7.26	\$19,612.80
Gasoline						
Pickup/General Use Equipment		1	Acre	\$2.19	\$2.19	\$5,920.64
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.78	\$0.78	\$2,117.00
Tractors/Self-Propelled		1	Acre	\$1.86	\$1.86	\$5,014.00
Implements		1	Acre	\$1.18	\$1.18	\$3,177.41
Interest on Credit Line				3.75%	\$2.40	\$6,483.41
Total Variable Costs					\$201.82	\$544,920.74
Planned Returns Above Variable Costs:					\$115.43	\$311,654.26
Breakeven Price to Cover Variable Costs				\$0.58	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$1.66	\$1.66	\$4,489.20
Tractors/Self-Propelled		1	Acre	\$8.32	\$8.32	\$22,470.14
Implements		1	Acre	\$1.48	\$1.48	\$3,985.46
Equipment Investment						
Pickup/General Use Equipment	\$16.76		Dollars	3.75%	\$0.63	\$1,696.50
Tractors/Self-Propelled	\$110.05		Dollars	3.75%	\$4.13	\$11,142.22
Implements	\$31.71		Dollars	3.75%	\$1.19	\$3,210.66
Rent-Dryland Crop		1	Acre	\$35.00	\$35.00	\$94,500.00
Total Fixed Costs					\$52.41	\$141,494.19
Total Specified Costs					\$254.23	\$686,414.93
Returns Above Specified Costs					\$63.02	\$170,160.07
Breakeven Price to Cover Total Costs				\$0.73	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%	262.50	\$0.77	\$0.77	\$0.97	\$0.97	\$0.00
90%	315.00	\$0.64	\$0.64	\$0.81	\$0.81	\$0.00
100%	350.00	\$0.58	\$0.58	\$0.73	\$0.73	\$0.00
110%	385.00	\$0.52	\$0.52	\$0.66	\$0.66	\$0.00
125%	437.50	\$0.46	\$0.46	\$0.58	\$0.58	\$0.00

Developed by Bill Thompson, 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.