

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Dryland Cotton - 100 Acres
Southwest Extension District - 10

Crop Acres		100				Enterprise
		Quantity	Units	\$/Unit	Total	Total
REVENUE						
Cotton Lint		400.00	Pound	\$0.75	\$300.00	\$30,000.00
Cottonseed		680.00	Pound	\$0.14	\$93.84	\$9,384.00
Total Revenue					\$393.84	\$39,384.00
VARIABLE COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
	Cotton Seed BIIRRF	35	Thousand	\$1.60	\$56.00	\$5,600.00
Fertilizer						
	UAN(32% N)	1.26	CWT	\$17.00	\$21.42	\$2,142.00
	Fertilizer 18-46-0	54	Pound	\$0.25	\$13.50	\$1,350.00
Herbicide						
	Glyphosate	1.4	Pint	\$2.25	\$3.15	\$315.00
	Prowl H2O	2	Pint	\$4.63	\$9.26	\$926.00
Insecticide						
	Karate Z	1	Ounce	\$0.78	\$0.78	\$78.00
Other Chemicals						
	Gramoxone SL	24	Ounce	\$0.27	\$6.48	\$648.00
	Aim	0.75	Ounce	\$7.06	\$5.30	\$529.50
	Crop Oil Concentrate	0.25	Pint	\$2.50	\$0.63	\$62.50
Miscellaneous						
	Boll Weevil Eradication Program	1	Acre	\$17.50	\$17.50	\$1,750.00
Custom						
	Custom Apply Fertilizer	1	Acre	\$4.00	\$4.00	\$400.00
	Gin, Bag, Tie (Dryland)	1	Acre	\$12.73	\$12.73	\$1,273.00
Machinery Labor						
	Tractors/Self-Propelled	1.6	Hour	\$12.00	\$19.20	\$1,920.00
Diesel Fuel						
	Tractors/Self-Propelled	9.7	Gallon	\$2.85	\$27.65	\$2,764.50
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$32.93	\$32.93	\$3,292.80
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$6.72	\$6.72	\$672.00
	Tractors/Self-Propelled	1	Acre	\$6.34	\$6.34	\$634.30
	Implements	1	Acre	\$5.07	\$5.07	\$507.07
	Interest on Credit Line			6.50%	\$4.19	\$419.26
Total Variable Costs					\$252.84	\$25,283.93
Planned Returns Above Variable Costs:					\$141.00	\$14,100.07
Breakeven Price to Cover Variable Costs				\$0.40	Pound	
FIXED COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$25.20	\$25.20	\$2,520.00
	Tractors/Self-Propelled	1	Acre	\$18.93	\$18.93	\$1,893.50
	Implements	1	Acre	\$5.77	\$5.77	\$576.80
Equipment Investment						
	Pickup/General Use Equipment	\$168.00	Dollars	6.50%	\$10.92	\$1,092.00
	Tractors/Self-Propelled	\$246.05	Dollars	6.50%	\$15.99	\$1,599.34
	Implements	\$87.26	Dollars	6.50%	\$5.67	\$567.18
	Dryland Winter Garden Rent	1	Acre	\$20.00	\$20.00	\$2,000.00
Total Fixed Costs					\$102.49	\$10,248.82
Total Specified Costs					\$355.33	\$35,532.75
Returns Above Specified Costs					\$38.51	\$3,851.25
Breakeven Price to Cover Total Costs				\$0.65	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%	300.00	\$0.53	\$0.53	\$0.87	\$0.87	\$0.00
90%	360.00	\$0.44	\$0.44	\$0.73	\$0.73	\$0.00
100%	400.00	\$0.40	\$0.40	\$0.65	\$0.65	\$0.00
110%	440.00	\$0.36	\$0.36	\$0.59	\$0.59	\$0.00
125%	500.00	\$0.32	\$0.32	\$0.52	\$0.52	\$0.00

Developed by Rob Hogan, Associate 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.