

Projections for Planning Purposes Only -- Not to be Used without Updating
2015 Estimated Costs and Returns per Acre
Cotton, Dryland (Roundup Ready Flex) - 160 Acres
Panhandle Extension District - 1

Crop Acres		160				
		Quantity	Units	\$/Unit	Total	Enterprise Total
REVENUE						
Cotton Lint		400.00	Pound	\$0.58	\$232.00	\$37,120.00
Cottonseed		0.30	Ton	\$160.00	\$48.00	\$7,680.00
Total Revenue					\$280.00	\$44,800.00
VARIABLE COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs						
Custom						
Fertilizer Application		1	Acre	\$5.50	\$5.50	\$880.00
Strip and Module - Cotton		4	CWT	\$9.00	\$36.00	\$5,760.00
Ginning - Cotton		18	CWT	\$2.70	\$48.60	\$7,776.00
Fertilizer						
Fertilizer (P) - Dry		20	Pound	\$0.60	\$12.00	\$1,920.00
Fertilizer (N) - Dry		30	Pound	\$0.49	\$14.70	\$2,352.00
Herbicide						
Herbicide and Apply Preplant		1	Acre	\$14.80	\$14.80	\$2,368.00
Herbicide and Apply Postemerge Dry		1	Acre	\$14.60	\$14.60	\$2,336.00
Insecticide						
Insecticide and Apply Cotton		0.5	Acre	\$10.00	\$5.00	\$800.00
Boll Weevil Assessment Dryland		1	Acre	\$0.75	\$0.75	\$120.00
Seed						
Seed - Cotton Dryland		0.18	Bag	\$360.00	\$64.80	\$10,368.00
Miscellaneous						
Crop Insurance Cotton - Dryland		1	Acre	\$22.46	\$22.46	\$3,594.24
Other Chemicals						
Harvest Aid Apply Cotton Dryland		0.5	Acre	\$26.50	\$13.25	\$2,120.00
Machinery Labor						
Tractors/Self-Propelled		1.2	Hour	\$11.75	\$14.10	\$2,256.00
Diesel Fuel						
Tractors/Self-Propelled		2.97	Gallon	\$3.30	\$9.80	\$1,568.16
Gasoline						
Pickup/General Use Equipment		1	Acre	\$6.07	\$6.07	\$971.75
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$2.49	\$2.49	\$397.80
Tractors/Self-Propelled		1	Acre	\$3.98	\$3.98	\$637.42
Implements		1	Acre	\$11.54	\$11.54	\$1,846.47
Interest on Credit Line				4.90%	\$5.69	\$910.00
Total Variable Costs					\$306.14	\$48,981.83
Planned Returns Above Variable Costs:					(\$26.14)	(\$4,181.83)
Breakeven Price to Cover Variable Costs					\$0.65	Pound
FIXED COSTS						
		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$2.61	\$2.61	\$417.69
Tractors/Self-Propelled		1	Acre	\$3.82	\$3.82	\$610.53
Implements		1	Acre	\$14.41	\$14.41	\$2,305.78
Equipment Investment						
Pickup/General Use Equipment	\$31.08		Dollars	5.40%	\$1.68	\$268.52
Tractors/Self-Propelled	\$43.08		Dollars	5.40%	\$2.33	\$372.23
Implements	\$112.99		Dollars	5.40%	\$6.10	\$976.27
Cash Rent - Cotton Dryland		1	Acre	\$28.50	\$28.50	\$4,560.00
Total Fixed Costs					\$59.44	\$9,511.01
Total Specified Costs					\$365.58	\$58,492.84
Returns Above Specified Costs					(\$85.58)	(\$13,692.84)
Breakeven Price to Cover Total Costs					\$0.79	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%	300.00	\$0.86	\$0.86	\$1.06	\$1.06	\$0.00
90%	360.00	\$0.72	\$0.72	\$0.88	\$0.88	\$0.00
100%	400.00	\$0.65	\$0.65	\$0.79	\$0.79	\$0.00
110%	440.00	\$0.59	\$0.59	\$0.72	\$0.72	\$0.00
125%	500.00	\$0.52	\$0.52	\$0.64	\$0.64	\$0.00

Developed by Steve Amosson, Regents Fellow, 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.