

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Stacked Cotton - 500 Acres
Central Texas Extension District - 8

Crop Acres		500				Enterprise
REVENUE		Quantity	Units	\$/Unit	Total	Total
Cotton Lint		500.00	Pound	\$0.73	\$365.00	\$182,500.00
Cottonseed		0.33	Ton	\$260.00	\$85.80	\$42,900.00
Total Revenue					\$450.80	\$225,400.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
	Stacked Cotton Seed	1	Acre	\$30.00	\$30.00	\$15,000.00
	Herbicide Tech Fee	1	Acre	\$26.00	\$26.00	\$13,000.00
	bt Tech Fee	1	Acre	\$13.00	\$13.00	\$6,500.00
Fertilizer						
	Fertilizer - N, P, K	1	Acre	\$50.00	\$50.00	\$25,000.00
Herbicide						
	Yellow Herbicide	1	Acre	\$7.00	\$7.00	\$3,500.00
	Planting Burndown	22	Ounce	\$0.24	\$5.28	\$2,640.00
	Herbicide 1st Application	22	Ounce	\$0.24	\$5.28	\$2,640.00
	Herbicide 2nd Application	22	Ounce	\$0.24	\$5.28	\$2,640.00
Insecticide						
	Planting Insecticide	1	Acre	\$12.50	\$12.50	\$6,250.00
	Insecticide 1st Application	1	Acre	\$4.00	\$4.00	\$2,000.00
	Insecticide 2nd Application	1	Acre	\$4.00	\$4.00	\$2,000.00
	Boll Weevil Eradication	1	Acre	\$13.25	\$13.25	\$6,625.00
Other Chemicals						
	Defoliant	1	Acre	\$12.00	\$12.00	\$6,000.00
	Dessicant	1	Acre	\$7.31	\$7.31	\$3,655.00
Miscellaneous						
	Insurance - Cotton	1	Acre	\$15.00	\$15.00	\$7,500.00
Custom						
	Stripping	500	Pound	\$0.10	\$50.00	\$25,000.00
	Ginning	500	Pound	\$0.12	\$60.00	\$30,000.00
Machinery Labor						
	Tractors/Self-Propelled	0.96	Hour	\$10.00	\$9.60	\$4,800.00
Diesel Fuel						
	Tractors/Self-Propelled	7.69	Gallon	\$2.65	\$20.38	\$10,189.25
Gasoline						
	Pickup/General Use Equipment	1	Acre	\$4.10	\$4.10	\$2,047.50
Repairs & Maintenance						
	Pickup/General Use Equipment	1	Acre	\$0.67	\$0.67	\$336.00
	Tractors/Self-Propelled	1	Acre	\$5.79	\$5.79	\$2,894.93
	Implements	1	Acre	\$5.90	\$5.90	\$2,947.93
	Interest on Credit Line			4.75%	\$4.91	\$2,456.45
Total Variable Costs					\$371.24	\$185,622.06
Planned Returns Above Variable Costs:					\$79.56	\$39,777.94
Breakeven Price to Cover Variable Costs				\$0.57	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
	Pickup/General Use Equipment	1	Acre	\$0.70	\$0.70	\$348.60
	Tractors/Self-Propelled	1	Acre	\$7.72	\$7.72	\$3,859.91
	Implements	1	Acre	\$9.01	\$9.01	\$4,504.09
Equipment Investment						
	Pickup/General Use Equipment	\$8.40	Dollars	6.00%	\$0.50	\$252.00
	Tractors/Self-Propelled	\$135.10	Dollars	6.00%	\$8.11	\$4,052.91
	Implements	\$81.80	Dollars	6.00%	\$4.91	\$2,454.00
	Cotton Land Rent	1	Acre	\$50.00	\$50.00	\$25,000.00
Total Fixed Costs					\$80.94	\$40,471.51
Total Specified Costs					\$452.19	\$226,093.57
Returns Above Specified Costs					(\$1.39)	(\$693.57)
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	Share Tenant	Own/Rent	Share Tenant	Landlord
75%	375.00	\$0.76	\$0.76	\$0.98	\$0.98	\$0.00
90%	450.00	\$0.63	\$0.63	\$0.81	\$0.81	\$0.00
100%	500.00	\$0.57	\$0.57	\$0.73	\$0.73	\$0.00
110%	550.00	\$0.52	\$0.52	\$0.67	\$0.67	\$0.00
125%	625.00	\$0.46	\$0.46	\$0.59	\$0.59	\$0.00

Developed by Jason Johnson, 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.