

Projections for Planning Purposes Only -- Not to be Used without Updating
2014 Estimated Costs and Returns per Acre
Cotton, Dryland, Herbicide Tolerant, Insect Resistant - 160 Acres
South Plains Extension District - 2

Crop Acres		160				
REVENUE		Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		350.00	Pound	\$0.70	\$245.00	\$39,200.00
Cottonseed		0.25	Ton	\$250.00	\$63.00	\$10,080.00
Total Revenue					\$308.00	\$49,280.00
VARIABLE COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Seed						
Seed - Cotton Dryland		39	Thousand	\$1.20	\$46.80	\$7,488.00
Fertilizer						
Fertilizer (P)		20	Pound	\$0.60	\$12.00	\$1,920.00
Fertilizer (N)		30	Pound	\$0.55	\$16.50	\$2,640.00
Herbicide						
Herbicide and Apply Preplant		1	Acre	\$20.00	\$20.00	\$3,200.00
Herbicide and Apply Postemerge		1	Acre	\$20.00	\$20.00	\$3,200.00
Insecticide						
Insecticide and Apply Cotton		0.5	Acre	\$12.00	\$6.00	\$960.00
Boll Weevil Assessment Dryland		1	Acre	\$1.00	\$1.00	\$160.00
Other Chemicals						
Harvest Aid Apply Cotton Dryland		0.5	Acre	\$20.00	\$10.00	\$1,600.00
Miscellaneous						
Crop Insurance Cotton - Dryland		1	Acre	\$20.00	\$20.00	\$3,200.00
Custom						
Fertilizer Application		1	Acre	\$10.00	\$10.00	\$1,600.00
Strip and Module - Cotton		350	Pound	\$0.08	\$28.00	\$4,480.00
Ginning - Cotton		13.46	CWT	\$3.10	\$41.73	\$6,676.16
Machinery Labor						
Tractors/Self-Propelled		1	Hour	\$11.75	\$11.75	\$1,880.00
Diesel Fuel						
Tractors/Self-Propelled		2.75	Gallon	\$3.20	\$8.80	\$1,408.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$1.75	\$1.75	\$280.00
Tractors/Self-Propelled		1	Acre	\$6.00	\$6.00	\$960.00
Implements		1	Acre	\$3.00	\$3.00	\$480.00
Interest on Credit Line				6.00%	\$6.10	\$976.66
Total Variable Costs					\$269.43	\$43,108.82
Planned Returns Above Variable Costs:					\$38.57	\$6,171.18
Breakeven Price to Cover Variable Costs				\$0.59	Pound	
FIXED COSTS		Quantity	Units	\$/Unit	Total	Enterprise Total
Equipment Investment						
Pickup/General Use Equipment		\$35.69	Dollars	7.00%	\$2.50	\$399.70
Tractors/Self-Propelled		\$171.43	Dollars	7.00%	\$12.00	\$1,920.00
Implements		\$142.86	Dollars	7.00%	\$10.00	\$1,600.00
Cash Rent - Cotton Dryland		1	Acre	\$30.00	\$30.00	\$4,800.00
Total Fixed Costs					\$54.50	\$8,719.70
Total Specified Costs					\$323.93	\$51,828.52
Returns Above Specified Costs					(\$15.93)	(\$2,548.52)
Breakeven Price to Cover Total Costs				\$0.75	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	\$0.79	\$0.79	\$0.99	\$0.99	\$0.00
90%	315.00	\$0.66	\$0.66	\$0.83	\$0.83	\$0.00
100%	350.00	\$0.59	\$0.59	\$0.75	\$0.75	\$0.00
110%	385.00	\$0.54	\$0.54	\$0.68	\$0.68	\$0.00
125%	437.50	\$0.47	\$0.47	\$0.60	\$0.60	\$0.00

Developed by Jackie Smith, 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.