

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Cotton, Conventional Tillage, Dryland, Rio Grande Valley - 100 Acres
South Extension District - 12

Crop Acres		100						
REVENUE				Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		600.00	Pound	\$0.69			\$414.00	\$41,400.00
Cottonseed		0.49	Ton	\$220.00			\$108.24	\$10,824.00
Total Revenue							\$522.24	\$52,224.00
VARIABLE COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs								
Seed								
	Cotton Seed	10	Pound	\$1.95			\$19.50	\$1,950.00
Fertilizer								
	UAN (32% N)	1.5	CWT	\$25.27			\$37.91	\$3,790.50
Herbicide								
	Treflan EC	2	Pint	\$3.27			\$6.54	\$654.00
Insecticide								
	Vydate C-LV	8.5	Ounce	\$0.83			\$7.06	\$705.50
	Oberon 4SC	1	Ounce	\$1.90			\$1.90	\$190.00
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Other Chemicals								
	Dropp SC	0.2	Pound	\$37.44			\$7.49	\$748.80
	Surfactant	1	Pint	\$3.29			\$3.29	\$329.00
Custom								
	Insect Scouting	1	Acre	\$8.00			\$8.00	\$800.00
	Apply by Air - 3 Gallons	1	Application	\$6.25			\$6.25	\$625.00
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	Custom Haul Cotton	600	Pound	\$0.15			\$90.00	\$9,000.00
	Gin	600	Pound	\$0.12			\$72.00	\$7,200.00
Other Labor								
	Unallocated Labor	1.2432	Hour	\$9.00			\$11.19	\$1,118.88
Machinery Labor								
	Tractors/Self-Propelled	1.89	Hour	\$9.00			\$17.01	\$1,701.00
Diesel Fuel								
	Tractors/Self-Propelled	10.28	Gallon	\$3.25			\$33.41	\$3,341.00
Repairs & Maintenance								
	Tractors/Self-Propelled	1	Acre	\$22.35			\$22.35	\$2,234.99
	Implements	1	Acre	\$8.22			\$8.22	\$822.20
Interest on Credit Line								
				9.00%			\$6.97	\$696.64
Total Variable Costs							\$367.23	\$36,722.51
Planned Returns Above Variable Costs:							\$155.01	\$15,501.49
Breakeven Price to Cover Variable Costs				\$0.43	Pound			
FIXED COSTS				Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation								
	Tractors/Self-Propelled	1	Acre	\$30.02			\$30.02	\$3,001.72
	Implements	1	Acre	\$13.23			\$13.23	\$1,322.86
Equipment Investment								
	Tractors/Self-Propelled	\$350.27	Dollars	9.00%			\$31.52	\$3,152.44
	Implements	\$141.07	Dollars	9.00%			\$12.70	\$1,269.67
Total Fixed Costs							\$87.47	\$8,746.70
Total Specified Costs							\$454.69	\$45,469.20
Returns Above Specified Costs							\$67.55	\$6,754.80
Breakeven Price to Cover Total Costs				\$0.58	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%	450.00	\$0.58	\$0.85	\$0.77	\$1.11	-\$0.23
90%	540.00	\$0.48	\$0.71	\$0.64	\$0.92	-\$0.28
100%	600.00	\$0.43	\$0.64	\$0.58	\$0.83	-\$0.31
110%	660.00	\$0.39	\$0.58	\$0.52	\$0.75	-\$0.34
125%	750.00	\$0.35	\$0.51	\$0.46	\$0.66	-\$0.39

Developed by Luis Ribera, 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.