

**Projections for Planning Purposes Only -- Not to be Used without Updating**  
**2015 Estimated Costs and Returns per Acre**  
**Dryland Cotton (2X1 Planting Pattern) - 640 Acres**  
**Rolling Plains Extension District - 3**

Crop Acres		640				
<b>REVENUE</b>		Quantity	Units	\$/Unit	Total	Enterprise Total
Cotton Lint		320.00	Pound	\$0.55	\$176.00	\$112,640.00
Cottonseed		0.26	Ton	\$160.00	\$42.24	\$27,033.60
<b>Total Revenue</b>					<b>\$218.24</b>	<b>\$139,673.60</b>
<b>VARIABLE COSTS</b>		Quantity	Units	\$/Unit	Total	Enterprise Total
<b>Production Costs</b>						
Custom						
Insecticide Application		1	Acre	\$5.50	\$5.50	\$3,520.00
Gin, Bag, Ties		240	Pound	\$0.12	\$28.80	\$18,432.00
Custom Stripping		240	Pound	\$0.10	\$24.00	\$15,360.00
Fertilizer						
Fertilizer (N)		57	Pound	\$0.60	\$34.20	\$21,888.00
Herbicide						
Roundup		2	Pint	\$5.50	\$11.00	\$7,040.00
Insecticide						
Insecticide - Cotton		5	Fluid Ounce	\$1.19	\$5.95	\$3,808.00
Bollweevil Eradication		1	Acre	\$2.50	\$2.50	\$1,600.00
Seed						
Cotton Seed		5	Pound	\$6.50	\$32.50	\$20,800.00
Miscellaneous						
Insurance - Dryland Cotton		1	Acre	\$15.00	\$15.00	\$9,600.00
Machinery Labor						
Tractors/Self-Propelled		2.4	Hour	\$10.00	\$24.00	\$15,360.00
Diesel Fuel						
Tractors/Self-Propelled		7.43	Gallon	\$2.59	\$19.24	\$12,315.97
Gasoline						
Pickup/General Use Equipment		1	Acre	\$1.05	\$1.05	\$675.00
Repairs & Maintenance						
Pickup/General Use Equipment		1	Acre	\$0.28	\$0.28	\$181.13
Tractors/Self-Propelled		1	Acre	\$11.59	\$11.59	\$7,419.77
Implements		1	Acre	\$17.21	\$17.21	\$11,014.73
Interest on Credit Line				6.25%	\$5.33	\$3,408.01
<b>Total Variable Costs</b>					<b>\$238.16</b>	<b>\$152,422.60</b>
Planned Returns Above Variable Costs:					<b>(\$19.92)</b>	<b>(\$12,749.00)</b>
Breakeven Price to Cover Variable Costs				\$0.61	Pound	
<b>FIXED COSTS</b>		Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation						
Pickup/General Use Equipment		1	Acre	\$0.39	\$0.39	\$251.46
Tractors/Self-Propelled		1	Acre	\$11.98	\$11.98	\$7,667.10
Implements		1	Acre	\$21.25	\$21.25	\$13,601.87
Equipment Investment						
Pickup/General Use Equipment		\$4.72	Dollars	5.50%	\$0.26	\$166.03
Tractors/Self-Propelled		\$135.26	Dollars	5.50%	\$7.44	\$4,761.02
Implements		\$165.30	Dollars	5.50%	\$9.09	\$5,818.58
Cash Rent - Dryland Cotton		1	Acre	\$32.00	\$32.00	\$20,480.00
<b>Total Fixed Costs</b>					<b>\$82.42</b>	<b>\$52,746.06</b>
<b>Total Specified Costs</b>					<b>\$320.58</b>	<b>\$205,168.66</b>
Returns Above Specified Costs					<b>(\$102.34)</b>	<b>(\$65,495.06)</b>
Breakeven Price to Cover Total Costs				\$0.87	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%	240.00	\$0.82	\$0.82	\$1.16	\$1.16	\$0.00
90%	288.00	\$0.68	\$0.68	\$0.97	\$0.97	\$0.00
100%	320.00	\$0.61	\$0.61	\$0.87	\$0.87	\$0.00
110%	352.00	\$0.56	\$0.56	\$0.79	\$0.79	\$0.00
125%	400.00	\$0.49	\$0.49	\$0.70	\$0.70	\$0.00

Developed by Stan Bevers, Professor and Extension Economist, Texas A&M AgriLife Extension Service.

**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.**